中国泰凌医药集团
CHINA NT PHARMA GROUP

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01011)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

HIGHLIGHTS

The overall revenue from continuing operations of the Group for the year ended 31 December 2019 was approximately RMB366.0 million, as compared with approximately RMB571.5 million for the previous year.

The Group recorded a gross profit of approximately RMB260.9 million (2018: approximately RMB422.0 million), and a gross profit margin of 71.3% (2018: 73.8%) for the year ended 31 December 2019. The loss before interest and tax ("**LBIT**") of underlying operations of the Group was approximately RMB479.1 million (LBIT of 2018: approximately RMB480.9 million).

After including all the exceptional items, adjusted LBIT of the Group was approximately RMB479.1 million for the year ended 31 December 2019, as compared to adjusted LBIT of approximately RMB842.8 million in the same period last year.

Basic loss per share was RMB33.31 cents for the year ended 31 December 2019, as compared to basic loss per share of RMB61.16 cents for the year ended 31 December 2018.

ANNUAL RESULTS

Reference is made to the announcement of China NT Pharma Group Company Limited (the "**Company**" or "**NT Pharma**", together with its subsidiaries, the "**Group**") dated 27 March 2020 in relation to the unaudited financial results of the Group for the year ended 31 December 2019 (the "**2019 Results Announcement**") and the supplemental announcement dated 14 April 2020 in relation to the audited results. The Company's auditor, Crowe (HK) CPA Limited, has completed its audit of the consolidated financial statements of the Company for the year ended 31 December 2019 and the audited results are consistent with the unaudited results contained in the 2019 Results Announcement.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2019, together with the comparative figures for the previous year, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") as below.

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	Note	**2019** ***RMB'000***	2018 *RMB'000*
Continuing operations			
Revenue	*3*	**365,969**	571,521
Cost of sales		**(105,086)**	(149,519)
Gross profit		**260,883**	422,002
Other revenue	*4*	**6,629**	5,840
Other net loss	*5(c)*	**(4,275)**	(4,647)
Share of loss of an associate		**(27)**	(1,974)
Impairment loss of an intangible asset		**(287,107)**	(77,682)
Impairment loss of property, plant and equipment		**(10,980)**	–
Impairment loss of trade receivables, net		**(134,337)**	(162,618)
(Impairment loss)/reversal of impairment loss of other receivables, net		**(23,187)**	5,519
Fair value change on financial liabilities at fair value through profit or loss		**(29,853)**	(304,907)
Selling and distribution expenses		**(93,023)**	(183,483)
Administrative expenses		**(163,820)**	(178,994)
Finance costs	*5(a)*	**(104,375)**	(81,055)
Loss before taxation	*5*	**(583,472)**	(561,999)
Income tax expense	*6*	**(9,730)**	(39,860)
Loss for the year from continuing operations		**(593,202)**	(601,859)
Loss for the year from discontinued operation		**–**	(361,903)
Loss for the year		**(593,202)**	(963,762)
Attributable to:			
Equity holders of the Company		**(587,590)**	(957,666)
Non-controlling interests		**(5,612)**	(6,096)
Loss for the year		**(593,202)**	(963,762)

	Note	2019 RMB'000	2018 RMB'000
Loss attributable to equity holders of the Company arises from:			
Continuing operations		**(587,590)**	(595,763)
Discontinued operation		**–**	(361,903)
		(587,590)	(957,666)
Loss per share	*7*		
From continuing and discontinued operations			
Basic		**(33.31) cents**	(61.16) cents
Diluted		**(33.31) cents**	(61.16) cents
From continuing operations			
Basic		**(33.31) cents**	(38.05) cents
Diluted		**(33.31) cents**	(38.05) cents

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019	2018
	RMB'000	*RMB'000*
Loss for the year	**(593,202)**	(963,762)
Item that will not be reclassified to profit or loss:		
Fair value change on financial liabilities through other comprehensive income	**–**	24,821
Item that may subsequently be reclassified to profit or loss:		
Exchange differences on translation of financial statements of entities outside the People's Republic of China	**369**	38,397
Total comprehensive loss for the year	**(592,833)**	(900,544)
Attributable to:		
Equity holders of the Company	**(587,221)**	(894,448)
Non-controlling interests	**(5,612)**	(6,096)
	(592,833)	(900,544)
Total comprehensive loss for the year attributable to equity holders of the Company arises from:		
Continuing operations	**(587,221)**	(532,545)
Discontinued operation	**–**	(361,903)
	(587,221)	(894,448)

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
Non-current assets			
Fixed assets			
– Property, plant and equipment		**265,412**	290,240
– Interests in leasehold land held for own use under operating leases		**40,003**	40,994
		305,415	331,234
Intangible assets		**1,148,477**	1,271,169
Goodwill		**–**	–
Interest in an associate, net		**16,891**	16,918
Prepayment for acquisition of intangible asset		**17,576**	17,191
Financial asset at fair value through profit or loss		**571**	559
		1,488,930	1,637,071
Current assets			
Inventories		**34,461**	44,962
Trade and other receivables	*9*	**161,895**	419,336
Time deposits		**44,790**	–
Pledged bank deposits		**40,000**	38,000
Cash and cash equivalents		**28,198**	87,793
		309,344	590,091
Current liabilities			
Contract liabilities		**16,022**	12,871
Trade and other payables	*10*	**183,583**	298,533
Bank and other borrowings	*11*	**957,748**	1,007,000
Financial liabilities at fair value through profit or loss		**445,219**	10,024
Lease liabilities		**1,866**	–
Current taxation		**21,079**	12,557
		1,625,517	1,340,985
Net current liabilities		**(1,316,173)**	(750,894)
Total assets		**1,798,274**	2,227,162

	Note	2019 RMB'000	2018 RMB'000
Total assets less current liabilities		**172,757**	886,177
Non-current liabilities			
Bank and other borrowings	*11*	**64,706**	3,550
Financial liabilities at fair value through profit or loss		**2,842**	391,058
Lease liabilities		**3,286**	–
		70,834	394,608
NET ASSETS		**101,923**	491,569
CAPITAL AND RESERVES			
Share capital		**1**	1
Reserves		**105,257**	489,291
Total equity attributable to equity holders of the Company		**105,258**	489,292
Non-controlling interests		**(3,335)**	2,277
TOTAL EQUITY		**101,923**	491,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. PRINCIPAL ACTIVITIES OF REPORTING ENTITY

The Company was incorporated in the Cayman Islands on 1 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 23 of 1961, as consolidated and revised) of the Cayman Islands. The Group is principally engaged in research and development, manufacturing, sales and distribution of pharmaceutical products and the provision of marketing and promotion services to suppliers in the People's Republic of China ("**PRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), the currency of the primary economic environment in the PRC where the majority of the entities within the Group operate (i.e. the Group's functional currency).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for the following assets and liabilities are stated at their fair value:

– Financial assets at fair value through profit or loss;

– Financial liabilities at fair value through profit or loss; and

– Financial liabilities at fair value through other comprehensive income (non-recycling).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern basis

During the year ended 31 December 2019, the Group incurred a loss attributable to the equity shareholders of RMB587,590,000 for the year ended 31 December 2019 and, as at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB1,316,173,000. The consolidated financial statements have been prepared on the assumption that the Group will be able to operate as a going concern in the foreseeable future, after taking into consideration of (a) unused and available credit facilities of approximately RMB182,791,000; (b) new bank borrowings of approximately RMB45,000,000 subsequently obtained from banks up to the date of approval for the consolidated financial statements; (c) additional new credit facilities and/or financial arrangements which are currently under serious and advanced stage of discussions between the Group and certain financial institutions and potential investor(s); (d) serious discussions with an independent third party for co-operation relating to certain assets of the Group subsequent to the end of the reporting period, as part of the Group's measure improve the Group's liquidity; and (e) a substantial shareholder of the Company, to whom the Company owed approximately RMB381,600,000, that were classified as financial liabilities measured at fair value through profit or loss as included in current liabilities as at 31 December 2019, has agreed to provide adequate funds to the Group to enable it to meet its debts as and when they fall due in the foreseeable future, and will not demand immediate repayment from the Company until the Group will have sufficient working capital to operate as a going concern in the foreseeable future.

