



南京中生聯合股份有限公司
NANJING SINOLIFE UNITED COMPANY LIMITED*

(a joint stock limited liability company incorporated in the People's Republic of China)
(於中華人民共和國註冊成立的股份有限公司)

Stock Code: 3332

股份代號: 3332



Annual Report 年報

2018

* For identification purposes only 僅供識別

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Gui Pinghu (桂平湖) (*Chairman*)
Ms. Zhang Yuan (張源) (*Chief Executive Officer*)
Ms. Xu Li (徐麗)
Ms. Zhu Feifei (朱飛飛)

Non-executive Director

Ms. Li Fan (李凡)

Independent non-executive Directors

Mr. Zhang Jitong (張繼彤)
Ms. Cai Tianchen (蔡天晨)
Mr. Wang Wei (王瑋)

AUDIT COMMITTEE

Ms. Cai Tianchen (蔡天晨) (*Chairman*)
Mr. Zhang Jitong (張繼彤)
Mr. Wang Wei (王瑋)

REMUNERATION COMMITTEE

Mr. Wang Wei (王瑋) (*Chairman*)
Ms. Cai Tianchen (蔡天晨)
Ms. Zhu Feifei (朱飛飛)

NOMINATION COMMITTEE

Mr. Zhang Jitong (張繼彤) (*Chairman*)
Mr. Wang Wei (王瑋)
Ms. Xu Li (徐麗)

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. Gui Pinghu (桂平湖) (*Chairman*)
Mr. Zhang Jitong (張繼彤)
Ms. Cai Tianchen (蔡天晨)

JOINT COMPANY SECRETARIES

Ms. Zhi Hui (支卉)
Ms. Kam Mei Ha Wendy (甘美霞) *FCS (PE), FCIS*

REGISTERED OFFICE AND HEADQUARTERS

30/F, Deji Building
188 Chang Jiang Road
Xuanwu District
Nanjing, Jiangsu Province
the People's Republic of China (the "PRC")

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Jardine House
1 Connaught Place
Hong Kong

董事

執行董事

桂平湖先生(董事長)
張源女士(首席執行官)
徐麗女士
朱飛飛女士

非執行董事

李凡女士

獨立非執行董事

張繼彤先生
蔡天晨女士
王瑋先生

審核委員會

蔡天晨女士(主席)
張繼彤先生
王瑋先生

薪酬委員會

王瑋先生(主席)
蔡天晨女士
朱飛飛女士

提名委員會

張繼彤先生(主席)
王瑋先生
徐麗女士

戰略及發展委員會

桂平湖先生(主席)
張繼彤先生
蔡天晨女士

聯席公司秘書

支卉女士
甘美霞女士 *FCS (PE), FCIS*

註冊辦事處及總部

中華人民共和國(「中國」)
江蘇省南京
玄武區
長江路188號
德基大廈30樓

香港主要營業地點

香港
康樂廣場1號
怡和大廈40樓

AUTHORISED REPRESENTATIVES

Mr. Gui Pinghu (桂平湖)
Ms. Kam Mei Ha Wendy (甘美霞) *FCS (PE), FCIS*

LEGAL ADVISERS

As to Hong Kong law
Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Hong Kong

As to PRC law
Grandall (Nanjing) Law Firm
8/F, Building #B
309 Hanzhong Gate Avenue
Nanjing, Jiangsu Province
The PRC

H SHARE REGISTRAR

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

PRINCIPAL BANKERS

Shanghai Pudong Development Bank Cheng Dong Branch
482 Zhongshan East Road
Nanjing, Jiangsu Province
The PRC

Agricultural Bank of China Ma Qun Branch
2–16 Ma Qun Road
Qixia District
Nanjing, Jiangsu Province
The PRC

AUDITOR

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

STOCK CODE

3332

COMPANY'S WEBSITE

www.zs-united.com

授權代表

桂平湖先生
甘美霞女士 *FCS (PE), FCIS*

法律顧問

香港法律
趙不渝馬國強律師事務所
香港
康樂廣場1號
怡和大廈40樓

中國法律
國浩律師(南京)事務所
中國
江蘇省南京
漢中門大街309號
B座8樓

H 股股份過戶登記處

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

主要往來銀行

上海浦東發展銀行城東支行
中國
江蘇省南京
中山東路482號

中國農業銀行馬群支行
中國
江蘇省南京
栖霞區
馬群街2–16號

核數師

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

股份代號

3332

公司網站

www.zs-united.com

FINANCIAL HIGHLIGHTS

財務摘要



FINANCIAL HIGHLIGHTS

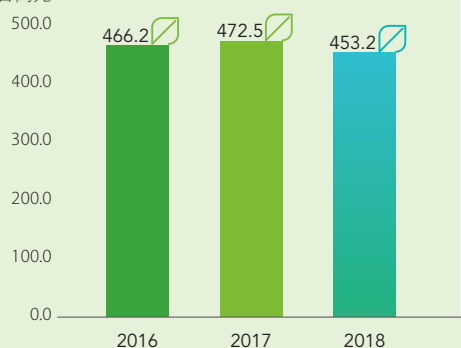
- Revenue decreased by approximately 4.1% to RMB453.2 million (2017: RMB472.5 million).
- Gross profit decreased by approximately 18.5% to RMB249.0 million (2017: RMB305.6 million).
- (Loss) for the Year was approximately RMB(112.8) million (2017: profit of RMB10.8 million).
- (Loss) per share was RMB(11.92) cents (2017: earnings per share RMB0.44 cent).
- The Board does not recommend the payment of any final dividend (2017: Nil) for the Year or any special dividend (2017: Nil).

財務摘要

- 收益減少約4.1%至人民幣453.2百萬元(2017年：人民幣472.5百萬元)。
- 毛利減少約18.5%至人民幣249.0百萬元(2017年：人民幣305.6百萬元)。
- 本年度(虧損)約為人民幣(112.8)百萬元(2017年：利潤人民幣10.8百萬元)。
- 每股(虧損)為人民幣(11.92)分(2017年：每股盈利人民幣0.44分)。
- 董事會不建議派付本年度之任何末期股息(2017年：零)，亦不建議派付任何特別股息(2017年：零)。

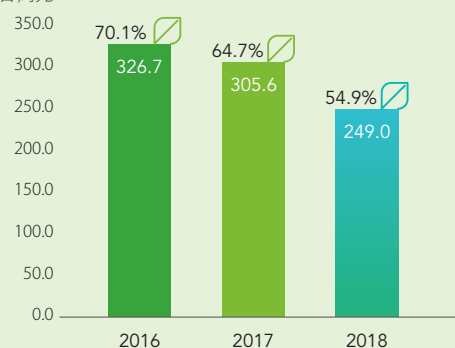
Revenue 收益

RMB' million
人民幣百萬元



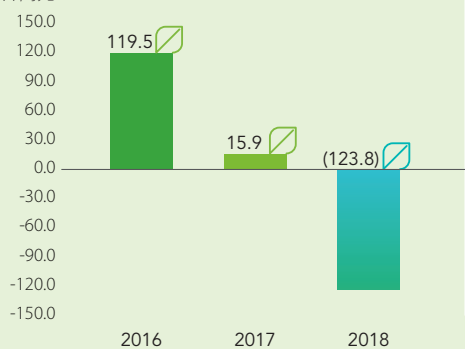
Gross Profit And Gross Profit Margin 毛利及毛利率

RMB' million
人民幣百萬元



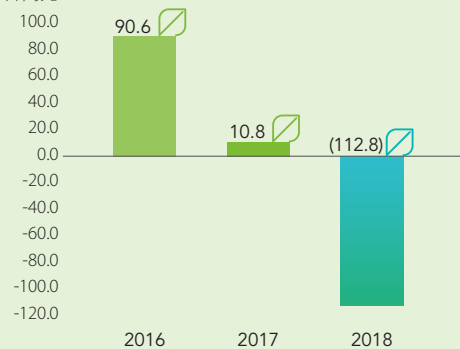
Profit/(Loss) Before Interest And Tax 息稅前利潤/(虧損)

RMB' million
人民幣百萬元



Net Profit/(Loss) For The Year 本年淨利潤/(虧損)

RMB' million
人民幣百萬元



CHAIRMAN'S STATEMENT

董事長致辭



To the Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Nanjing Sinolife United Company Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the audited annual results of the Group for the year ended 31 December 2018 (the “Year”).

致股東

本人代表南京中生聯合股份有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）欣然提呈本集團截至2018年12月31日止年度（「本年度」）的經審核全年業績。



Chairman's Statement

In 2018, to further implement the Group's development strategy, the Group continued to diversify its various sales channels including TV shopping platforms, distributors and e-commerce platforms, as well as to strengthen the marketing of the Good Health brand. Furthermore, the Group has achieved increasing brand recognition in the target markets through adopting the strategies of focusing on the Good Health brand.

In 2019, the Company will focus on the development and cultivation of maternity stores channels and distributor channels, increase pharmacy channels and e-commerce platforms, and focus on expanding sales channels in the PRC. As for technological research and development, more efforts will be made to carry out scientific and technological innovation to lay a solid foundation for the future of the Company.

The Phase I of Sinolife United Research and Development Centre is completed and currently in service. This centre will be equipped with a comprehensive range of research equipment, which is operated by the developed research team to apply the cutting-edge research technologies, will enable the Group to speed up the progress in its research projects with respect to health food products domestically and abroad.

Health has always been a topic for humanity. Regardless of maternity and child, sub-healthy, or healthy demographics, they all have the demand and desire for scientific health. Since its establishment, the Company has always persisted in the work of health protection, health management, health and safety, which is also the belief and pursuit of the Company.

We believe health means longevity, vigour, and happiness.

In safeguarding health, the Company upholds high quality and high standards. Upon completion of Sinolife United Research and Development Centre, the Company has entered a new stage of development. Meanwhile, the Company also understands that the road ahead remains very long, mixed with opportunities and challenges. The Company will certainly keep pace with the times and uphold the cultural spirit with one step at a time to serve the society and create value.

董事長致辭

2018年，為進一步貫徹本集團發展戰略，本集團於本年度繼續在多樣化的銷售渠道(其中包括電視購物平台、經銷商、電商平台等)，加強對好健康系列產品的營銷推廣力度。以促進好健康品牌在目標市場的知名度日益攀升。

於2019年，本公司將重點發展及培育母嬰店渠道及經銷渠道，增加藥房渠道及電子商務平台，著重拓展中國銷售渠道。在技術研發方面，本公司將加強科技創新力度，為未來奠定堅實的基礎。

中生聯合科技研發中心大廈已完成一期工程，並已投入使用。該中心將擁有完善的科研設備，由科研隊伍運用高端的研發技術，推進本集團國內外保健食品研發項目的快速步伐。

健康一直是人類持續的話題。無論是母嬰、亞健康或健康人群，都有對科學健康的需求及渴望。本公司自成立以來，始終堅持健康保健、健康管理、健康安全的工作，此亦為本公司的信念與追求。

我們相信健康意味著長壽、體力及快樂。

在維護健康方面，本公司堅持高品質、高標準。中生聯合科技研發中心建成後，本公司邁進一個全新發展階段。與此同時，本公司同樣明白前方道路仍然很長，機遇與挑戰並存。本公司將一定與時俱進，秉持文化精神，一步步前進為社會服務，創造價值。

CHAIRMAN'S STATEMENT

董事長致辭

APPRECIATION

On behalf of the Board, I would like to express that the Group would grip the opportunity to promote Good Health as well as expand its health products in several sales channels food business in the PRC, New Zealand and Australia in order to improve the health conditions of people.