Management of the Company has prepared a cash flow forecast of the Group for a period covered not less than twelve months from date of approval for the consolidated financial statements. Based on the cash flow forecast (included the available credit facilities of the Group and the above measures adopted up to date), after having taken into account of the Group's projected cash flows, current financial resources, existing and new credit facilities, the financial support from a substantial shareholder of the Company and the future capital expenditure requirements, management of the Company is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements. Accordingly, the consolidated financial statements for the year ended 31 December 2019 have been prepared on a going concern basis.

(c) Changes in accounting policies

The HKICPA has issued a new HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment and Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17, Leases and the related interpretations HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease of HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

b. *Lessee accounting and transitional impact*

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates used at 1 January 2019.

To ease the transition of HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16 which the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;

The Group presents right-of-use assets in "Property, plant and equipment (except for leasehold land included in "Interests in leasehold land held for own use" as mentioned below) and presents lease liabilities separately in the statement of financial position. So far as the impact of the adoption of HKFRS 16 on interests in leasehold land held for own use previously classified as under operating leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the caption of the balance. These amounts are included within "Interests in leasehold land held for own use".

There is no material impact on the opening balance of the Group's equity as at 1 January 2019 on the initial application of HKFRS 16.

3. REVENUE

The principal activities of the Group are research and development, manufacturing, sales and distribution of pharmaceutical products.

The amount of each significant category of revenue is as follows:

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of proprietary pharmaceutical products	**153,468**	307,666
Revenue from Miacalcic		
– Sales of injectable and nasal products	**196,975**	218,773
– Sub-licensing fee income	**15,526**	45,082
	365,969	571,521

The timing of revenue recognition of all revenue from contracts with customers is at a point in time when a customer obtains control of goods. All of the Group's remaining performance obligations for contracts with customers are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OTHER REVENUE

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
Bank interest income	**1,884**	2,102
Government grants and subsidies *(note below)*	**2,038**	992
Sundry income	**2,707**	2,746
	6,629	5,840

Note:

Government grants and subsidies represented unconditional cash awards granted by government authorities.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

		Continuing operations	
		2019	2018
		RMB'000	*RMB'000*
(a)	**Finance costs:**		
	Interest on bank and other borrowings	**95,458**	70,331
	Interest on convertible bonds	**4,115**	–
	Imputed interest payable to non-controlling shareholders of a subsidiary	**3,088**	10,024
	Interest on lease liabilities	**386**	–
	Bank charges	**1,328**	700
		104,375	81,055

		Continuing operations	
		2019	2018
		RMB'000	*RMB'000*
(b)	**Staff costs**		
	Contributions to defined contribution retirement plans	**19,010**	26,270
	Salaries, wages and other benefits	**75,570**	136,828
	Equity-settled share-based payment expenses	**7,462**	8,260
		102,042	171,358

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement schemes (the "**Schemes**") organised by the relevant local authorities whereby the PRC subsidiaries are required to make contributions to the Schemes at rates which range from 15% to 20% (2018: 15% to 20%) of the eligible employees' salaries during the year. The relevant local government authorities are responsible for the entire pension obligations payable to retired employees.

The Group also operates a Mandatory Provident Fund Scheme (the "**MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% (2018: 5%) of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2018: HK$30,000). Contributions to the MPF scheme vest immediately.

The Group has no other material obligation for payment of pension benefits beyond the annual contributions described above.

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
(c) Other net loss		
Net loss on disposal of property, plant and equipment	**635**	299
Net exchange loss	**1,508**	4,348
Costs on litigation settlement	**2,132**	–
	4,275	4,647

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
(d) Other items		
Cost of inventories	**105,086**	149,519
Depreciation of property, plant and equipment	**22,521**	23,028
Depreciation of right-of-use assets	**939**	–
Amortisation of lease prepayments	**991**	991
Amortisation of an intangible asset	**6,680**	11,628
Impairment loss of an intangible asset	**287,107**	77,682
Impairment loss of property, plant and equipment	**10,980**	–
Impairment loss of trade receivables, net	**134,337**	162,618
Impairment loss/(reversal of impairment loss) of other receivables, net	**23,187**	(5,519)
Net loss on disposal of property, plant and equipment	**635**	299
Auditors' remuneration:		
– audit services	**1,478**	1,658
– under provision in prior year	**–**	16
– non-audit services	**18**	18
Operating lease charges in respect of properties	**9,924**	15,399
Research and development costs	**17,087**	34,188

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
Current tax – PRC Corporate Income Tax		
Provision for the year	**–**	1,540
Under/(over) provision in respect of prior years	**9,730**	(18,565)
	9,730	(17,025)
Deferred tax		
Origination and reversal of temporary differences	**–**	56,885
Income tax expense	**9,730**	39,860

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of RMB587,590,000 (2018: RMB957,666,000) and the weighted average number of 1,764,008,000 ordinary shares (2018: 1,565,810,000) in issue during the year.

	2019	2018
	RMB'000	*RMB'000*
Loss attributable to equity shareholders of the Company	**(587,590)**	(595,763)
Loss from discontinued operation attributable to equity shareholders of the Company	**–**	(361,903)
	(587,590)	(957,666)

Weighted average number of ordinary shares (basic)

	2019	2018
	'000	*'000*
Issued ordinary shares at 1 January	**1,606,463**	1,558,577
Effect of shares repurchased, granted and held under Share Award Scheme	**(24,164)**	(24,037)
Effect of conversion of convertible bonds/convertible preference shares	**181,709**	31,270
At 31 December	**1,764,008**	1,565,810

(b) Diluted loss per share

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options or conversion of outstanding redeemable convertible preference shares and convertible bonds of the Company which had an anti-dilutive effect. Accordingly, diluted loss per share was the same as the basic loss per share for the years ended 31 December 2019 and 2018.

8. SEGMENT REPORTING

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

– Proprietary products production and sales: revenue from production and sales of NT branded products and generic drugs through the Company's subsidiaries, Suzhou First Pharmaceutical Co., Ltd ("**Suzhou First Pharma**") and Jiangsu NT Biopharma Co., Ltd ("**Jiangsu Biopharma**").

– Miacalcic: revenue from selling and marketing Miacalcic branded products for treatment of bone pain caused by osteolysis and lower bone mass, osteoporosis, Paget's disease, hypercalcemia and reflex sympathetic dystrophy syndrome and sub-licensing of intellectual property rights and distribution rights of Miacalcic.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocation resources between segments, the Group's most senior executive management, who are also the executive directors of the Company, monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

– Segment assets include all tangible and intangible assets and other current and non-current assets with the exception of unallocated corporate assets. Segment liabilities include trade and other payables and bank and other borrowings attributable to each reporting segment, with the exception of unallocated corporate liabilities.

– Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represent profit or loss attributable to the segment without allocation of finance costs, certain administrative costs and directors' remuneration. Taxation is not allocated to reportable segments. This is measure reported to the Group's most senior executive management for the purpose of resources allocation and performance assessment.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below.

Continuing operations

	Proprietary products production and sales		Miacalcic		Total	
	2019	2018	**2019**	2018	**2019**	2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenue from external customers	**153,468**	307,666	**212,501**	263,855	**365,969**	571,521
Reportable segment gross profit	**90,257**	198,847	**170,626**	223,155	**260,883**	422,002
Reportable segment results	**(166,696)**	(238,295)	**(260,064)**	(199,329)	**(426,760)**	(437,624)
Adjusted EBITDA *(note (i))*	**17,896**	27,118	**60,041**	105,578	**77,937**	132,696
Other revenue:						
– Government grants and subsidies	**2,038**	992	**–**	–	**2,038**	992
– Sundry income	**2,707**	2,746	**–**	–	**2,707**	2,746
Other net loss:						
– Net loss on disposal of property, plant and equipment	**(363)**	(287)	**–**	–	**(363)**	(287)
– Costs on litigation settlement	**(2,132)**	–	**–**	–	**(2,132)**	–
Fair value change on financial liabilities at fair value through profit or loss	**–**	–	**(31,733)**	(304,907)	**(31,733)**	(304,907)
Share of loss of an associate	**(27)**	(1,974)	**–**	–	**(27)**	(1,974)
Depreciation and amortisation	**(27,473)**	(32,606)	**–**	–	**(27,473)**	(32,606)
Impairment loss of an intangible asset	**–**	(77,682)	**(287,107)**	–	**(287,107)**	(77,682)
Impairment loss of trade receivables, net	**(133,072)**	(162,618)	**(1,265)**	–	**(134,337)**	(162,618)
Impairment loss of property, plant and equipment	**(10,980)**	–	**–**	–	**(10,980)**	–
(Impairment loss)/reversal of impairment loss of other receivables, net	**(13,067)**	5,519	**–**	–	**(13,067)**	5,519
Reportable segment assets	**663,315**	907,125	**1,032,879**	1,272,116	**1,696,194**	2,179,241
Additions to non-current segment assets during the year	**151,620**	63,519	**–**	841	**151,620**	64,360
Reportable segment liabilities	**907,250**	1,062,805	**648,156**	668,010	**1,555,406**	1,730,815
Reportable segment capital commitments	**20,000**	20,190	**–**	–	**20,000**	20,190

Note:

(i) EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial liabilities at fair value through profit or loss, impairment loss on trade and other receivables, property, plant and equipment and intangible assets.

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Continuing operations	
	2019	2018
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**365,969**	571,521
Loss		
Reportable segment operating loss	**(426,760)**	(437,624)
Unallocated head office and corporate expenses	**(54,294)**	(39,088)
Other revenue – unallocated	**1,884**	2,102
Other net loss – unallocated	**(1,780)**	(4,360)
Share of loss of an associate	**(27)**	(1,974)
Fair value change on financial liabilities at fair value through profit or loss	**1,880**	–
Finance costs	**(104,375)**	(81,055)
Consolidated loss before taxation (continuing operations)	**(583,472)**	(561,999)
Assets		
Reportable segment assets	**1,696,194**	2,179,241
Unallocated head office and corporate assets	**102,080**	47,921
Consolidated total assets	**1,798,274**	2,227,162
Liabilities		
Reportable segment liabilities	**1,555,406**	1,730,815
Unallocated head office and corporate liabilities	**140,945**	4,778
Consolidated total liabilities	**1,696,351**	1,735,593

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets. The geographical location of the Group's non-current assets is based on the physical location of the non-current assets and in the case of intangible assets, the location of the use of relevant intellectual property rights and distribution rights to which they are allocated.

	Revenue from external customers				**Non-current assets***			
	2019		2018		**2019**		2018	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation	**Continuing operations**	**Discontinued operation**	Continuing operations	Discontinued operation
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*
PRC	**351,136**	**–**	539,610	–	**1,464,269**	**–**	1,617,119	–
Hong Kong	**1,518**	**–**	4,846	–	**6,514**	**–**	2,202	–
Other countries	**13,315**	**–**	27,065	–	**–**	**–**	–	–
	365,969	**–**	571,521	–	**1,470,783**	**–**	1,619,321	–

* Excluding financial asset at FVTPL and prepayment for acquisition of intangible asset of RMB571,000 (2018: RMB559,000) and RMB17,576,000 (2018: RMB17,191,000) which were related to operation in the PRC and Hong Kong, respectively.

(d) Information from major customers

Revenue from major customers, which individually amounted to 10% or more of the total revenue of the Group, is set out below:

	2019	2018
	RMB'000	*RMB'000*
Continuing operations:		
Customer A	**133,698**	N/A
Customer B	**77,567**	294,452
Customer C	**N/A**	77,314

N/A – not applicable

9. TRADE AND OTHER RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Trade debtors and bills receivable	**683,953**	728,390
Less: Loss allowance *(note (b))*	**(620,373)**	(486,006)
	63,580	242,384
Deposits, prepayments and other receivables *(note (c))*	**98,315**	176,952
	161,895	419,336

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

(a) Ageing analysis

Ageing analysis of trade debtors and bills receivable, based on the invoice date and net of loss allowance, is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 3 months	**61,502**	94,543
More than 3 months but within 6 months	**1,689**	69,011
More than 6 months but within 1 year	**389**	30,734
More than 1 year but within 2 years	**–**	48,096
	63,580	242,384

Trade debtors are normally due within 60 to 180 days from the date of billing. All these trade debtors are related to non-vaccine business.

(b) Impairment of trade debtors

The movement in the loss allowance account during the year, including both specific and collective loss components, is as follows:

	2019	2018
	RMB'000	*RMB'000*
At 1 January	**486,006**	618,457
Impairment loss recognised during the year	**134,337**	435,880
Write-off during the year*	**–**	(566,332)
Reversal of impairment	**–**	(1,999)
Exchange differences	**30**	–
At 31 December	**620,373**	486,006

* The business of third-party vaccine and pharmaceuticals had been discontinued in 2015 and all the related trade receivables had been fully impaired in the previous reporting period ends and during the year ended 31 December 2018, they were fully written off.

Impairment loss in respect of trade debtors were recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

Due to the slow down of the economy, deleveraging and the government regulations on the medicine industry in the PRC, the Group experienced defaults in payments by its customers. The Group has recognised a provision for impairment of trade receivables of RMB134,337,000 (2018: RMB435,880,000) during the year ended 31 December 2019.

(c) Deposits, prepayments and other receivables

	2019	2018
	RMB'000	*RMB'000*
VAT recoverable	**60,886**	32,097
Other receivables, net of allowance for impairment loss *(note below)*	**4,090**	16,540
Prepayments	**23,977**	21,280
Prepayments for research and development	**–**	97,138
Advances paid to suppliers	**86**	86
Rental and other deposits	**9,276**	9,811
	98,315	176,952

Note:

During the year ended 31 December 2019, impairment loss on deposits, prepayments and other receivables amounted to RMB23,187,000 (2018: reversal of impairment loss of RMB5,519,000).

10. TRADE AND OTHER PAYABLES

	2019	2018
	RMB'000	*RMB'000*
Trade creditors	**27,727**	17,829
Bills payable *(note (a))*	**7,010**	10
Total trade creditors and bills payable *(note (c))*	**34,737**	17,839
Accrued staff costs	**2,714**	4,870
Construction costs payable	**20,105**	51,605
Investment deposit received *(note (b))*	**–**	70,000
Considerations payable	**6,000**	10,772
Other payables and accruals	**120,027**	143,447
	183,583	298,533

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Notes:

(a) As at 31 December 2019 and 2018, no bills payable was secured by the bank deposits.