Mr. Gui Pinghu

Chairman of the Board

29 March 2019

* *For identification purposes only*

致謝

本人謹代表董事會表示，本集團將抓住機遇在多個銷售渠道推廣好健康系列產品，擴大本集團在中國、紐西蘭、澳大利亞的保健產品業務，改善人們的健康狀況。

董事長

桂平湖先生

2019年3月29日

GOOD HEALTH 好健康系列

Propolis Capsules

天然蜂膠膠囊



Oyster Plus Capsules

牡蠣精膠囊



Hi Cal™ Liquid Calcium & Vitamin D

高鈣 — 液體鈣和維生素D



Goats' Milk Powder

山羊奶粉



Grape Seed 55,000 Capsules

葡萄籽 55,000 膠囊



1-a-day Glucosamine

氨基葡萄糖



PRODUCT INFORMATION

產品資料

ZHONGSHENG 中生系列

Coenzyme Q10 Tablet/Capsules
輔酶Q₁₀片/膠囊



Linolenic Acid Soft Capsules
亞麻酸軟膠囊



Gui Shi Wei Si Capsules
桂氏牌維思膠囊



Selenium-enriched Yeast β -Glucan Capsules
富硒酵母 β -葡聚糖膠囊



Acer Truncatum Bunge Seed Oil (Kanghe)
康赫元寶楓籽油壓片糖果



Ruiyang Yuansheng Capsule (Zhongsheng)
中生瑞養牌源生膠囊



HEJIAN 禾健系列

Hejian Blueberry Pressed Candy

禾健藍莓葉黃素酯壓片糖果



Hejian Haematococcus Pressed Candy

禾健雨生紅球藻壓片糖果



Glucosamine Hydrochloride Tablets

氨基糖軟骨素加鈣片



Bones Capsules

通維牌骨泰膠囊



Hejian Sterol & Natto Pressed Candy

禾健甾醇納豆片壓片糖果



Ginseng Deer Tendon Jing Tai Tablet

人參鹿筋精肽雙層片



PRODUCT INFORMATION

產品資料

CONBAIR/COBAYER 康培爾系列

Manuka Honey

麥努卡蜂蜜



ACAI Capsules

阿薩伊膠囊



Algae DHA Oil

DHA 藻油



Soy Protein Powder

大豆蛋白粉



BUSINESS REVIEW

To further implement the Group's development strategy, during the Year, the Group continued to diversify its various sales channels including TV shopping platforms, distributors and e-commerce platforms, as well as to strengthen the marketing of the Good Health brand. Annual sales revenue of products, such as Zhongsheng series products, Hejian series products and Cobayer series products, decreased during the Year as compared to that of 2017. Revenue of the Group decreased from approximately RMB472.5 million for 2017 to approximately RMB453.2 million for the Year, representing a decrease of approximately 4.1%. The Group recorded a loss of approximately RMB112.8 million, as compared to a profit of approximately RMB10.8 million for 2017.

During the Year, the Group has achieved increasing brand recognition in the target markets through adopting the strategies of focusing on the Good Health brand and sales promotion through distributors, TV shopping, e-commerce and other channels. The Group carried out continuous brand building and promotion mainly through combination of TV shopping platforms, online call centres and retail shops under the Zhongsheng brand in the PRC, the mutual penetration of distributors under the Good Health and the Living Nature brands, chain pharmacies and travel channels in the overseas, and at the same time by opening flagship stores on domestic and foreign major e-commerce platforms.

During the Year, in order to enhance the market competitiveness of its products and meet the evolving consumer demands, the Group has adopted a market-oriented research and a product development strategy to further strengthen the development of new products. During the Year, the Group has launched a total of 30 new products, including 4 Zhongsheng series products, 6 Hejian series products, 11 Good Health series products and 9 Living Nature series products. New products mainly comprise Turmeric Sport, Magnesium Small Capsules, CO-Q10 400mg, Turmeric Extra Strength (Reformulation), Magnesium Sleep, Turmeric + Probiotics, Viralax sachet Revive, Zhongshengpai Vitamin C Chews and HejianPai probiotic solid beverage.

業務回顧

為進一步貫徹本集團發展戰略，本集團於本年度繼續在多樣化的銷售渠道（其中包括電視購物平台、經銷商、電商平台等），加強對好健康系列產品的營銷推廣力度。中生系列產品、禾健系列產品以及康培爾系列產品的本年度銷售收入較2017年度有所下降。本集團的收益由2017年的約人民幣472.5百萬元下降至本年度的約人民幣453.2百萬元，降幅約為4.1%。本集團錄得虧損約人民幣112.8百萬元，而於2017年則錄得利潤約人民幣10.8百萬元。

本年度，本集團通過採取聚焦於好健康品牌，重點在經銷商、電視購物、電商等渠道進行銷售推廣，以促進好健康品牌在目標市場的知名度日益攀升。於國內，本集團主要通過電視購物平台、在線呼叫中心、中生品牌零售店模式相結合；於國外，我們主要通過好健康及Living Nature品牌的經銷商、連鎖藥房、旅遊渠道等模式相滲透；同時，我們也通過在境內及境外大型電商平台開設旗艦店等方式進行持續的品牌建設及推廣。

本年度，本集團為提升產品的市場競爭力及滿足不斷轉變的消費者需要，採用以市場為導向的研究及產品開發策略，進一步加強對新產品的開發。本年度，本集團共計推出30項新產品，包括4項中生系列產品、6項禾健系列產品、11項好健康系列產品以及9項Living Nature系列產品。新產品主要包括薑黃運動複方膠囊、鎂小膠囊、複方輔酶Q10 400mg膠囊、高濃度薑黃素、鎂安睡輔助膠囊、薑黃益生菌膠囊、Viralax免疫復活沖劑、中生牌維生素C咀嚼片及禾健牌益生菌粉固體飲料。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Year, the Group has devoted more effort in Good Health's brand promotion and undergone continuous brand marketing and publicity through various channels in the PRC and the overseas. The Group continued to carry out the following marketing activities in the PRC:

- (i) seasonal promotions and discounts on major Chinese holidays;
- (ii) participation in trade fairs such as China International Health Products Expo (中國國際健康產品展覽會), CBME Children-Baby-Maternity Expo (CBME中國孕嬰童展覽會) and China International Healthcare Expo (中國國際保健博覽會);
- (iii) cooperation with various domestic TV channels for TV shopping; and
- (iv) internet advertising.

In overseas markets, the Group promoted its brands through the following methods, including:

- (i) hiring Mr. Richie McCow (former captain of the All Blacks in New Zealand) and his wife to participate in Good Health product promotion activities;
- (ii) sponsoring netball team Northern Mystics;
- (iii) extensive promotion of magnesium and Viralex products through media channels such as television and radio;
- (iv) online and offline promotions with distributors; and
- (v) extensive use of social media campaigns and informative blog posts for interaction between consumers and brands.

The Group has made great effort to develop its TV shopping platforms during the Year and has built cooperation with 13 platforms including yougou.com, hao24.com, ocj.com.cn, Global Home Shopping, FS Shopping and CCTV Home Shopping to sell general trade and cross-border products.

本年度，本集團進一步加強了好健康品牌推廣力度，透過多種渠道在國內及海外進行持續的品牌推廣及宣傳。在國內，本集團持續進行以下推廣活動：

- (i) 在中國主要假期推行季節性推廣及折扣；
- (ii) 參加中國國際健康產品展覽會、CBME中國孕嬰童展覽會及中國國際保健博覽會；
- (iii) 與國內多家電視媒體渠道合作開展電視購物；及
- (iv) 投放互聯網廣告。

在海外市場，本集團通過以下方式進行品牌推廣，包括：

- (i) 聘請Richie McCow先生(前紐西蘭全黑隊隊長)和他的妻子參加好健康產品宣傳推廣活動；
- (ii) 贊助Northern Mystics 投球球隊；
- (iii) 在電視和廣播等媒體渠道，廣泛推廣鎂和Viralex產品；
- (iv) 與經銷商進行的在線及線下合作推廣；及
- (v) 廣泛使用社交媒體活動和信息豐富的博客帖子，促進消費者與品牌互動。

本集團於本年度大力發展電視購物平台，已和優購物、好享購、東方購物、環球購物、風尚購物、中視購物等13家平台開展合作，銷售一般貿易及跨境產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In addition, the Group's overseas diversified sales platforms mainly include international distribution network broadly distributed in countries including the United Kingdom, Germany, the Netherlands, Canada, Korea, Japan, Singapore, South Africa, Vietnam, Thailand, Malaysia, Indonesia and the United Arab Emirates, and local large chain pharmacies, health goods supermarkets and tourist souvenir shops in New Zealand and Australia. In addition, the Group has continued to cooperate with Alibaba, Tmall International, JD.com, suning.com, xiaohongshu.com, pinduoduo.com, kaola.com, mia.com, Health Post, Health Element and other e-commerce platforms during the Year.

FINANCIAL REVIEW

Results

The revenue of the Group for the Year was approximately RMB453.2 million, representing a decrease of approximately 4.1% from approximately RMB472.5 million in 2017. The Group recorded a loss of approximately RMB112.8 million, as compared to a profit of approximately RMB10.8 million for 2017. The Company's loss per share was approximately RMB11.92 cents (2017: earnings per share of approximately RMB0.44 cent) based on the weighted average number of 946,298,370 (2017: 946,298,370) ordinary shares of the Company in issue for the Year.

Revenue

The revenue of the Group decreased by approximately 4.1% from approximately RMB472.5 million for 2017 to approximately RMB453.2 million for the Year. Sales of Zhongsheng series products decreased by approximately 16.3% from approximately RMB128.0 million in 2017 to approximately RMB107.1 million in the Year; sales of Hejian series products decreased by approximately 48.5% from approximately RMB59.4 million in 2017 to approximately RMB30.6 million in the Year; sales of Cobayer series products decreased by approximately 34.9% from approximately RMB30.4 million in 2017 to approximately RMB19.8 million in the Year; and sales of Good Health series products increased by approximately 15.7% from approximately RMB229.3 million in 2017 to approximately RMB265.2 million in the Year. The decrease in revenue of sales in the Year was mainly attributable to the reduction in advertising and marketing promotions of Zhongsheng series products, Hejian series products and Cobayer series products in the PRC market, resulting in the decrease in sales revenue of Zhongsheng series products, Hejian series products and Cobayer series products. The main reason for the increase in sales of Good Health series products was that the Group has strengthened the marketing and promotion of the Good Health brand in multiple sales channels during the Year.

此外，本集團在海外的多元化銷售平台主要包括廣泛分布於各國的國際經銷商網絡（包括英國、德國、荷蘭、加拿大、韓國、日本、新加坡、南非、越南、泰國、馬來西亞、印度尼西亞、阿聯酋等），及紐西蘭和澳大利亞本地的大型連鎖藥房、健康品超市及旅遊紀念品商店。此外，於本年度，本集團持續與阿里巴巴、天貓國際、京東、蘇寧易購、小紅書、拼多多、網易考拉、蜜芽、Health Post、Health Element等電子商務平台開展合作。

財務回顧

業績

本集團於本年度的收益約為人民幣453.2百萬元，較2017年的約人民幣472.5百萬元減少約4.1%。本集團錄得虧損約人民幣112.8百萬元，而於2017年則錄得利潤約人民幣10.8百萬元。按本年度本公司已發行普通股加權平均數946,298,370股（2017年：946,298,370股）計算，本公司的每股虧損約人民幣11.92分（2017年：每股盈利約人民幣0.44分）。

收益

本集團的收益由2017年的約人民幣472.5百萬元減少約4.1%至本年度的約人民幣453.2百萬元。中生系列產品銷售由2017年的約人民幣128.0百萬元下降至本年度的約人民幣107.1百萬元，降幅約16.3%。禾健系列產品的銷售額由2017年的約人民幣59.4百萬元減少至本年度的約人民幣30.6百萬元，降幅約為48.5%；康培爾系列產品的銷售額由2017年的約人民幣30.4百萬元減少至本年度的約人民幣19.8百萬元，降幅約為34.9%；以及好健康系列產品的銷售額由2017年的約人民幣229.3百萬元增加至本年度的約人民幣265.2百萬元，增幅約為15.7%。本年度銷售收入減少主要由於本集團減少了在中國市場對中生系列產品、禾健系列產品及康培爾系列產品的廣告宣傳和營銷推廣，導致中生系列產品、禾健系列產品及康培爾系列產品銷售收入下降。好健康系列產品銷售增加主要是由於本集團於本年度在多個銷售渠道加強對好健康系列產品的銷售推廣。

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Gross profit

The Group's gross profit decreased from approximately RMB305.6 million for 2017 to approximately RMB249.0 million for the Year. The Group's average gross profit margin decreased from approximately 64.7% for 2017 to approximately 54.9% for the Year. Such decrease in gross profit margin was mainly due to the provision of inventory impairment and the increase in the proportion of sales revenue of Good Health series products during the Year and the decrease in the proportion of sales revenue of Zhongsheng series products and Hejian series products. Good Health series products were sold mainly through TV shopping platforms, distributors and online sales channels, whose gross profit is lower than Zhongsheng series products and Hejian series products, which dragged down the average gross profit margin of the Group.