(b) On 29 December 2018, the Company entered into a letter of intent with an independent third party, to dispose of its 89% equity interest in NT Biopharmaceuticals Jiangsu Co., Ltd. The Company had received a deposit of RMB70 million from the potential investor. The transaction was subsequently cancelled by both parties and the deposit received of RMB70 million was refunded to the potential investor on 7 January 2019.

(c) Ageing analysis of trade creditors and bills payable based on the invoice date is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 3 months	**25,612**	10,971
More than 3 months but within 6 months	**1,069**	1,816
More than 6 months but within 1 year	**5,180**	3,385
More than 1 year	**2,876**	1,667
	34,737	17,839

11. BANK AND OTHER BORROWINGS

Details of bank and other borrowings are as follows:

	2019	2018
	RMB'000	*RMB'000*
Current		
Secured bank borrowings	**538,413**	749,282
Unsecured bank borrowings	**210,632**	110,000
Secured other borrowings	**173,086**	81,301
Unsecured other borrowings		
– Other borrowings	**26,342**	66,417
– Corporate bonds	**9,275**	–
	957,748	1,007,000
Non-current		
Secured bank borrowings	**42,500**	–
Secured other borrowings	**–**	3,550
Unsecured other borrowings		
– Corporate bonds	**14,166**	–
– Convertible bonds	**8,040**	–
	64,706	3,550
Carrying amount payable:		
– Within one year	**791,675**	775,786
– After one but within two years	**171,073**	95,070
– After two but within five years	**59,706**	139,694
Total borrowings	**1,022,454**	1,010,550
Less: Current portion of borrowings due for repayment within one year	**(791,675)**	(775,786)
Non-current portion of borrowings subject to immediate demand repayment clause	**(166,073)**	(231,214)
Non-current borrowings	**64,706**	3,550

Notes

(i) Secured bank borrowings carry interest rates ranged from 4.30% to 6.30% (2018: 4.30% to 6.19%) per annum. Unsecured bank borrowings carry interest rates ranged from 5.30% to 5.65% per annum (2018: 5.43% to 5.80%). The unsecured bank borrowings were guaranteed by certain subsidiaries of the Company.

(ii) Secured other borrowings carry interest rates ranged from 6.50% to 15.00% (2018: 5.40% to 14.04%). Unsecured other borrowings carry interest rates ranged from 6.00% to 12.00% (2018: 6.00% to 9.00%) per annum and were guaranteed by certain subsidiaries of the Company.

(iii) As at 31 December 2019, secured bank and other borrowings were secured by the following assets of the Group:

	2019	2018
	RMB'000	*RMB'000*
Fixed assets	**270,271**	201,798
Trade receivables	**797**	75,547
Pledged bank deposits	**40,000**	38,000
	311,068	315,345

(iv) As at 31 December 2019, the Group had banking facilities of RMB799,095,000 (2018: RMB1,180,478,000), which were utilised to the extent of RMB616,304,000 (2018: RMB1,102,734,000).

12. DIVIDEND

The Board does not recommend the payment of a final dividend for the year (2018: Nil) to the shareholders.

13. COMPARATIVE FIGURES

The Group has initially adopted HKFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting polices are disclosed in note 2(c).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

NT Pharma is a technology-based pharmaceutical company integrated with research and development ("**R&D**"), manufacturing and sales of its own branded products, with its products covering therapeutic areas including central nervous system ("**CNS**"), orthopedics, oncology and hematology. NT Pharma owns two National Class 1 new drugs, one well-known international innovative brand-name drug, and a number of generic drugs; it conducts its manufacturing through three subsidiaries, namely Suzhou First Pharmaceutical Co., Ltd. ("**Suzhou First**"), NT Biopharmaceuticals Jiangsu Co., Ltd. ("**Jiangsu Biopharma**") and NT Pharma (Changsha) Co., Ltd. ("**Changsha Pharma**"); and owns several sales and distribution companies with professional sales and R&D specialists. It also has an extensive sales network in China, covering nearly 10,000 hospitals.

The overall revenue of the Group from continuing operations for the year ended 31 December 2019 (the "**Year under Review**") decreased by RMB205.5 million to RMB366.0 million, as compared with RMB571.5 million for the corresponding period in 2018. Operating loss from continuing operations for the year ended 31 December 2019 decreased by RMB1.8 million to RMB479.1 million, as compared with an operating loss of RMB480.9 million for the corresponding period in 2018. The Group recorded a loss of RMB593.2 million for the year ended 31 December 2019, as compared with a loss of RMB963.8 million for the corresponding period in 2018, representing a decrease of 38.5% year on year.

BUSINESS REVIEW

In 2019, the global economic growth decelerated due to the factors including the China-US trade friction and increasing debt levels. Under an external environment which was extremely complicated, the General Office of the State Council issued the "Key Tasks in 2019 to Deepen the Reform of Medical and Health System" (《深化醫藥衛生體制改革2019重點工作任務》), which included 15 policy documents and 21 work arrangements. The policies and tasks in respect of the pharmaceutical industry included the promotion of centralized drug procurement and pilot test locations coordinated by the government. For drugs that are clinically indispensable, shortage-prone or difficult to substitute, measures such as the strengthening of reserve, centralized procurement and targeted production were adopted to secure the supply of drugs. Also, improvements were made to the Medical Insurance Drugs Catalogs (醫保藥品目錄). In particular, the centralized procurement system of drugs in the 4+7 major cities were further implemented across the nation. While pharmaceutical companies were facing the pressure of price reduction, the pharmaceutical industry became further concentrated, resulting in a more severe and challenging business environment for the small and medium-sized generic drug companies.

Under this tough and adverse business environment, the Group encountered multiple challenges including shortage of resources and high cost of sales. Due to the higher debt level of the Group as a result of previous acquisitions and business expansion, its financial cost continued to increase, which further increased the pressure on its liquidity. In addition, we implemented measures to optimize our product mix during the Year under Review by focusing on the areas of CNS and Orthopedics as the core and promoting the sales of Shusi and Miacalcic in all aspects.

For the Year under Review, the revenue of the Group was RMB366.0 million, representing a decrease of 36.0% as compared to RMB571.5 million recorded for the corresponding period in 2018. The decrease was mainly attributable to: (i) the change in industry policies, change in sales model and decrease in price; (ii) the negative impact brought to the imported product business due to a change of business partners; and (iii) a decline in sales volume of Xi Di Ke and Songzhi Wan due to the lack of ability to intensify the marketing efforts under the context of tight resources.

Area of CNS

Shusi (generic name: quetiapine fumarate tablets) is the Group's major product in the area of CNS. It is the first proprietary product which is developed, manufactured and sold by the Group. Shusi is mainly used for the treatment of schizophrenia and maniacalis insultus as a result of bipolar affective disorder, which is an atypical antipsychotic first-tier drug. Shusi has been in the market for more than 15 years since its debut in 2003. It has developed a strong brand image which is widely recognized by clinical practitioners and the market.

During the Year under Review, the Group has completed all the tasks involving consistency evaluations in pharmaceutical development, production transfers and clinical bioequivalence. On 2 January 2020, the Group received a certification of consistency evaluation for the generic drug quetiapine fumarate tablets (Shusi) from the National Medical Products Administration (國家藥品監督管理局). The completion of the consistency evaluation does not only represent the recognition of Shusi's drug quality and therapeutic effect, but also facilitates the acceptance of Shusi in the field of clinical psychiatry, posing a positive effect on expanding the market share of quetiapine.

Area of Orthopedics

The Group's products in the area of orthopedics consist of Miacalcic (generic name: salmon calcitonin) and teriparatide products.