Other income and gains

The Group's other income and gains mainly comprised bank interest income and government grants, which increased from approximately RMB7.3 million for 2017 to approximately RMB9.1 million for the Year.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately 18.2% from approximately RMB190.8 million for 2017 to approximately RMB225.6 million for the Year, representing approximately 40.4% and 49.8% of the Group's revenue for 2017 and the Year respectively. Such increase was primarily due to the increase in marketing promotional expenses of approximately 50.3% from approximately RMB84.1 million in 2017 to approximately RMB126.4 million in the Year for the purpose of enhancing the brand awareness of Good Health.

Administrative expenses

The Group's administrative expenses decreased by approximately 4.0% from approximately RMB83.1 million for 2017 to approximately RMB79.8 million for the Year, each representing approximately 17.6% of the Group's revenue in 2017 and the Year respectively. Such decrease was primarily due to the decrease in staff costs from approximately RMB40.1 million in 2017 to approximately RMB39.3 million in the Year and the decrease in office expense from approximately RMB32.5 million in 2017 to RMB29.3 million in the Year.

Taxation

The Group recorded an income tax credit of approximately RMB14.3 million for the Year, as compared to an income tax expense of approximately RMB3.2 million for 2017, due to the decrease in profit before tax during the Year.

The Group's effective tax rates in 2017 and the Year was approximately 23.0% and 11.2% respectively.

毛利

本集團的毛利由2017年的約人民幣305.6百萬元減少至本年度的約人民幣249.0百萬元。本集團的平均毛利率則由2017年的約64.7%下降至本年度的約54.9%。毛利率下降主要是由於存貨減值撥備及本年度好健康系列產品的銷售收入佔比提高，中生系列產品、禾健系列產品銷售收入佔比減少。好健康系列產品主要通過電視購物平台、經銷商及線上銷售渠道等模式進行銷售，毛利率低於中生系列和禾健系列產品，因此拉低本集團平均毛利率。

其他收入及收益

本集團的其他收入及收益主要包括銀行利息收入及政府補助金，由2017年的約人民幣7.3百萬元增加至本年度的約人民幣9.1百萬元。

銷售及經銷開支

本集團的銷售及經銷開支由2017年的約人民幣190.8百萬元增加約18.2%至本年度的約人民幣225.6百萬元，分別佔本集團2017年及本年度收益約40.4%及49.8%。有關增加主要是由於市場宣傳費用由2017年的約人民幣84.1百萬元增加約50.3%至本年度的約人民幣126.4百萬元用於提升好健康品牌的知名度。

行政開支

本集團的行政開支由2017年的約人民幣83.1百萬元減少約4.0%至本年度的約人民幣79.8百萬元，分別各佔本集團2017年及本年度收益約17.6%。有關減少主要是由於員工費用由2017年的約人民幣40.1百萬元減少至本年度的約人民幣39.3百萬元，及辦公開支由2017年的約人民幣32.5百萬元減少至本年度的人民幣29.3百萬元。

稅項

本集團於本年度錄得所得稅抵免約人民幣14.3百萬元，而2017年為所得稅開支約人民幣3.2百萬元，主要是由於本年度除稅前利潤減少所致。

本集團於2017年及本年度的實際稅率分別約為23.0%及11.2%。

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Loss for the Year

As a result of the foregoing, the Group recorded a loss for the Year of approximately RMB112.8 million, as compared to a profit of approximately RMB10.8 million for the year ended 31 December 2017.

The loss for the Year was mainly due to:

1. the Group reduced its advertising and marketing activities for the Zhongsheng series products, Hejian series products and Cobayer series products in the PRC market, resulting in the decrease in the sales of the Zhongsheng series products, Hejian series products and Cobayer series products in the PRC market;
2. new sales channels had relatively low profit in the early stage;
3. the annual performance of Shanghai Hejian Nutritional Food Products Company Limited* (上海禾健營養食品有限公司) (“Hejian”) and Good Health Products Limited (“GHP”) in the Year was below the Company’s expectation and the Company provided for goodwill impairment for Hejian and GHP, respectively; and
4. the Company provided for inventory impairment for the Group’s inventories following a prudent assessment with reference to macroeconomic factors and market competition.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

During the Year, the Group’s cash and cash equivalents decreased by approximately RMB68.2 million, which mainly comprised the net cash inflow from operating activities with the amount of approximately RMB30.6 million, net cash outflow used in investing activities with the amount of approximately RMB47.3 million and net cash outflow used in financing activities with the amount of approximately RMB53.0 million.

Inventories

The Group’s inventories amounted to approximately RMB110.9 million (31 December 2017: approximately RMB163.3 million) as at 31 December 2018. The Group’s inventories comprised raw materials, work in progress, finished goods and goods merchandise. The inventories balances decreased by approximately 32.1% compared with that as at 31 December 2017, mainly because the Group increased the sales of Good Health series product and increased the provision of impairment made on inventories balances.

本年度虧損

基於上文所述，本集團於本年度錄得虧損約人民幣112.8百萬元，而截至2017年12月31日止年度則錄得利潤約人民幣10.8百萬元。

本年度虧損主要由於以下因素：

1. 本集團減少了在中國市場對中生系列產品、禾健系列產品及康培爾系列產品的廣告宣傳和營銷推廣活動，導致中生系列產品、禾健系列產品及康培爾系列產品在中國市場銷售減少；
2. 新建銷售渠道前期利潤相對較低；
3. 上海禾健營養食品有限公司(「禾健」)與Good Health Products Limited(「GHP」)於本年度的年度表現低於本公司的預期，而本公司分別對禾健和GHP計提了商譽減值；及
4. 本公司參考宏觀經濟因素和市場競爭情況作出謹慎評估，對本集團存貨計提了存貨減值。

流動資金及資本資源

現金流量

於本年度，本集團現金及現金等價物減少約人民幣68.2百萬元，主要包括經營活動所得現金流量淨流入約人民幣30.6百萬元、投資活動所用現金流量淨流出約人民幣47.3百萬元及融資活動所用現金流量淨流出約人民幣53.0百萬元。

存貨

於2018年12月31日，本集團的存貨約為人民幣110.9百萬元(2017年12月31日：約人民幣163.3百萬元)，本集團的存貨包括原材料、在製品、製成品及採購品。存貨餘額較2017年12月31日減少約32.1%，主要是由於本集團加大了對好健康系列產品的銷售，以及計提了存貨餘額的減值撥備。

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During the Year, inventory turnover was approximately 307 days (2017: 257 days). The longer inventory turnover period during the Year was primarily due to the Company purchased a large amount of honey in 2017 to be used for sales in TV shopping channel in the Year, the sales were lower than expected due to the adjustment of program schedule of TV shopping platforms in the Year.

Trade receivables

The Group's trade receivables amounted to approximately RMB57.7 million (2017: approximately RMB49.3 million) as at 31 December 2018 which represents an increase of approximately 17.0% from that as at 31 December 2017. It was mainly due to (1) growth in sales revenue from TV shopping platforms with a credit term of 30 days; and (2) sales from local tourist souvenir shops and pharmacies in New Zealand continued to grow with 60 days of credit terms usually granted to distributors.

Trade payables

The Group's trade payables amounted to approximately RMB15.7 million (2017: approximately RMB14.2 million) as at 31 December 2018 which represents an increase of approximately 10.6% from that as at 31 December 2017. Turnover days for trade payables decreased to 31 days (2017: 33 days), which has no significant fluctuation.

Foreign exchange exposure

The Group conducts in-bound transactions principally in RMB and outbound transactions principally in New Zealand dollar and Australian dollar. In respect of the Group's risk exposure to exchange rate, the Group has adopted corresponding measures to adjust the structure of the Company's monetary capital. The Group had not utilised any financial instruments for hedging purposes as at 31 December 2018.

Borrowings and pledge of assets

The Group had loan balances of RMB27.5 million and pledge of assets (being its shareholding in Shanghai Weiyi Investment & Management Limited Company* (上海惟翊投資管理有限公司) ("Shanghai Weiyi")) as at 31 December 2018.

Gearing position

The gearing ratio, which represented total borrowings divided by total equity multiplied by 100%, was 10.77% and 4.56% as at 31 December 2017 and 2018, respectively. The total borrowings of the Group decreased from RMB77.0 million as at 31 December 2017 to RMB27.5 million as at 31 December 2018. Such decrease was mainly attributable to the repayment of borrowings of RMB49.5 million.

於本年度，存貨週轉天數約為307天(2017年：257天)，本年度存貨週轉天數較長，主要是由於本公司在2017年採購了較大金額的蜂蜜，並於本年度在電視購物渠道銷售，因電視購物平台檔期調整而導致本年度產品銷售低於預期。

貿易應收款項

於2018年12月31日，本集團的貿易應收款項約為人民幣57.7百萬元(2017年：約人民幣49.3百萬元)，較2017年12月31日增幅約為17.0%。主要是由於(1)電視購物平台銷售收入增長，有30天的信用期；及(2)紐西蘭當地的旅遊紀念品商店、藥房的銷售額持續增長，經銷商的信用期一般為60天。

貿易應付款項

於2018年12月31日，本集團的貿易應付款項約為人民幣15.7百萬元(2017年：約人民幣14.2百萬元)，較2017年12月31日增加約10.6%。貿易應付款項週轉天數減少至31天(2017年：33天)，並無重大波動。

匯兌風險

由於本集團境內業務主要以人民幣進行業務交易，境外業務主要以紐西蘭元及澳元進行業務交易。針對本集團面臨的匯兌風險，本集團已採取相應的措施，調整了本公司貨幣資金的結構。於2018年12月31日，本集團並未使用任何金融工具作對沖用途。

借款及資產抵押

於2018年12月31日，本集團貸款餘額人民幣27.5百萬元，並有資產抵押(為於上海惟翊投資管理有限公司的股權(「上海惟翊」))。

資產負債狀況

資產負債率指借款總額除以權益總額乘以100%，於2017年及2018年12月31日資產負債率分別為10.77%及4.56%。本集團借款總額由2017年12月31日的人民幣77.0百萬元減少至2018年12月31日的人民幣27.5百萬元。有關減少主要由於償還借款人民幣49.5百萬元。

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Capital expenditure

The Group invested approximately RMB39.1 million during the Year (2017: approximately RMB35.0 million) for building research & development (“R&D”) centre, plant and equipment.

Capital commitments and contingent liabilities

As at 31 December 2018, the Group had commitments for building R&D centre, plant and equipment of approximately RMB38.8 million (2017: approximately RMB48.7 million).

PRINCIPAL RISKS AND UNCERTAINTIES

An increase in the price of raw materials and packaging materials could adversely affect our business.