The two orthopedics formulations, injection and nasal spray, of Miacalcic were acquired by the Group from Novartis. As an internationally well-known orthopedic brand, Miacalcic has been used for clinical purposes for more than 30 years, mainly in the treatment for bone pain resulted from osteolysis and low bone mass, osteoporosis, Paget's disease, hypercalcemia and algoneurodystrophy. During the Year under Review, Miacalcic has achieved stable sales performance in 32 provinces and 36 first-tier cities across the nation, as well as 12 overseas countries, laying a solid foundation for the Group's orthopedics business and strategic development focusing on orthopedics.

Teriparatide is an orthopedic product that was jointly developed by the Group and Pfenex Inc. ("**Pfenex**"), a U.S. biotechnology company, pursuant to a cooperation agreement in April 2018. The Group has a perpetual right to commercialize this product in the PRC, Hong Kong, Thailand, Malaysia and Singapore. Teriparatide, being the only orthopedic product approved by the U.S. Food and Drug Administration ("**FDA**") for the treatment of osteoporosis, can be used to effectively stimulate bone formation, increase bone mass and improve bone quality. The Group believes that, teriparatide products and Miacalcic can create huge complementary advantage in their market deployment, improve the orthopedists' loyalty to the Group's orthopedic products, and at the same time satisfy various needs of patients for the treatment of bone diseases and osteoporosis. Teriparatide, approved by the FDA as a new drug under the 505(b)2 application in October 2019, is suitable for the treatment of osteoporosis of high-risk patients with bone fracture. The Group's partner also completed a comparative study of human factors on the teriparatide products, indicating that teriparatide products were non-inferior to the reference drugs. The study has been submitted to the FDA and it is expected that Teriparatide will obtain the grade "A" certification and become an alternative for similar drugs in many states of the USA. We are translating the registration filings submitted by Pfenex and plan to submit them to the China Food and Drug Administration by the end of May.

Area of Oncology and Hematology

The Group's main product in the area of oncology and hematology is Xi Di Ke (generic name: uroacitides injection).

Xi Di Ke, a national class 1 new drug, has been approved by the National Medical Products Administration (國家藥品監督管理局) for the treatment of non-small cell lung cancer and terminal breast cancer. The product has successfully been admitted into the Medical Insurance Reimbursement Drug List of four provinces, including Jiangsu, Anhui, Hubei and Hunan. During the Year under Review, the Group pushed forward the work of clinical trials on Xi Di Ke in new Myelodysplastic Syndrome (the "**MDS**") indications. Due to the high pressure on liquidity, the Group was unable to put a lot of resources in marketing promotions and medical forums, and as such the product did not generated a new source of revenue for the Group during the Year under Review.

OPERATING RESULTS

Sales

The Group's business is currently composed of two major operating segments, i.e. manufacturing and sales of proprietary products and sales of Miacalcic.

The Group's proprietary products include Shusi, Zhuo'ao, Xi Di Ke, Songzhi Wan and other drugs. For the year ended 31 December 2019, the total revenue from manufacturing and sales of proprietary products decreased by RMB154.2 million or 50.1% to RMB153.5 million, as compared with RMB307.7 million for the corresponding period in 2018. Revenue of Shusi decreased by RMB55.8 million or 34.5% to RMB106.1 million for the Year under Review, as compared with RMB161.9 million for the corresponding period in 2018. The decrease in sales of Shusi was attributable to the negative impact brought by the shift of sales model from agency to proprietary sales and the price adjustment of Shusi during the Year under Review. For the year ended 31 December 2019, revenue from Xi Di Ke amounted to RMB1.1 million, as compared with RMB75.7 million for the corresponding period in 2018, which was mainly due to the Group's inability to strengthen marketing efforts as a result of limited resources and the Group wants to shift the focus on MDS for further enhancement of Xi Di Ke, resulting in a drop in sales. Revenue of Zhuo'ao decreased by RMB11.2 million or 30.7% to RMB25.3 million for the Year under Review, as compared with RMB36.5 million for the corresponding period in 2018. The decrease in sales amount of Zhuo'ao was mainly due to the negative impact brought by the price adjustment of Zhuo'ao after the shift of sales model from agency to proprietary sales during the Year under Review.

For the year ended 31 December 2019, revenue from the Miacalcic segment amounted to RMB212.5 million, as compared with RMB263.9 million for the corresponding period in 2018, and the decrease in revenue was mainly due to the change in business partner during the Year under Review. Brand licensing fee income of Miacalcic Injection decreased by RMB3.0 million or 52.6% to RMB2.7 million for the Year under Review from RMB5.7 million for the corresponding period in 2018. Revenue from Miacalcic Injection decreased by RMB23.7 million or 11.0% to RMB191.6 million for the Year under Review, as compared with RMB215.3 million for the corresponding period in 2018. Brand licensing fee income of Miacalcic Nasal Spray amounted to RMB12.8 million for the Year under Review, whereas RMB39.4 million was recorded for the corresponding period in 2018. Revenue from Miacalcic Nasal Spray amounted to RMB5.3 million for the Year under Review, whereas RMB3.5 million was recorded for the corresponding period in 2018.

HUMAN RESOURCES

As at 31 December 2019, the Group had 384 full-time employees (31 December 2018: 665 full-time employees). For the year ended 31 December 2019, the Group's total cost on remuneration, welfare and social security amounted to RMB102.0 million (31 December 2018: RMB171.4 million). The Group maintains good relationships with its employees and certain policies have been carried out to ensure that the employees are receiving competitive remuneration, good welfare and continuous professional training. The remuneration structure of the Group is based on employee performance, local consumption levels and prevailing conditions in the human resources market. Directors' remunerations are determined with reference to individual Director's experience, responsibilities and prevailing market standards. On top of basic salaries, bonuses may be paid according to the Group's performance as well as individual's performance. Other staff benefits include contributions to the Mandatory Provident Fund retirement benefits scheme in Hong Kong and various retirement benefits schemes including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees of the Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded according to their individual performances within the framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme (the "**Share Option Scheme**") adopted by the Company on 22 September 2014, and a share award scheme (the "**Share Award Scheme**") adopted on 4 September 2015, where options to subscribe for shares and share awards may be granted to the Directors and employees of the Group, respectively.

OUTLOOK

Going forward, considering the series of pharmaceutical policies that have been issued, we believe that the policies regarding the proportion of medicine sales in the revenue of hospitals will change the mode of medication usage of medical institutions, while the use of adjuvant drugs will be reduced on the one hand, the use of high clinical value and good efficacy drugs towards chronic diseases will be increased on the other. Our Group's Miacalcic and Shusi are both included in the National Drug Reimbursement List and, both are recommended by clinical guidelines; meanwhile, Shusi is also included in the National Essential Drug List. We expect the continuous implementation of rational drug use by Chinese hospitals and reduction in the proportion of medicine sales in the total healthcare revenue in 2020 will bring a positive influence to the sales of the Group's drugs. Moreover, according to the requirements of the Administrative Measures for Prescription 《處方管理辦法》hospitals cannot prescribe dosages of over seven days for prescription drugs. This results in frequent hospital follow-ups and drug collections by chronic disease patients and creates a great demand for outpatient service and resources. According to documents such as Opinion on Speeding Up the High-quality Development of Pharmaceutical Services (《關於加快藥學服務高質量發展的意見》), Healthy China 2030 Planning Outline (《「健康中國2030」規劃綱要》) and Guiding Opinions of the State Council on Actively Promoting the "Internet Plus" Action (《國務院關於積極推進「互聯網+」行動的指導意見》), there is a new direction for the management of long-term prescriptions for chronic illnesses, and we expect that prescription drugs for chronic diseases to be sold in pharmacies and through the internet in the future and will become a new norm. The above policies relating to chronic diseases is favorable to the sales and development of Miacalcic and Shusi. We believe that Shusi and Miacalcic will be sold through hospital, pharmacies and internet after 2020 and their market shares will increase within the next three to five years.

The Group will focus on the treatment of chronic diseases, continue to position psychiatry products as strategic focuses and actively promote the sales of Shusi. Meanwhile, the Group will further optimize its sales and management system, continuously strengthen its marketing efforts and achieve a sustainable development of its products, sales channels and markets. At the same time, the Group will actively identify different options, optimize its business and portfolio to further improve the Group's financial situation on the one hand, and explore any cooperation mode to build a more competitive platform for its products through complementary advantages on the other hand. Moreover, the Group will actively explore business cooperation, while closely following pharmaceutical policies and industry trends, improving the Group's competitiveness, grasping the opportunities of industry adjustment and after the end of the COVID-19 epidemic, and maintaining the momentum for a sustainable development of the Group.

The Group has adopted a more stringent financial management and internal monitoring systems for further improvement of its business operation and financial position.

FINANCIAL REVIEW – CONTINUING OPERATIONS

Revenue

	For the year ended 31 December							
	2019 Sales volume *'000*	**2019 Unit price** *RMB*	**2019 Sales amount** *RMB'000*	**2019 Proportion** *(%)*	2018 Sales volume *'000*	2018 Unit price *RMB*	2018 Sales amount *RMB'000*	2018 Proportion *(%)*
Proprietary products production and sales								
Shusi	**3,692**	**28.7**	**106,133**	**29.0%**	5,314	30.5	161,921	28.3%
Xi Di Ke	**1**	**1,067.0**	**1,067**	**0.3%**	165	457.6	75,710	13.2%
Zhuo'ao	**12,203**	**2.1**	**25,339**	**6.9%**	16,828	2.2	36,502	6.4%
Songzhi Wan	**–**	**–**	**–**	**–**	73	136.4	9,957	1.7%
Others	**15,346**	**1.4**	**20,929**	**5.7%**	15,625	1.5	23,576	4.2%
Subtotal			**153,468**	**41.9%**			307,666	53.8%
Miacalcic								
Miacalcic Injection	**1,139**	**168.2**	**191,628**	**52.4%**	1,288	167.1	215,270	37.7%
Brand licensing fee income of Miacalcic Injection	**110**	**24.8**	**2,733**	**0.7%**	156	36.6	5,705	1.0%
Miacalcic Nasal Spray	**28**	**190.9**	**5,347**	**1.5%**	16	218.9	3,503	0.6%
Brand licensing fee income of Miacalcic Nasal Spray	**86**	**149.2**	**12,793**	**3.5%**	233	169.0	39,377	6.9%
Subtotal			**212,501**	**58.1%**			263,855	46.2%
Total			**365,969**	**100.0%**			571,521	100.0%

Revenue from manufacturing and sales of proprietary products decreased by RMB154.2 million to RMB153.5 million, accounting for 41.9% of the total revenue in the Year under Review, as compared with RMB307.7 million or 53.8% of the Group's revenue in the corresponding period in 2018. The decrease in revenue from manufacturing and sales of proprietary products was due to the negative impact brought by the unit price adjustment of propriety products including Shusi and Zhuo'ao after the shift of sales model to Suzhou First being responsible for sales during the Year under Review.

The Company completed the acquisition of Miacalcic Nasal Spray in October 2018, after the completion of the acquisition and settlement in respect of Miacalcic Injection in July 2016. Miacalcic contributed income of RMB212.5 million to the Company for the year ended 31 December 2019 as compared with RMB263.9 million for the corresponding period in 2018.

Cost of Sales

For the year ended 31 December 2019, cost of sales decreased by RMB44.4 million to RMB105.1 million, as compared with RMB149.5 million for the corresponding period in 2018. The decrease in cost of sales was mainly due to the corresponding decrease in revenue of sales of Shusi and Miacalcic during the Year under Review.

Gross Profit

	For the year ended 31 December			
Products	**2019 Gross Profit**	**2019 Gross Profit Margin**	2018 Gross Profit	2018 Gross Profit Margin
	RMB'000	***(%)***	*RMB'000*	*(%)*
Proprietary products production and sales				
Shusi	**78,377**	**73.8%**	110,947	68.5%
Xi Di Ke	**966**	**90.5%**	63,484	83.9%
Zhuo'ao	**14,494**	**57.2%**	23,751	65.1%
Songzhi Wan	**–**	**–**	5,084	51.1%
Others	**(3,580)**	**(17.1)%**	(4,419)	(18.8)%
Subtotal	**90,257**	**58.8%**	198,847	64.6%
Miacalcic				
Miacalcic Injection	**152,505**	**79.6%**	175,247	81.4%
Brand licensing fee income of Miacalcic Injection	**2,733**	**100.0%**	5,705	100.0%
Miacalcic Nasal Spray	**2,595**	**48.5%**	2,826	80.7%
Brand licensing fee income of Miacalcic Nasal Spray	**12,793**	**100.0%**	39,377	100.0%
Subtotal	**170,626**	**80.3%**	223,155	84.6%
Total	**260,883**	**71.3%**	422,002	73.8%

Gross profit decreased by RMB161.1 million to RMB260.9 million for the year ended 31 December 2019, as compared with RMB422.0 million in the corresponding period in 2018. Gross profit margin decreased by 2.5 percentage points to 71.3% for the year ended 31 December 2019, as compared with 73.8% for the corresponding period in 2018. The decrease in gross profit margin was mainly due to the decrease in average selling prices and sales contribution of products with higher gross profit margin such as Shusi and Miacalcic as a result of the change in sales model, price adjustment and change in business partner which resulted in a decrease of revenue of the relevant products with higher gross profit.

Reportable Segments Operating Profit

The operating expenses of the Group decreased by RMB172.0 million or 20.0% to RMB687.6 million for the year ended 31 December 2019, as compared with RMB859.6 million for the corresponding period in 2018. The Group reported an operating loss of RMB426.8 million for the year ended 31 December 2019, as compared with an operating loss of RMB437.6 million for the corresponding period in 2018. The following table sets forth a breakdown of the Group's operating profit by reportable segments for the year ended 31 December 2019:

	For the year ended 31 December			
	2019	**2019**	2018	2018
	RMB'000	***(%)***	*RMB'000*	*(%)*
Proprietary products production and sales	**17,896**	**11.7%**	27,118	8.81%
Miacalcic	**60,041**	**28.3%**	105,578	40.01%
Total	**77,937**	**21.3%**	132,696	23.22%

Finance Costs

The Group's finance costs consist of interest on bank borrowings and bank charges. Finance costs increased by RMB23.3 million or 28.7% to RMB104.4 million for the year ended 31 December 2019, as compared with RMB81.1 million for the corresponding period in 2018. The increase in finance costs was mainly due to increase in the borrowing rate of bank and other borrowings for the Year under Review as compared with the corresponding period in 2018.

Taxation

Income tax expense was RMB9.7 million for the year ended 31 December 2019 as compared with the income tax expense of RMB39.9 million for the corresponding period in 2018.

Loss/Core Loss Attributable to Equity Holders of the Company

Loss attributable to equity holders of the Company for the year ended 31 December 2019 was RMB587.6 million as compared with the loss attributable to equity holders of the Company of RMB957.7 million for the corresponding period in 2018. Core loss attributable to equity holders of the Company for the year ended 31 December 2019 was RMB544.0 million as compared to a core loss attributable to equity holders of the Company of RMB637.9 million for the corresponding period in 2018.