The Group’s products are composed of certain raw materials such as nutraceuticals, herb extracts, vitamins and mineral products as well as packaging materials. The Group is affected by the increase in the prices of these raw materials and packaging materials, which are determined principally by market forces and the Group’s bargaining power vis-a-vis the Group’s suppliers. If the prices of these raw materials and packaging materials were to increase significantly, the Group may not be able to offset all price increases by raising the prices of the Group’s products. Moreover, the Group may lose competitive advantage if the prices of the Group’s products increase significantly.

Foreign exchange risk and fluctuations in exchange rates could have an adverse effect on business and investors’ environment

The Group is exposed to foreign currency risk primarily for its purchases in Australian dollars and New Zealand dollars from third-party manufacturers in Australia and New Zealand. The appreciation or depreciation of RMB against Australian dollars and New Zealand dollars may have a significant impact on the Group’s profitability. For example, a depreciation of RMB could increase costs of purchasing products from Australia and New Zealand, as such depreciation would require the Group to convert more RMB to obtain the equivalent foreign currency necessary to tender payment. The Group has not used any derivative contracts to hedge against its exposure to foreign currency risk.

The value of RMB against foreign currencies, including Australian dollars and New Zealand dollars, fluctuates and is affected by, among other things, changes in the PRC and international political and economic conditions and the PRC government’s fiscal, monetary and currency policies. There remains significant international pressure on the PRC government to adopt a more flexible currency policy. The Group cannot predict how RMB will fluctuate in the future. As a result, the fluctuation in the exchange rate between RMB and other currencies could have an adverse effect on the Group’s business, financial condition and results of operation.

資本開支

於本年度，本集團斥資約人民幣39.1百萬元(2017年：約人民幣35.0百萬元)用於建設研發(「研發」)中心、廠房及設備。

資本承擔及或然負債

於2018年12月31日，本集團就建設研發中心、廠房及設備擁有承擔約人民幣38.8百萬元(2017年：約人民幣48.7百萬元)。

主要風險及不明朗因素

原材料及包裝材料價格上漲會對我們的業務造成不利影響。

本集團的產品由若干原材料(例如營養品、草藥提取物、維生素及礦物營養產品)以及包裝材料組成。本集團會受到該等原材料價格上漲的影響，而該等原材料及包裝材料價格主要由市場力量及本集團與供貨商的議價能力決定。倘該等原材料及包裝材料的價格顯著上漲，本集團可能無法通過提高本集團產品的價格而抵銷所有價格上漲。此外，倘本集團產品價格顯著上漲，則本集團可能失去競爭優勢。

匯率風險及匯率波動可能對業務及投資環境產生不利影響

本集團承受外匯風險，主要因為本集團以澳元及紐西蘭元向澳大利亞及紐西蘭的第三方製造商做出採購。人民幣兌澳元及紐西蘭元升值或貶值或會對本集團的盈利能力造成重大影響。例如，人民幣貶值可能會導致向澳大利亞及紐西蘭採購產品的成本上漲，因為人民幣貶值，本集團須兌換更多人民幣以便取得付款所需的等值外幣。本集團並未使用任何衍生工具合同對沖外匯風險。

人民幣兌外幣(包括澳元及紐西蘭元)的價值波動，乃受到(其中包括)中國和國際的政治及經濟狀況的變化以及中國政府的財政和貨幣政策的影響。中國政府仍面臨重大國際壓力，或須採取更為靈活的貨幣政策。本集團無法預測未來人民幣的走向。因此，人民幣兌其他貨幣的匯率波動可能會對本集團的業務、財務狀況及經營業績產生不利影響。

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The PRC government's control of foreign currency conversion may limit foreign exchange transactions, including dividend payments on H shares

Currently, RMB still cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange laws and regulations which would affect exchange rates and the Group's foreign exchange transactions. It cannot be guaranteed that under a certain exchange rate, the Group will have sufficient foreign currencies to meet the Group's foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by the Group, including the payment of dividends, does not require prior approval from the State Administration of Foreign Exchange of the PRC (國家外匯管理局) ("SAFE"), but the Group is required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. As a result, the Group will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. The Group's foreign exchange transactions under the capital account, however, must be approved in advance by the SAFE.

There can be no assurance that the policies regarding foreign exchange transactions under the current account and the capital account will continue in the future. In addition, these foreign exchange policies may restrict the Group's ability to obtain sufficient foreign exchange, which could have an effect on the Group's foreign exchange transactions and the fulfillment of the Group's other foreign exchange requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, the Group's payment of dividends in foreign currencies may be affected. If the Group fails to obtain approval from the SAFE to convert RMB into any foreign exchange for foreign exchange transactions, capital expenditure plans, and even the Group's business, financial condition and results of operation, may be adversely affected.

中國政府的外匯管制可能會限制外匯交易，包括H股的股息派發

人民幣目前仍未能與任何其他外幣自由兌換，而外幣的兌換及匯付亦須遵守中國的外匯法律及法規。該等法律及法規會對匯率及本集團的外匯交易產生影響。無法保證在某一匯率下，本集團將有足夠外匯滿足本集團的外匯需求。根據中國的現行外匯監管制度，本集團在經常賬戶下所進行的外匯交易，包括股息派發，均毋須取得國家外匯管理局(「國家外匯管理局」)的事先批准，但必須出示有關交易的相關憑證，並與中國境內持有經營外匯業務執照的指定外匯銀行進行交易。因此，透過遵守相關程序性規定，本集團即可以外幣派發股息而無須事先取得國家外匯管理局批准。然而，本集團在資本賬戶下進行的外匯交易則必須取得國家外匯管理局的事先批准。

本集團無法保證經常賬戶及資本賬戶之外匯交易的相關政策未來會維持不變。此外，這些外匯政策可能限制本集團獲取足夠外匯的能力，因此可能影響本集團進行外匯交易及取得其他所需外幣。如果以外幣向股東派發股息的有關政策或其他外匯政策發生變化，導致本集團無法取得充足的外匯，本集團的外幣股息派發或會受到影響。倘本集團無法取得國家外匯管理局的批准，因而不能就外匯交易將人民幣兌換為任何外幣，資本支出計劃甚至本集團的業務、財務狀況及經營業績均可能受到不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES MANAGEMENT

Quality and dedicated staff is indispensable asset to the Group's success in the competitive market. By providing comprehensive training and corporate culture education periodically, the employees are able to obtain on-going training and development in the nutritional supplements industry. Furthermore, the Group offers competitive remuneration packages commensurated with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure they are in line with market practice and regulatory requirements. As at 31 December 2018, the Group employed a work force of 735 employees. The total salaries and related costs for the Year amounted to approximately RMB111.1 million (2017: approximately RMB114.2 million).

人力資源管理

高質素及盡責的員工是本集團於競爭市場得以成功及不可或缺的資產。藉著定期提供全面的培訓及企業文化教育，員工能夠獲得營養膳食補充劑行業方面的持續培訓及發展。此外，本集團為全體僱員提供符合行業慣例並具競爭力的薪酬待遇及多種附帶福利。本集團定期檢討其人力資源及薪酬政策，以確保符合市場慣例及監管規定。於2018年12月31日，本集團僱用員工735人。於本年度的薪金及相關成本總額約為人民幣111.1百萬元（2017年：約人民幣114.2百萬元）。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

DIRECTORS

The Board consists of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors.

The information of the Directors is set out as follows:

董事

董事會由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事。

董事的資料載列如下：

| Name 姓名 | Age 年齡 | Date of joining the Group 加入本集團的日期 | Position/Title 職位／頭銜 | Date of appointment 委任日期 | Roles and responsibilities 角色及職責 |
|------------------|-----------|--|--|--------------------------------|--|
| Mr. Gui Pinghu | 59 | 24 May 1999 | Chairman and Executive Director | 24 May 1999 | Chairman of the Strategy and Development Committee; being responsible for strategic development of the Company |
| 桂平湖先生 | 59歲 | 1999年5月24日 | 董事長兼執行董事 | 1999年5月24日 | 戰略及發展委員會主席，負責 本公司戰略性發展 |
| Ms. Zhang Yuan | 49 | 25 May 1999 | Chief Executive Officer and Executive Director | 17 June 2011 | General manager, being responsible for the management, organisation and implementation of Board decisions |
| 張源女士 | 49歲 | 1999年5月25日 | 首席執行官兼執行董事 | 2011年6月17日 | 總經理，負責管理、組織及 實施董事會決議 |
| Ms. Xu Li | 44 | 1 January 2002 | Executive Director | 25 October 2012 | Sales director; vice general manager; member of the Nomination Committee |
| 徐麗女士 | 44歲 | 2002年1月1日 | 執行董事 | 2012年10月25日 | 銷售總監、副總經理、提名委員會成員 |
| Ms. Zhu Feifei | 37 | 29 July 2003 | Executive Director | 25 October 2012 | Chief production officer; member of the Remuneration Committee |
| 朱飛飛女士 | 37歲 | 2003年7月29日 | 執行董事 | 2012年10月25日 | 首席生產官、薪酬委員會成員 |
| Ms. Li Fan | 40 | 21 February 2019 | Non-executive Director | 21 February 2019 | Representative of the pre-IPO investor of the Company |
| 李凡女士 | 40歲 | 2019年2月21日 | 非執行董事 | 2019年2月21日 | 本公司首次公開發售前投資者的 代表 |
| Mr. Zhang Jitong | 46 | 23 October 2018 | Independent non-executive Director | 23 October 2018 | Chairman of the Nomination Committee; member of each of the Audit Committee and Strategy and Development Committee |
| 張繼彤先生 | 46歲 | 2018年10月23日 | 獨立非執行董事 | 2018年10月23日 | 提名委員會主席、審核委員會及 戰略及發展委員會成員 |
| Ms. Cai Tianchen | 45 | 23 October 2018 | Independent non-executive Director | 23 October 2018 | Chairman of the Audit Committee; member of each of the Remuneration Committee and Strategy and Development Committee |
| 蔡天晨女士 | 45歲 | 2018年10月23日 | 獨立非執行董事 | 2018年10月23日 | 審核委員會主席、薪酬委員會及 戰略及發展委員會成員 |
| Mr. Wang Wei | 36 | 23 October 2018 | Independent non-executive Director | 23 October 2018 | Chairman of the Remuneration Committee; member of each of the Audit Committee and Nomination Committee |
| 王瑋先生 | 36歲 | 2018年10月23日 | 獨立非執行董事 | 2018年10月23日 | 薪酬委員會主席、審核委員會及 提名委員會成員 |

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Executive Directors

Mr. Gui Pinghu (桂平湖), aged 59, the founder of the Group, is the chairman and was appointed as an executive Director on 24 May 1999. Mr. Gui is also a director of Australia Cobayer Health Food Co. Pty Ltd. and GHP, Shanghai Weiyi's wholly-owned subsidiary. He is primarily responsible for the strategic development of the Company.

Mr. Gui graduated from Nanjing Xiaozhuang University (formerly known as Nanjing Institute of Education* (南京教育學院), majoring in Chinese in July 1989 and was awarded a degree of Executive Master of Business Administration, which was a part-time programme from Fudan University in June 2010. As at the date of this annual report, Mr. Gui and his spouse were interested in approximately 78.71% of the domestic shares of the Company (the **"Domestic Shares"**). Mr. Gui was also interested in approximately 0.56% of the H shares of the Company (**"H Shares"**).

Mr. Gui was the general manager of Hainan East & West Advertisement Art Company* (海南東西方廣告藝術公司) from November 1992 to October 1994, the general manager of Nanjing Tangshan Garden Hotel* (南京湯山花園酒店) between January 1995 and December 1996 and the general manager of Nanjing Xin Chuang Mould and Die Factory* (南京新創模具廠) from January 1997 to December 1998. In May 1999, he established the Company and has since then been the Director. Mr. Gui has more than 20 years of experience in the nutritional supplements industry.