Earnings per Share

The basic earnings per share and basic core earnings per share are calculated by dividing the profit attributable to equity holders of the Company and the core profit attributable to equity holders of the Company, respectively, by the weighted average number of ordinary shares of the Company in issue as of the year ended 31 December 2019. The diluted earnings per share and diluted core earnings per share are calculated by dividing the profit attributable to equity holders of the Company and the core profit attributable to equity holders of the Company, respectively, by the weighted average number of ordinary shares of the Company in issue as of the year ended 31 December 2019 (with adjustments made for all potential dilution effect of the ordinary shares).

	As at 31 December	
	2019	2018
Loss attributable to equity shareholders of the Company *(RMB'000)*	**(587,590)**	(957,666)
Plus: equity-settled share awarded and share option expenses *(RMB'000)*	**7,462**	8,260
Plus: share of loss of an associate *(RMB'000)*	**27**	1,974
Plus: net exchange loss *(RMB'000)*	**1,508**	4,348
Plus: net loss on disposal of property, plant and equipment, intangible assets and interests in subsidiaries *(RMB'000)*	**635**	299
Core loss attributable to equity shareholders of the Company *(RMB'000)*	**(577,958)**	(942,785)
Less: Fair value change on financial liabilities at fair value through profit or loss *(RMB'000)*	**29,853**	304,907
Less: Interest on convertible bonds	**4,115**	–

	As at 31 December	
	2019	2018
Diluted core loss attributable to equity shareholders of the Company *(RMB'000)*	**(543,990)**	(637,878)
Weighted average number of ordinary shares in issue *('000)*	**1,764,008**	1,565,810
Weighted average number of ordinary shares in issue after the effect of shares issued upon exercise of share options *('000)*	**1,764,008**	1,565,810
Basic loss per share *(RMB cent per share)*	**(33.31)**	(61.16)
Diluted loss per share *(RMB cent per share)*	**(33.31)**	(61.16)
Basic core loss per share *(RMB cent per share)*	**(32.76)**	(60.21)
Diluted core loss per share *(RMB cent per share)*	**(32.76)**	(60.21)

The core loss attributable to equity shareholders of the Company is the loss attributable to equity shareholders of the Company excluding equity settled share option expenses, share of loss of an associate, net exchange loss and net loss on disposal of property, plant and equipment and intangible assets and interests in subsidiaries.

Capital Expenditure

Total capital expenditure spent for the year ended 31 December 2019 decreased by RMB163.0 million or 65.1% to RMB87.2 million, as compared with RMB250.2 million for the corresponding period in 2018, which was mainly used for acquiring property, plant and equipment in Suzhou and intangible assets relating to the work of clinical trials on Xi Di Ke.

LIQUIDITY AND FINANCIAL RESOURCES

Treasury Policies

The primary objective of the Group's capital management is to maintain its ability to continue as a going concern so that the Group can constantly provide returns for shareholders of the Company and benefits for other stakeholders by implementing proper product pricing and securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustments by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group closely monitors its debt/assets ratio, which is defined as total borrowings divided by total assets.

Foreign Currency Exposure

The Group is exposed to currency risks primarily through sales made by the Group's Hong Kong and PRC subsidiaries, certain bank deposits and bank loans which are denominated in Hong Kong dollars. The Group recorded a net exchange loss of RMB1.5 million for the year ended 31 December 2019, while the net exchange loss of the Group for the corresponding period in 2018 was RMB4.3 million. Currently, the Group does not employ any financial instruments to hedge against foreign exchange risk.

Interest Rate Exposure

The Group's interest rate risk arises primarily from bank loans, unsecured debenture and bank balances. Borrowings at variable rates expose the Group to cash flow interest rate risk. Currently, the Group does not employ any financial instruments to hedge against interest rate risk.

Group Debt and Liquidity

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Total debt	**(1,475,667)**	(1,411,632)
Time deposits, pledged bank deposits, cash and cash equivalents	**112,988**	125,793
Net debt	**(1,362,679)**	(1,285,839)

The maturity profile of the Group's borrowings is set out as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Repayable:		
– Within one year	**791,675**	775,786
– After one but within two years	**171,073**	95,070
– After two but within five years	**59,706**	139,694
	1,022,454	1,010,550

The Group's bank borrowings as at 31 December 2019 were approximately RMB791.5 million (31 December 2018: RMB859.3 million), out of which RMB598.1 million were bank borrowings from banks in the PRC (31 December 2018: RMB587.6 million) with fixed interest rates ranging from 4.3% to 6.3% per annum.

As at 31 December 2019, the Group's bank borrowings from banks in Hong Kong were approximately RMB193.4 million (31 December 2018: approximately RMB271.7 million). Save as disclosed above, as at 31 December 2019, the Group had other borrowings of RMB231.0 million (2018: RMB151.3 million).

Debt-to-Assets Ratio

The Group closely monitors its debt-to-assets ratio to optimize its capital structure so as to ensure solvency and the Group's ability to continue as a going concern.

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Total debt	**1,475,667**	1,411,632
Total assets	**1,798,274**	2,227,162
Debt-to-assets ratio	**82.1%**	63.4%

Charges on the Group's Assets

As at 31 December 2019, the Group's bank deposits of RMB40.0 million (31 December 2018: RMB38.0 million) were pledged to the banks to secure certain bank loans and bills payable. As at 31 December 2019, certain banking facilities of the Group were secured by the Group's fixed assets and trade receivables, which amounted to RMB271.1 million (31 December 2018: RMB277.3 million).

Capital Commitments

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Contracted but not provided for		
– property, plant and equipment	**–**	190
– investment in an associate	**20,000**	20,000
– intangible assets: Teriparatide	**156,965**	154,422
– intangible assets: computer software	**–**	1,375
	176,965	175,987

As at 31 December 2019, the Group had total future minimum lease payments under non-cancellable operating leases payable as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Within one year	**2,877**	11,917
After one year but within five years	**–**	5,281
	2,877	17,198

The Group is the lessee of a number of properties under operating leases. The leases typically run for an initial period of one to three years. None of the leases includes contingent rentals.

Significant Investments Held

Except for investments in its subsidiaries, the Group did not hold any significant investment in equity interest in any other company for the year ended 31 December 2019.

Material Acquisition and Disposal

Reference is made to the announcement of the Company dated 10 July 2019 in relation to the conditional acquisition agreements dated 25 June 2019 entered into among, among others, the Company and WD Investment Co., Ltd and other parties (the "**Acquisition Agreements**") and the conditional subscription agreements entered into among, among others, the Company and Hong Kong WD Pharmaceutical Co., Limited (the "**Target Company**") and other parties (the "**Subscription Agreements**"), pursuant to which the Company will be interested in approximately 52.00% of the total issued share capital of the Target Company upon completion of the acquisition and subscription and the Target Company will become a non-wholly-owned subsidiary of the Company (the "**Proposed Transactions**"). On 19 November 2019, the Company and the relevant parties entered into a termination agreement to terminate the Acquisition Agreements with immediate effect. On the same day, the Company and the relevant parties entered into a termination agreement to terminate the Subscription Agreements with immediate effect. As a result of the above termination agreements, the Proposed Transactions will not proceed.

The Board considers that the termination of the Acquisition Agreements and the Subscription Agreements will not have any material adverse effect on the operation and financial position of the Group. Please refer to the announcements of the Company dated 10 July 2019, 30 July 2019, 30 September 2019, 30 October 2019 and 19 November 2019 for further details.

Save as disclosed above, during the Year under Review, the Group did not have any other material acquisition or disposal.

Future Plans for Material Investments and Capital Assets

The Group did not have other plans for material investments and capital assets for the year ended 31 December 2019.

Contingent Liabilities

As at 31 December 2019, the Group had no material contingent liabilities.