Ms. Zhang Yuan (張源), aged 49, was appointed as an executive Director and the chief executive officer of the Group on 17 June 2011. Ms. Zhang is also a director of Nanjing Zhongsheng Bio-Tech Co. Limited* (南京中生生物科技有限公司), Hangzhou Zhongyan Biological Products Co. Limited* (杭州中研生物製品有限公司), Beijing Zhongsheng Wonderful Health Technology Co. Limited* (北京中生美好健康科技有限公司), Guangzhou Zhongyuan Bio-Tech Co. Limited* (廣州中院生物科技有限公司), Zhenjiang Zhongsheng Health Bio-Tech Co. Limited* (鎮江中生健康科技有限公司), Tianjing Kanger Biological Technology Company Limited* (天津康爾生物科技有限公司), Nanjing Zhaiyigou Electronic Commerce Company Limited* (南京宅易購電子商務有限公司) and Shanghai Weiyi. She is also the director of Hejian, GHP, Living Nature Natural Products Limited and Living Nature Limited. Ms. Zhang is primarily responsible for the management, organisation and implementation of Board decisions. As at the date of this annual report, Ms. Zhang was interested in approximately 0.98% of the Domestic Shares and approximately 0.08% of the H Shares.

執行董事

桂平湖先生，59歲，本集團的創辦人，為本公司董事長，於1999年5月24日獲委任為本公司執行董事。桂先生亦為Australia Cobayer Health Food Co. Pty Ltd.及GHP(上海惟翊之全資附屬公司)的董事。彼主要負責本公司的戰略性發展。

桂先生在1989年7月畢業於南京曉莊學院(前稱南京教育學院)，主修漢語，並於2010年6月獲得復旦大學在職EMBA學位。於本年報日期，桂先生連同其配偶持有本公司內資股(「內資股」)約78.71%的權益。桂先生亦持有本公司H股(「H股」)約0.56%的權益。

桂先生於1992年11月至1994年10月期間擔任海南東西方廣告藝術公司的總經理、於1995年1月至1996年12月期間擔任南京湯山花園酒店的總經理及於1997年1月至1998年12月期間擔任南京新創模具廠的總經理。於1999年5月，彼成立本公司，並一直擔任本公司董事。桂先生在營養膳食補充劑行業擁有二十多年經驗。

張源女士，49歲，於2011年6月17日獲委任為本公司執行董事兼本集團首席執行官。張女士亦為南京中生生物科技有限公司、杭州中研生物製品有限公司、北京中生美好健康科技有限公司、廣州中院生物科技有限公司、鎮江中生健康科技有限公司、天津康爾生物科技有限公司、南京宅易購電子商務有限公司及上海惟翊的董事。彼亦為禾健、GHP、Living Nature Natural Products Limited及Living Nature Limited的董事。張女士主要負責管理、組織及實施董事會決議。於本年報日期，張女士擁有內資股中約0.98%的權益及H股中約0.08%的權益。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Ms. Zhang has more than 20 years of experience in the nutritional supplements industry. She was appointed as the office supervisor of the Company in May 1999 and the deputy general manager of the Company in January 2008.

Ms. Zhang obtained a degree of Executive Master of Business Administration, which was a part-time programme from Nanjing University in June 2012.

Ms. Xu Li (徐麗), aged 44, was appointed as an executive Director on 25 October 2012. Ms. Xu is also a director of Suzhou Zhongsheng Health & Biological Products Co. Limited* (蘇州中生健康生物製品有限公司), Wuxi Zhongyan Health Products Co. Limited* (無錫中研健康品有限公司), Changzhou Zhongsheng Wonderful Bio-Health Products Co. Limited* (常州中生美好生物製品有限公司), Jinan Zhongsheng Chinese Commerce Biological Products Co. Limited* (濟南中生華商生物製品有限公司), Shenzhen Zhongsheng Chinese Commerce Bio-Tech Co. Limited* (深圳市中生華商生物科技股份有限公司), Wuhan Zhongsheng Chinese Commerce Biological Technology Co. Limited* (武漢中生華商生物科技股份有限公司) and Qingdao Zhongsheng Biological Products Co. Limited* (青島中生康健生物製品有限公司). Ms. Xu is primarily responsible for the marketing of the Group. As at the date of this annual report, Ms. Xu was interested in approximately 0.82% of the Domestic Shares.

Ms. Xu has more than 10 years of experience in the nutritional supplements industry. Ms. Xu joined the Company as the sales manager in January 2002. In January 2010, she was promoted to be the marketing general manager. In October 2012, she was promoted to be a Director and continued to be the marketing director.

Ms. Xu obtained a diploma in Economic Management from PRC Jiangsu Province Part School* (中共江蘇省委黨校) in July 1999, which was a part-time programme and was awarded an Executive Master of Business Administration's degree of Zhejiang University in December 2015, which was a part-time programme.

Ms. Zhu Feifei (朱飛飛), aged 37, was appointed as an executive Director on 25 October 2012. Ms. Zhu is primarily responsible for the production of the Group. As at the date of this annual report, Ms. Zhu was interested in approximately 0.10% of the Domestic Shares.

Ms. Zhu joined the Company as a sales clerk of the sales department in July 2003. She was promoted to be the chief production officer in January 2008. She was appointed as a Director in October 2012.

Ms. Zhu graduated from a part-time programme of the Open University of China (formerly known as China Central Radio and Television University* (中央廣播電視大學)) majoring in Business Administration in January 2008.

張女士在營養膳食補充劑行業擁有二十多年經驗。於1999年5月，彼獲委任為本公司辦公室主管，及於2008年1月獲委任為本公司副總經理。

張女士在2012年6月獲得南京大學在職EMBA學位。

徐麗女士，44歲，於2012年10月25日獲委任為本公司執行董事。徐女士亦為蘇州中生健康生物製品有限公司、無錫中研健康品有限公司、常州中生美好生物製品有限公司、濟南中生華商生物製品有限公司、深圳市中生華商生物科技股份有限公司、武漢中生華商生物科技股份有限公司及青島中生康健生物製品有限公司的董事。徐女士主要負責本集團的市場推廣。於本年報日期，徐女士擁有內資股中約0.82%的權益。

徐女士在營養膳食補充劑行業擁有十多年經驗。徐女士於2002年1月加入本公司任銷售經理。於2010年1月，彼獲晉升為市場部總經理。於2012年10月，彼獲晉升為董事並繼續擔任市場部總監。

徐女士在1999年7月取得中共江蘇省委黨校的在職經濟管理學文憑，並於2015年12月取得浙江大學在職EMBA學位。

朱飛飛女士，37歲，於2012年10月25日獲委任為本公司執行董事。朱女士主要負責本集團的生產。於本年報日期，朱女士擁有內資股中約0.10%的權益。

朱女士於2003年7月加入本公司銷售部，擔任銷售員。於2008年1月，彼獲晉升為首席生產官。於2012年10月，彼獲委任為董事。

朱女士在2008年1月畢業於國家開放大學(前稱中央廣播電視大學)在職工商管理專業。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Non-executive Director

Ms. Li Fan (李凡), aged 40, was appointed as a non-executive Director on 21 February 2019. Ms. Li is the representative of Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership* (上海復星創富股權投資基金合夥企業(有限合夥)), the pre-IPO investor of the Company.

Ms. Li obtained a bachelor's degree in engineering majoring in microbial pharmaceuticals at Shenyang Pharmaceutical University in July 2000 and a master's degree in business administration at Fudan University in June 2017. Ms. Li has been a director of WeDoctor Beilian (Shanghai) Information Technology Company Limited* (微醫貝聯(上海)信息科技有限公司) since April 2017, which is principally engaged in the development and service of computer software, information technology and communication system, and the managing director of Shanghai Fosun Chuangfu Investment Management Company Limited* (上海復星創富投資管理股份有限公司), which is principally engaged in investment management, since January 2018. Ms. Li was also the senior vice president of Guahaowang (Hangzhou) Technology Company Limited* (掛號網(杭州)科技有限公司), which was principally engaged in the operation of online healthcare technology platform from May 2015 to January 2018. Prior to joining Guahaowang (Hangzhou) Technology Company Limited, Ms. Li was the chief marketing officer of Shenzhen Huakang Quanjing Information Technology Company Limited* (深圳市華康全景信息技術有限公司), which was principally engaged in the development of mobile medical application services, and the head of pharmaceutical enterprise business department at Guanlan Network (Hangzhou) Company Limited* (觀瀾網絡(杭州)有限公司), which was principally engaged in the development of medical software and network technology, respectively.

Independent non-executive Directors

Mr. Zhang Jitong (張繼彤), aged 46, was appointed as an independent non-executive Director on 23 October 2018. Mr. Zhang holds a doctorate degree in management majoring in agricultural economics management from Nanjing Agricultural University and has been an associate professor and a professor of the School of Business of Nanjing Normal University from September 2005 to April 2011 and from May 2011 onwards, respectively.

Mr. Zhang obtained a bachelor's degree in laws majoring in ideological and political education, and a master's degree in management majoring in enterprise management, from Nanjing Normal University in July 1994 and June 2000, respectively. After Mr. Zhang had obtained a doctorate degree in management from Nanjing Agricultural University in June 2005, he further obtained a postdoctoral certificate in laws from Nanjing Normal University.

非執行董事

李凡女士，40歲，於2019年2月21日獲委任為本公司非執行董事。李女士為首次公開發售前本公司投資者上海復星創富股權投資基金合夥企業(有限合夥)的代表。

李女士於2000年7月取得瀋陽藥科大學工學學士學位，主修微生物製藥，以及於2017年6月取得復旦大學工商管理碩士學位。李女士自2017年4月起一直擔任微醫貝聯(上海)信息科技有限公司的董事，該公司主要從事計算機軟件、信息技術及通訊系統的開發及服務業務，以及彼自2018年1月起一直擔任上海復星創富投資管理股份有限公司的董事總經理，該公司主要從事投資管理業務。於2015年5月至2018年1月，李女士亦曾擔任掛號網(杭州)科技有限公司的高級副總裁，該公司主要從事在線醫療健康科技平台的營運業務。於加入掛號網(杭州)科技有限公司前，李女士先後擔任深圳市華康全景信息技術有限公司的首席營銷官，該公司主要從事移動醫療應用服務開發業務，以及觀瀾網絡(杭州)有限公司藥企事業部負責人，該公司主要從事醫療軟件及網絡技術開發業務。

獨立非執行董事

張繼彤先生，46歲，於2018年10月23日獲委任為本公司獨立非執行董事。張先生持有南京農業大學管理(農業經濟管理專業)博士學位及自2005年9月至2011年4月及自2011年5月起分別擔任南京師範大學商學院副教授及教授。

張先生分別於1994年7月及2000年6月取得南京師範大學法學(思想政治教育專業)學士學位及管理(企業管理專業)碩士學位。張先生於2005年6月取得南京農業大學管理博士學位後，進一步取得了南京師範大學法律博士後證書。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Mr. Zhang was an independent director of Jiangsu Gaoke Petrochemical Company Limited* (江蘇高科石化股份有限公司) from February 2014 to February 2017, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002778).

Ms. Cai Tianchen (蔡天晨), aged 45, was appointed as an independent non-executive Director on 23 October 2018. Ms. Cai completed an accounting programme at Hangzhou Dianzi University (formerly known as Hangzhou Institute of Electronic Engineering* (杭州電子工業學院) in October 1993, and is a non-practising member of the Institute of Certified Public Accountants of Singapore since June 2001, a Chartered Financial Analyst charterholder of the CFA Institute at Charlottesville, Virginia since September 2004, a member of the Hong Kong Institute of Certified Public Accountants since September 2007 and a fellow of the Association of Chartered Certified Accountants since June 2012.

Ms. Cai has extensive experience in initial public offering, merger and acquisition and restructuring gained at international accounting firms. Ms. Cai has been a partner of the Shanghai office of Grant Thornton (致同會計師事務所(特殊普通合夥)) since October 2013. Prior to joining Grant Thornton, Ms. Cai has joined the Singapore office of Deloitte Touche Tohmatsu as an auditor in February 1998, and was later promoted to a manager in 2003 and then to a senior manager at the Shanghai office of Deloitte Touche Tohmatsu.