ISSUE OF CONVERTIBLE BONDS

On 1 April 2019 and 2 April 2019, the Company entered into a placing agreement and a supplemental placing agreement respectively with the placing agent in relation to the issuance of convertible bonds in an aggregate principal amount of HK$234,600,000. Below is a summary of the placing of the convertible bonds and the use of net proceeds:

Date of agreement	Date of completion	Fund-raising activity	Net proceeds raised	Reasons for fund-raising and use of net proceeds	Closing price on the last trading day prior to the date of agreement	Actual use of net proceeds as at 31 December 2019
1 April 2019	18 April 2019	Convertible bonds in an aggregate principal amount of HK$234,600,000 have been allotted and issued to three placees under the general mandate. Such perpetual convertible bonds could be converted into 316,172,506 ordinary Shares with an aggregate par value of US$25.29 at an initial conversion price of HK$0.742 per conversion share. The three placees are Mr. Ho Kin, Mr. Ieong Chong Mang and Firstgreat Limited. Firstgreat Limited is a company beneficially owned by Mr. Cheung Ching Ping Stephen.	HK$234,200,000	Repayment of existing debts, business development and general working capital	HK$0.70	All net proceeds have been utilised for the repayment of existing debts, business development and general working capital

Details of the issuance of convertible bonds were set out in the announcements of the Company dated 1 April 2019, 2 April 2019, 17 April 2019 and 18 April 2019.

Save as disclosed above, the Company did not issue other equity securities (including securities convertible into equity securities) for cash during the Year under Review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Apart from a total of 1,791,500 Shares purchased by the trustee of the Share Award Scheme on The Stock Exchange of Hong Kong Limited at the price of approximately HK$1,181,000 in aggregate pursuant to the terms of the Share Award Scheme and the relevant trust deed, 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules and certain recommended best practices. Save as disclosed below, the Company has complied with all the applicable code provisions in the CG Code throughout the year ended 31 December 2019.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ng Tit assumes both the roles of chairman and chief executive officer of the Company. Nevertheless, the division of responsibilities between the two roles is clearly defined. On the whole, the role of chairman is that of monitoring the duties and performance of the Board, whereas the role of chief executive officer is that of managing the Company's business. The Board believes that at the current stage of development of the Company, vesting the roles of both chairman and chief executive officer in the same person provides the Company with a strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

On 31 December 2019, Mr. Patrick Sun ("**Mr. Sun**") resigned from his positions as an independent non-executive Director of the Company, the chairman of the audit committee (the "**Audit Committee**") and a member of the remuneration committee and the nomination committee of the Company, due to his other work commitments.

Following the resignation of Mr. Sun, the Company had no independent non-executive Director who has the appropriate professional qualifications or accounting or related financial management expertise and has only two members in the Audit Committee with a chairman vacancy, as such, the Company failed to meet (i) the requirement set out in Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and (ii) the requirements set out in Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members and must be chaired by an independent non-executive director.

On 20 March 2020, Mr. Pan Fei has been appointed as the independent non-executive Director who has the appropriate professional qualifications or accounting or related financial management expertise within three months from the effective date of the resignation of Mr. Sun, and Mr. Pan Fei and Dr. Zhao Yubiao have been appointed as the chairman and a member of the Audit Committee, respectively. Since then, the Company has complied with Rules 3.10(2) and 3.21 of the Listing Rules.

Please refer to the announcements of the Company dated 31 December 2019 and 20 March 2020 for details.

The Board currently comprises three executive Directors, one non-executive Director and three independent non-executive Directors, with the independent non-executive Directors representing 42.9%, and more than one-third of the Board members. Such percentage of independent non-executive Directors on the Board can ensure their views carry significant weight and reflect the independence of the Board.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct regarding Directors' securities transactions on terms no less exacting than the requested standard set out in the Model Code. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2019. The Company continues and will continue to ensure the compliance with the corresponding provisions set out in the Model Code.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: nil).

EXTRACT OF THE AUDITORS' REPORT TO BE ISSUED ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

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 Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622 of the laws of Hong Kong).

Basis of opinion

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

Material uncertainty related to going concern

During the year ended 31 December 2019, the Group incurred a loss attributable to equity shareholders of the Company of RMB587,590,000 and, as at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB1,316,173,000. The Group has been considering various measures to improve its liquidity position. These conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in this respect.

Extract of note 2(b) to the consolidated financial statements

Basis of preparation of the financial statements

During the year ended 31 December 2019, the Group incurred a loss attributable to the equity shareholders of RMB587,590,000 for the year ended 31 December 2019 and, as at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB1,316,173,000. The consolidated financial statements have been prepared on the assumption that the Group will be able to operate as a going concern in the foreseeable future, after taking into consideration of (a) unused and available credit facilities of approximately RMB182,791,000; (b) new bank borrowings of approximately RMB45,000,000 subsequently obtained from banks up to the date of approval for the consolidated financial statements; (c) additional new credit facilities and/or financial arrangements which are currently under serious and advanced stage of discussions between the Group and certain financial institutions and potential investor(s); (d) serious discussions with an independent third party for co-operation relating to certain assets of the Group subsequent to the end of the reporting period, as part of the Group's measure improve the Group's liquidity; and (e) a substantial shareholder of the Company, to whom the Company owed approximately RMB381,600,000, that were classified as financial liabilities measured at fair value through profit or loss as included in current liabilities as at 31 December 2019, has agreed to provide adequate funds to the Group to enable it to meet its debts as and when they fall due in the foreseeable future, and will not demand immediate repayment from the Company until the Group will have sufficient working capital to operate as a going concern in the foreseeable future.

Management of the Company has prepared a cash flow forecast of the Group for a period covered not less than twelve months from date of approval for the consolidated financial statements. Based on the cash flow forecast, after having taken into account of the Group's projected cash flows, current financial resources, existing and new credit facilities, the financial support from a substantial shareholder of the Company and the future capital expenditure requirement, management of the Company is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Thursday, 18 June 2020, the register of members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.

SIGNIFICANT EVENTS AFTER THE END OF REPORTING PERIOD

After the outbreak of Coronavirus Disease (the "**Outbreak**") in early 2020, a series of precautionary and control measures have been and continued to be implemented across China and many other countries. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date of this announcement, the Group was not aware of any material adverse effects as a result of the Outbreak.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Pan Fei, Mr. Tze Shan Hailson Yu and Dr. Zhao Yubiao. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2019 and has recommended its adoption by the Board.

PUBLICATION OF THE AUDITED ANNUAL RESULTS

The audited annual results announcement is published on websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.ntpharma.com). Publication of the annual report of the Group for the year ended 31 December 2019 (the "**Annual Report**") containing all the information required by the Listing Rules will be delayed due to the outbreak of the COVID-19 which caused a disruption in the auditing process. After taking into account the current situations in respect of the travel restrictions and quarantine arrangements both in Hong Kong and Mainland China, the Group expects to publish the Annual Report on or before 15 May 2020 in accordance with further guidance on the joint statement issued by The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission dated 16 March 2020. The Company is using its best efforts to try to complete the publication and dispatch of the Annual Report on or before 15 May 2020. If the Company later transpires that additional time is required for the publication of the Annual Report after 15 May 2020 and special circumstances exist which warrant a further extension, the Company will make an application to The Stock Exchange of Hong Kong Limited and publish further announcement(s).

By order of the Board
China NT Pharma Group Company Limited
Ng Tit
Chairman

Hong Kong, 15 April 2020

As at the date of this announcement, the executive Directors are Mr. Ng Tit, Ms. Chin Yu and Mr. Wu Weizhong; the non-executive Director is Dr. Qian Wei; and the independent non-executive Directors are Mr. Tze Shan Hailson Yu, Mr. Pan Fei and Dr. Zhao Yubiao.