Ms. Cai has been an independent non-executive director of China Jishan Holdings Limited since 28 December 2017, the shares of which are listed on the Singapore Exchange (stock code: J18).

Mr. Wang Wei (王瑋), aged 36, was appointed as an independent non-executive Director on 23 October 2018. Mr. Wang holds a doctorate degree in food science. Mr. Wang has been a lecturer and an associate professor at the College of Food Science and Technology at Nanjing Agricultural University from December 2013 to December 2015 and from December 2015 onwards, respectively. Mr. Wang has also been a council member of the seventh session of the council of the Jiangsu Association for Instrumental Analysis* (江蘇省分析測試協會) since July 2016.

Mr. Wang obtained a bachelor's degree in food science and engineering and a master's degree in food science from Nanjing Normal University in July 2006 and June 2009 respectively, and a doctorate degree in food science from China Agricultural University in June 2012.

張先生自2014年2月至2017年2月擔任江蘇高科石化股份有限公司的獨立董事，該公司股份於深圳證券交易所上市(股份代號：002778)。

蔡天晨女士，45歲，於2018年10月23日獲委任為本公司獨立非執行董事。蔡女士於1993年10月在杭州電子科技大學(前稱杭州電子工業學院)完成會計課程，並自2001年6月起為新加坡會計師協會非執業會員，自2004年9月起為弗吉尼亞州夏洛茨維爾的特許金融分析師協會特許金融分析師特許狀持有人，自2007年9月起為香港會計師公會會員及自2012年6月起為英國特許公認會計師公會資深會員。

蔡女士在國際會計師事務所擁有豐富的處理首次公開發售、併購及重組的經驗。蔡女士自2013年10月起成為致同會計師事務所(特殊普通合夥)上海辦事處的合夥人。於加入致同會計師事務所(特殊普通合夥)前，蔡女士於1998年2月加入德勤新加坡擔任核數師，其後於2003年晉升為德勤華永會計師事務所(特殊普通合夥)的經理，後為高級經理。

蔡女士自2017年12月28日起擔任中國稽山控股有限公司的獨立非執行董事，該公司股份於新加坡交易所上市(股份代號：J18)。

王瑋先生，36歲，於2018年10月23日獲委任為本公司獨立非執行董事。王先生持有食品科學博士學位。王先生自2013年12月至2015年12月及自2015年12月起分別擔任南京農業大學食品科技學院講師及副教授。王先生自2016年7月起亦擔任江蘇省分析測試協會第七屆理事會的理事。

王先生分別於2006年7月、2009年6月及2012年6月取得南京師範大學食品科學與工程學士學位、食品科學碩士學位及中國農業大學食品科學博士學位。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

SUPERVISORS

The board of supervisors (“**Supervisors**”) of the Company currently consists of five members. The following table sets out certain information about the Supervisors.

| Name 姓名 | Age 年齡 | Date of joining the Group 加入本集團的日期 | Position/title 職位／頭銜 | Date of appointment 委任日期 | Roles and responsibilities 角色及職責 |
|------------------|-----------|--|--------------------------------------|--------------------------------|--|
| Ms. Yu Min | 40 | 16 September 2002 | Chairman of the board of Supervisors | 25 October 2012 | General manager of the sales department of the Group in Nanjing |
| 余敏女士 | 40歲 | 2002年9月16日 | 監事會主席 | 2012年10月25日 | 本集團南京銷售部總經理 |
| Mr. Tao Xingrong | 43 | 16 May 2013 | Supervisor | 16 May 2013 | Representative of the pre-IPO investor of the Company |
| 陶興榮先生 | 43歲 | 2013年5月16日 | 監事 | 2013年5月16日 | 本公司首次公開發售前投資者代表 |
| Ms. Wu Xuemei | 40 | 25 September 2005 | Supervisor | 25 October 2012 | General manager of the distributor affairs department of the Group |
| 吳雪梅女士 | 40歲 | 2005年9月25日 | 監事 | 2012年10月25日 | 本集團經銷商事務部總經理 |
| Ms. Lu Jiachun | 40 | 20 June 2001 | Employee representative Supervisor | 25 October 2012 | Accounting clerk |
| 陸佳純女士 | 40歲 | 2001年6月20日 | 職工代表監事 | 2012年10月25日 | 記賬員 |
| Ms. Chen Xiu | 34 | 30 August 2003 | Employee representative Supervisor | 16 May 2013 | Supervision specialist |
| 陳秀女士 | 34歲 | 2003年8月30日 | 職工代表監事 | 2013年5月16日 | 監督專員 |

Ms. Yu Min (余敏), aged 40, was appointed as the chairman of the board of Supervisors on 25 October 2012. Ms. Yu is also the director of Chengdu Zhongsheng Hua Mei Bio-Tech Co. Limited* (成都中生華美生物科技有限公司) and Hefei Aoka Biological Technology Company Limited* (合肥澳卡生物科技有限公司).

Ms. Yu graduated from Jinling Institute of Technology* (金陵科技學院) (formerly known as Nanjing Agricultural School* (南京市農業專科學校)) majoring in Accounting in June 1999. As at the date of this annual report, Ms Yu was interested in approximately 0.10% of the Domestic Shares.

In 2002, Ms. Yu joined the Company as an accounting clerk and was promoted to be the sales manager of Nanjing in September 2004 and customer relations manager in January 2008. Ms. Yu was subsequently appointed as the chairman of the board of Supervisors and continued to be the customer relations manager. In July 2018, Ms. Yu was promoted as the general manager of the sales department of the Group in Nanjing.

監事

本公司監事(「監事」)會目前由五名成員組成。下表載列本公司監事的部分資料。

余敏女士，40歲，於2012年10月25日獲委任為監事會主席。余女士亦為成都中生華美生物科技有限公司及合肥澳卡生物科技有限公司的董事。

余女士在1999年6月畢業於金陵科技學院(前稱南京市農業專科學校)會計專業。於本年報日期，余女士持有內資股約0.10%的權益。

余女士於2002年加入本公司任記賬員，並於2004年9月獲晉升為南京銷售經理及於2008年1月獲晉升為客戶關係經理。余女士隨後獲委任為監事會主席及繼續擔任客戶關係經理。於2018年7月，余女士獲晉升為本集團南京銷售部總經理。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Mr. Tao Xingrong (陶興榮), aged 43, was appointed as one of the Supervisors on 16 May 2013. Mr. Tao was awarded a bachelor degree in Commercial Law from Zhejiang Gongshang University (浙江工商大學) (formerly known as Hangzhou Commerce College (杭州商學院)) in July 1999. He obtained the Judicial Professional Qualification Certificate* (司法職業資格證書) in September 2002.

Prior to joining Fosun Capital Investment & Management Company Limited* (上海復星創富投資管理有限公司), an investment and asset management company in August 2007, Mr. Tao was the legal clerk of Nantong Intermediate People's Court of Jiangsu Province (江蘇省南通市中級人民法院). He is currently the secretary of the board of directors and risk control manager of Fosun Capital Investment & Management Company Limited* (上海復星創富投資管理有限公司). He is also the joint general manager of Legal Affairs Department of Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司).

Ms. Wu Xuemei (吳雪梅), aged 40, was appointed as one of the Supervisors on 25 October 2012. Ms. Wu graduated from a self-learning programme of the Nanjing Normal University majoring in English in June 2003. As at the date of this annual report, Ms. Wu was interested in approximately 0.08% of the Domestic Shares.

In September 2005, Ms. Wu joined the Company as sales clerk and was promoted to be the deputy sales manager of Nanjing in January 2010. In October 2012, she was appointed as a member of the board of Supervisors. In March 2014, Ms. Wu was promoted to be the general manager of the Cobayer business department of the Group. In July 2018, she was promoted to be the general manager of the distributor affairs department of the Group.

Ms. Lu Jiachun (陸佳純), aged 40, was appointed as the employee representative Supervisor on 25 October 2012. Ms. Lu obtained a bachelor degree in Business Administration from a part-time programme of the Open University of China in October 2005.

Ms. Lu has been an accounting clerk of the Group since June 2001. In October 2012, she was appointed as a member of the board of Supervisors.

陶興榮先生，43歲，於2013年5月16日獲委任為監事之一。陶先生在1999年7月獲得浙江工商大學(前稱杭州商學院)商業法律學士學位。彼在2002年9月獲得司法職業資格證書。

於2007年8月加入上海復星創富投資管理有限公司(一家投資及資產管理公司)前，陶先生擔任江蘇省南通市中級人民法院書記員。彼現任上海復星創富投資管理有限公司董事會秘書兼風控總經理。彼亦為上海復星高科技(集團)有限公司法律事務部聯席總經理。

吳雪梅女士，40歲，於2012年10月25日獲委任為其中一名監事。吳女士在2003年6月畢業於南京師範大學自考英語專業。於本年報日期，吳女士持有內資股約0.08%的權益。

吳女士於2005年9月加入本公司任售貨員，並於2010年1月獲晉升為南京銷售副經理。於2012年10月，彼獲委任為監事會成員。於2014年3月，彼獲晉升為本集團康培爾業務部總經理。於2018年7月，彼獲晉升為本集團經銷商事務部總經理。

陸佳純女士，40歲，於2012年10月25日獲委任為職工代表監事。陸女士在2005年10月取得國家開放大學在職工商管理學士學位。

陸女士自2001年6月起一直擔任本集團的記賬員。於2012年10月，彼獲委任為監事會成員。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Ms. Chen Xiu (陳秀), aged 34, was appointed as the employee representative Supervisor on 16 May 2013. Ms. Chen graduated from Jiangsu Institute of Commerce* (江蘇經貿職業技術學院) (formerly known as Jiangsu Vocational and Technical Institute of Economics and Commerce* (江蘇商業管理幹部學院)) majoring in Accounting in July 2004.

Ms. Chen joined the Group in August 2003 as a customer service clerk. Since July 2009, she has been a supervision specialist (監督專員).

陳秀女士，34歲，於2013年5月16日獲委任為職工代表監事。陳女士於2004年7月畢業於江蘇經貿職業技術學院(前稱江蘇商業管理幹部學院)會計專業。

陳女士於2003年8月加入本集團任客服文員。自2009年7月起，彼一直擔任監督專員。

SENIOR MANAGEMENT

高級管理層

| Name 姓名 | Age 年齡 | Date of joining the Group 加入本集團的日期 | Position/title 職位／頭銜 | Date of appointment 委任日期 | Roles and responsibilities 角色及職責 |
|------------------|-----------|--|---|--------------------------------|---|
| Ms. Zhi Hui (支卉) | 38 | 4 June 2002 | Human resources manager, joint company secretary | 25 October 2012 | Human resources management and company secretarial matters |
| 支卉女士 | 38歲 | 2002年6月4日 | 人力資源經理、 聯席公司秘書 | 2012年10月25日 | 人力資源管理及公司 秘書事宜 |
| Mr. Li Bin (李斌) | 39 | 1 July 2013 | Chief financial officer | 1 July 2013 | Finance management |
| 李斌先生 | 39歲 | 2013年7月1日 | 首席財務官 | 2013年7月1日 | 財務管理 |
| Mr. Wu Jun (吳俊) | 35 | 4 September 2006 | Financial controller | 1 September 2013 | Finance management |
| 吳俊先生 | 35歲 | 2006年9月4日 | 財務總監 | 2013年9月1日 | 財務管理 |

Ms. Zhi Hui (支卉), aged 38, has more than 10 years of experience in the nutritional supplements industry. She joined the Group in June 2002 as an office clerk. She was promoted as the human resources manager in January 2008. In October 2012, she became the secretary to the Board and served as the human resources manager and a joint company secretary concurrently. As at the date of this annual report, Ms. Zhi was interested in approximately 0.07% of the Domestic Shares and 0.12% of the H Shares.

Ms. Zhi graduated from Sanjiang University majoring in Modern Company Secretary in June 2002.

支卉女士，38歲，在營養膳食補充劑行業擁有十多年經驗。彼於2002年6月加入本集團任辦公室文員，並於2008年1月獲擢升為人力資源經理。彼於2012年10月擔任董事會秘書，同時兼任人力資源經理及聯席公司秘書。於本年報日期，支女士擁有本公司內資股中約0.07%的權益及H股中約0.12%的權益。

支女士在2002年6月畢業於三江學院現代公司秘書專業。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Mr. Li Bin (李斌), aged 39, was appointed as the chief financial officer in July 2013. Mr. Li has more than 10 years of accounting experience. He obtained a bachelor degree in Accounting from the Nanjing University of Finance and Economics in August 2003 and was admitted as a Certified Management Accountant of the United States in July 2012.

Prior to joining the Group, Mr. Li was the financial controller of the finance department of Nanjing SIXIN Scientific- Technological Application Research Institute Co., Ltd.* (南京四新科技應用研究所有限公司), a company engaging in the development and production of Silicone and non-Silicone foam control agents, between October 2003 and March 2007. He worked in the finance department of CEEG (Nanjing) New Energy Co., Ltd.* (中電電氣(南京)新能源有限公司), a company that engages in the research and development, production, sale and services of solar energy components, between June 2007 and September 2009 and the finance department of the solar energy business unit of Jiangsu Sainty International Group Machinery Import and Export Corporation Limited* (江蘇舜天國際集團機械進出口股份有限公司), a company that engages in import and export trade, between October 2009 and October 2010.

Mr. Wu Jun (吳俊), aged 35, was appointed as the financial controller in September 2013. Mr. Wu has more than 7 years of experience in the nutritional supplements industry. He joined the Group in September 2006 as an accounting clerk of the finance department of Hangzhou Zhongyan Biological Products Co. Limited* (杭州中研生物製品有限公司) and became an accounting clerk of the finance department of the company in August 2008. He was promoted as the finance manager of the Company in January 2011.

Mr. Wu graduated from Nanjing University of Technology (南京工業大學) majoring in Project Management in June 2006.

李斌先生，39歲，於2013年7月獲委任為首席財務官。李先生擁有逾十年會計經驗。彼於2003年8月取得南京財經大學會計學士學位，並於2012年7月成為美國註冊管理會計師。

在加入本集團之前，李先生於2003年10月至2007年3月出任南京四新科技應用研究所有限公司（一家從事有機硅及非硅類消泡劑的開發及生產的公司）財務部的財務總監。彼分別於2007年6月至2009年9月期間及2009年10月至2010年10月期間任職於中電電氣（南京）新能源有限公司（一家從事太陽能組件研發、生產、銷售及服務的公司）的財務部及於江蘇舜天國際集團機械進出口股份有限公司（一家從事進出口貿易的公司）的財務部。

吳俊先生，35歲，於2013年9月獲委任為財務總監。吳先生在營養膳食補充劑行業擁有逾七年經驗。彼於2006年9月加入本集團，擔任杭州中研生物製品有限公司財務部記賬員，並於2008年8月擔任該公司財務部記賬員。彼於2011年1月獲晉升為本公司財務經理。

吳先生於2006年6月畢業於南京工業大學項目管理系。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

JOINT COMPANY SECRETARIES

Ms. Zhi Hui (支卉), serves as the secretary to the Board and one of the joint company secretaries. Please refer to the paragraph headed “Senior Management” above for her biography.

Ms. Kam Mei Ha Wendy (甘美霞), *FCS (PE), FCIS*, aged 51, was appointed as a joint company secretary of the Company on 7 November 2013. Ms. Kam is an executive director, Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Kam has over 20 years of extensive experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Kam is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries (“**HKICS**”) and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Kam is a holder of the Practitioner’s Endorsement from HKICS.

BOARD COMMITTEES

The Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the corporate governance practice prescribed in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company has formed four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and Development Committee.

Audit Committee

The Company established an Audit Committee with written terms of reference. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. At present, the Audit Committee comprises Ms. Cai Tianchen, Mr. Zhang Jitong and Mr. Wang Wei, the independent non-executive Directors. Ms. Cai Tianchen is the chairman of the Audit Committee.

聯席公司秘書

支卉女士，擔任董事會秘書，並為聯席公司秘書之一。有關其履歷，請參閱上文「高級管理層」一段。

甘美霞女士，*FCS (PE), FCIS*，51歲，於2013年11月7日獲委任為本公司的聯席公司秘書，現為卓佳專業商務有限公司（一間全球性的專業服務公司，為客戶提供商務、企業及投資者綜合服務）企業服務部執行董事。甘女士於企業服務範疇擁有逾20年的豐富經驗，一直為香港上市公司，以及跨國公司、私人公司及離岸公司提供專業的企業服務。甘女士為特許秘書，以及香港特許秘書公會（「香港特許秘書公會」）及英國特許秘書及行政人員公會的資深會員。甘女士亦持有由香港特許秘書公會頒發的執業者認可證明。

董事委員會

董事會將部分職責委派給多個委員會。根據中國相關法律及法規以及香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）訂明的企業管治常規，本公司已設立四個董事委員會，即審核委員會、薪酬委員會、提名委員會及戰略及發展委員會。

審核委員會

本公司成立審核委員會，並制定書面職權範圍。審核委員會的主要職責為協助董事會審閱財務資料及申報程序、風險管理及內部監控制度、內部審核職能的有效性以及外聘核數師的審核範圍及委任，以及檢討可使本公司僱員以機密形式關注本公司財務申報、內部監控或其他方面可能出現之不當行為之安排。目前，審核委員會由獨立非執行董事蔡天晨女士、張繼彤先生及王瑋先生組成。蔡天晨女士為審核委員會主席。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

Remuneration Committee

The Company established a Remuneration Committee with written terms of reference. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. At present, the Remuneration Committee comprises Mr. Wang Wei and Ms. Cai Tianchen, the independent non-executive Directors, and Ms. Zhu Feifei, an executive Director. Mr. Wang Wei is the chairman of the Remuneration Committee.

Nomination Committee

The Company established a Nomination Committee with written terms of reference. The primary functions of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent non-executive Directors. At present, the Nomination Committee comprises Mr. Zhang Jitong and Mr. Wang Wei, the independent non-executive Directors, and Ms. Xu Li, an executive Director. Mr. Zhang Jitong is the chairman of the Nomination Committee.

Strategy and Development Committee

The Company established a Strategy and Development Committee with written terms of reference. The primary duties of the Strategy and Development Committee are to conduct researches and submit proposals concerning the long-term development strategies and material investment decisions of the Company. At present, the Strategy and Development Committee comprises Mr. Gui Pinghu, the Chairman and an executive Director, and Mr. Zhang Jitong and Ms. Cai Tianchen, the independent non-executive Directors. Mr. Gui Pinghu is the chairman of the Strategy and Development Committee.

薪酬委員會

本公司成立薪酬委員會，並制定書面職權範圍。薪酬委員會的主要職責包括審閱各董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見；及設立透明程序以制定薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士可參與釐定彼等自身的薪酬。目前，薪酬委員會由獨立非執行董事王瑋先生及蔡天晨女士以及執行董事朱飛飛女士組成。王瑋先生為薪酬委員會主席。

提名委員會

本公司成立提名委員會，並制定書面職權範圍。提名委員會的主要職責包括審閱董事會的組成、制定及擬定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。目前，提名委員會由獨立非執行董事張繼彤先生及王瑋先生以及執行董事徐麗女士組成。張繼彤先生為提名委員會主席。

戰略及發展委員會

本公司成立戰略及發展委員會，並制定書面職權範圍。戰略及發展委員會的主要職責為就本公司長期發展戰略及重大投資決策進行研究及提出建議。目前，戰略及發展委員會由董事長兼執行董事桂平湖先生、獨立非執行董事張繼彤先生及蔡天晨女士組成。桂平湖先生為戰略及發展委員會主席。

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

董事、監事、高級管理層及僱員

EMPLOYEES

The Group maintains good working relations with its staff. It has not experienced any significant problems with the recruitment and retention of experienced employees. In addition, it has not suffered from any material disruption of its normal business operations as a result of labour disputes or strikes.

In the PRC, in accordance with relevant national and local labour and social welfare laws and regulations, the Group is required to pay in respect of its employees in the PRC various social security funds including basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, critical illness insurance, insurance for maternity leave and housing provident fund.

* For identification purposes only

僱員

本集團與員工維持良好的工作關係，在招聘及挽留經驗豐富的僱員方面未曾經歷任何重大問題。此外，本集團日常業務經營從未因勞資糾紛或罷工而遭受任何重大干擾。

在中國，根據有關國家及地方勞動及社會福利法律及法規，本集團須為其中國僱員繳納多項社會保障基金，包括基本養老保險、基本醫療保險、失業保險、工傷保險、重大疾病保險、生育保險及住房公積金。

DIRECTORS' REPORT

董事會報告

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and is engaged in the manufacturing and sale of nutritional supplements and the trading of packaged health food products in the PRC, Australia and New Zealand. Particulars of the principal activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements of this annual report.

As far as the Company is aware, for the year ended 31 December 2018, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manages environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group aims to maximise energy conservation in its offices by promoting efficient use of resources and adopting green technologies. For instance, the Group seeks to upgrade equipment such as lighting and air-conditioning systems in order to increase overall operating efficiency. To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time.

RESULTS AND DIVIDENDS

The results of the Group for 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 125 of this annual report.

The Board has resolved not to declare any final dividend for the year ended 31 December 2018 (2017: Nil) or any special dividend (2017: Nil).

As at the date of this annual report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

Please refer to the section headed "Management Discussion and Analysis" in this annual report for a business review of the Company for the year ended 31 December 2018.

主要業務

本公司為一間投資控股公司，並從事於中國、澳大利亞及紐西蘭製造及銷售營養膳食補充劑及銷售預包裝保健食品。其主要附屬公司的主要業務詳情載於本年報綜合財務報表附註1。

據本公司所知，截至2018年12月31日止年度，其已在各重大方面遵守對本公司的業務及經營有重大影響的相關法律及法規。

本集團認識到其從本身業務活動保護環境的責任。本集團不斷尋求識別及管理其經營活動相關的環境影響，以盡可能減低該等影響。本集團宣傳有效使用資源及採取環保技術，旨在最大化其辦事處的節能。例如，本集團尋求升級照明及空調系統等設備，以提高整體運行效率。為識別能效機會，本集團不時衡量及記錄能耗強度。

業績及股息

本集團於2018年的業績載於本年報第125頁的綜合損益及其他全面收益表。

董事會不建議派付截至2018年12月31日止年度的任何末期股息(2017年：無)或任何特別股息(2017年：無)。

於本年報日期，董事會並無知悉任何股東放棄或同意放棄收取任何股息。

本公司截至2018年12月31日止年度的業務回顧請參閱本年報「管理層討論及分析」一節。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group's property, plant and equipment during 2018 are set out in note 13 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during 2018 are set out in note 27 to the consolidated financial statements of this annual report.

RESERVES

The amount of the Company's reserves available for distribution as at 31 December 2018 was RMB27.06 million. Details of the movements in the reserves of the Group during 2018 are set out in the consolidated statement of changes in equity on page 129 of this annual report.

BORROWINGS

The Group has total borrowings of RMB27.5 million as at 31 December 2018 (2017: RMB77.0 million). Please refer to note 38 to the financial statements in this annual report for further information in relation to financial risk management of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the total revenue attributable to the Group's five largest customers was less than 30% and the revenue attributable to the Group's largest customer was less than 10%.

For the Year, the total purchases attributable to the Group's five largest suppliers were less than 30% and the purchases attributable to the Group's largest supplier was less than 10%.

For the Year, none of the Directors or any of their close associates or any Shareholders who, to the knowledge of the Directors, owns more than 5% of the number of the Company's issued shares, had any interest in the five largest suppliers or customers.

物業、廠房及設備

本集團物業、廠房及設備於2018年的變動詳情載於本年報綜合財務報表附註13。

股本

本公司已發行股本於2018年的變動詳情載於本年報綜合財務報表附註27。

儲備

於2018年12月31日，本公司的可供分派儲備金額為人民幣27.06百萬元。本集團儲備於2018年的變動詳情載於本年報第129頁的綜合權益變動表。

借款

於2018年12月31日，本集團借款總額達人民幣27.5百萬元(2017年：人民幣77.0百萬元)。有關本公司財務風險管理的進一步資料請參閱本年報財務報表附註38。

主要客戶及供應商

於本年度，本集團五大客戶應佔的總收益不足30%，且本集團最大客戶應佔的收益少於10%。

於本年度，本集團五大供應商應佔的總採購額不足30%，且本集團最大供應商應佔的採購額少於10%。

於本年度，據董事所知，概無董事或彼等任何緊密聯繫人士或任何股東(擁有本公司成員公司已發行股份5%以上)於五大供應商或客戶中擁有任何權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during 2018 and up to the date of this annual report are as follows:

Executive Directors

Mr. Gui Pinghu (*Chairman*)
Ms. Zhang Yuan (*Chief Executive Officer*)
Ms. Xu Li
Ms. Zhu Feifei

Non-executive Director

Ms. Li Fan (Appointed on 21 February 2019)
Mr. Xu Chuntao (Resigned on 20 February 2019)

Independent Non-executive Directors

Mr. Zhang Jitong (Appointed on 23 October 2018)
Ms. Cai Tianchen (Appointed on 23 October 2018)
Mr. Wang Wei (Appointed on 23 October 2018)
Mr. Jiang Fuxin (Retired on 23 October 2018)
Ms. Feng Qing (Retired on 23 October 2018)
Mr. Vincent Cheng (Retired on 23 October 2018)

No Director will be proposed for re-election at the forthcoming annual general meeting.

SUPERVISORS

During 2018 and up to the date of this annual report, the Supervisors of the Company are as follows:

Ms. Yu Min (*Chairman*)
Mr. Tao Xingrong
Ms. Wu Xuemei
Ms. Lu Jiachun
Ms. Chen Xiu

The board of Supervisors of the Company has held four meetings during 2018. Details of the meetings and events conducted by the board of Supervisors during 2018 are set out in the work report of the board of Supervisors of this annual report.

Details of biography of Directors, Supervisors and the senior management are set out on pages 22 to 30 of this annual report.

董事

於2018年及直至本年報日期的董事如下：

執行董事

桂平湖先生(董事長)
張源女士(首席執行官)
徐麗女士
朱飛飛女士

非執行董事

李凡女士(於2019年2月21日獲委任)
許春濤先生(於2019年2月20日辭任)

獨立非執行董事

張繼彤先生(於2018年10月23日獲委任)
蔡天晨女士(於2018年10月23日獲委任)
王瑋先生(於2018年10月23日獲委任)
蔣伏心先生(於2018年10月23日退任)
馮晴女士(於2018年10月23日退任)
鄭嘉福先生(於2018年10月23日退任)

概無董事將於即將召開的股東週年大會上擬膺選連任。

監事

於2018年及截至本年報日期，本公司的監事如下：

余敏女士(主席)
陶興榮先生
吳雪梅女士
陸佳純女士
陳秀女士

本公司監事會已於2018年召開四次會議。監事會於2018年進行的會議及活動的詳情載於本年報中的監事會工作報告。

董事、監事及高級管理人員的履歷詳情載於本年報第22至30頁。

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract/letter of appointment (for non-executive Directors) with the Company for a term of three years and shall be elected by shareholders at the general meeting. Directors are eligible for re-election upon expiry of their terms of office, which the successive terms of office of independent non-executive Directors shall not exceed six years, in accordance with the Company's articles of association (the "Articles").

Each of the Supervisors has entered into a service contract with the Company for a term of three years and may be re-elected. No Director or Supervisor has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

REMUNERATION OF THE DIRECTORS

The remuneration of each Director is approved at annual general meetings. Other emoluments will be determined and recommended by the members of the Remuneration Committee with reference to the duties, responsibilities, performance of the Directors and the results of the Group.

Details of the emoluments of Directors, Supervisors and the highest paid employees are set out in note 8 and note 9 to the consolidated financial statements of this annual report respectively.

EMOLUMENT POLICY

The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends will be reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

董事及監事的服務合同

各董事已與本公司訂立服務合同／委任函(就非執行董事而言)，為期三年，並須由股東於股東大會上選舉。董事於任期屆滿後合資格膺選連任，惟根據本公司的章程(「章程」)規定，其中獨立非執行董事的連任期限不得超過六年。

各監事已與本公司訂立服務合同，為期三年，並可膺選連任。概無董事或監事與本公司訂立任何本公司不可於一年內在無賠償(除法定賠償外)情況下終止的服務合約。

本公司已為本集團董事及高級職員安排適當董事及高級職員責任保險保障，保護本集團董事及高級職員免於承受因有關董事及高級職員或須就此負責的本集團活動而產生的任何可能責任。

董事酬金

各董事的酬金乃於股東週年大會獲批准。其他酬金將由薪酬委員會成員參考董事職責、責任、表現及本集團業績而釐定及建議。

本公司董事、監事及最高薪酬員工的酬金詳情分別載於本年報綜合財務報表附註8及附註9。

薪酬政策

本集團的薪酬政策乃根據個別員工的表現及薪酬趨勢而制定，並會定期檢討。本集團亦會視乎其盈利能力向員工發放酌情花紅，作為彼等對本集團作出貢獻的獎勵。

DIRECTORS' REPORT

董事會報告

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, a confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or its subsidiaries were a party subsisted at the end of 2018 or at any time during the same year in which any Director or Supervisor or any entity connected with the Director or Supervisor had a material interest, either directly or indirectly.

MANAGEMENT CONTRACT

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the Year.

獨立非執行董事的獨立性

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性發出的確認。本公司認為，根據上市規則第3.13條，全體獨立非執行董事均為獨立人士。

董事及監事於重大合約的權益

於2018年年底或同年度任何時間，本公司或其附屬公司概無訂立任何董事或監事或與董事或監事有關連的任何實體於其中直接或間接擁有重大權益的重大合約。

管理合約

除董事服務合約外，於本年度，本公司概無與任何個人、公司或法人團體訂立管理本公司整體或任何重大部分的任何業務的任何合約。

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

董事、監事及高級管理人員於股份及相關股份的權益及淡倉

As at 31 December 2018, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the share capital and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, are set out below:

於2018年12月31日，本公司董事、監事或高級管理人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股本及相關股份中擁有的根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉載列如下：

| Name | Capacity | Nature of interest | Class of share of the Company | Number of shares held as at 31 December 2018 ⁽¹⁾ 於2018年12月31日 所持股份數目 ⁽¹⁾ | Approximate shareholding percentage in the relevant class of shares ⁽⁴⁾ 於相關類別股份的 概約持股百分比 ⁽⁴⁾ (%) | Approximate shareholding percentage in the total share capital ⁽³⁾ 於總股本的 概約持股百分比 ⁽³⁾ (%) |
|---|------------------|----------------------------|-------------------------------|--|---|---|
| 姓名 | 身份 | 權益性質 | 本公司股份類別 | | | |
| Mr. Gui Pinghu ("Mr. Gui") ⁽²⁾ 桂平湖先生 ("桂先生") ⁽²⁾ | Director 董事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 477,401,310 (L) | 70.85% | 50.45% |
| | | Interest of spouse 配偶權益 | Domestic Shares 內資股 | 52,965,000 (L) | 7.86% | 5.60% |
| | | Beneficial owner 實益擁有人 | H Shares H股 | 1,538,000 (L) | 0.56% | 0.16% |
| Ms. Zhang Yuan 張源女士 | Director 董事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 6,599,550 (L) | 0.98% | 0.70% |
| | | Beneficial owner 實益擁有人 | H Shares H股 | 218,000 (L) | 0.08% | 0.02% |
| Ms. Xu Li 徐麗女士 | Director 董事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 5,498,570 (L) | 0.82% | 0.58% |
| Ms. Zhu Feifei 朱飛飛女士 | Director 董事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 659,340 (L) | 0.10% | 0.07% |
| Ms. Yu Min 余敏女士 | Supervisor 監事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 659,340 (L) | 0.10% | 0.07% |
| Ms. Wu Xuemei 吳雪梅女士 | Supervisor 監事 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 551,480 (L) | 0.08% | 0.06% |

DIRECTORS' REPORT

董事會報告

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Gui is the spouse of Ms. Wu Yanmei. Under the SFO, Mr. Gui was deemed to be interested in the same number of shares in which Ms. Wu Yanmei was interested.
- (3) The percentages are calculated based on the total issued shares of the Company of 946,298,370 as at 31 December 2018.
- (4) As at 31 December 2018, the number of issued Domestic Shares and H Shares of the Company was 673,828,770 and 272,469,600 respectively.

Save as disclosed above, as at the date of this directors' report, none of the Directors, Supervisors and chief executives of the Company, or any of their spouses, or children under 18 years of age, has any interests or short positions in the shares and underlying shares of the Company, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares", at no time in 2018 was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangements which enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and Supervisors, or any of their spouses or children under 18 years of age was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 桂先生為吳艷梅女士的配偶。根據證券及期貨條例，桂先生被視為擁有吳艷梅女士所持有同等數目股份的權益。
- (3) 於2018年12月31日，該等百分比乃根據本公司全部已發行股份946,298,370股計算。
- (4) 於2018年12月31日，本公司之已發行內資股及H股分別為673,828,770股及272,469,600股。

除上文披露者外，於本董事會報告日期，本公司董事、監事及高級管理人員或任何彼等的配偶或未滿18歲的子女，概無於本公司股份及相關股份中擁有任何須記錄於根據證券及期貨條例第352條備存的登記冊或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事及監事購買股份或債券的權利

除「董事、監事及高級管理人員於股份及相關股份的權益及淡倉」一節所披露者外，於2018年任何時間，本公司或其任何附屬公司或同系附屬公司概無訂立任何可使董事及監事通過購買本公司或任何其他法人團體的股份或債券而獲得利益的安排，且概無董事及監事或任何彼等的配偶或未滿18歲的子女獲授予任何權利以認購本公司或任何其他法人團體的股本或債務證券的權利，亦無行使任何該等權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份的權益及淡倉

As at 31 December 2018, the interests and short positions of the persons who hold 5% or more of the class shares in the issued share capital of the Company (other than Directors and Supervisors of the Company), as recorded in the register required to be kept by the Company under section 336 of the SFO are set out below:

於2018年12月31日，按本公司根據證券及期貨條例第336條規定所備存的登記冊所記錄，於本公司已發行股本中持有類別股份5%或以上人士(本公司的董事及監事除外)的權益及淡倉載列如下：

| Shareholders | Nature of interest | Class of share of the Company | Number of shares held as at 31 December 2018 ⁽¹⁾ 於2018年12月31日所持股份數目 ⁽¹⁾ | Approximate shareholding percentage in the relevant class of share capital ⁽⁴⁾ 於相關類別股本的概約持股百分比 ⁽⁴⁾ (%) | Approximate shareholding percentage in the total share capital ⁽³⁾ 於總股本的概約持股百分比 ⁽³⁾ (%) |
|---|--|-------------------------------|--|--|---|
| 股東 | 權益性質 | 本公司股份類別 | | | |
| Ms. Wu Yanmei ⁽²⁾ 吳艷梅女士 ⁽²⁾ | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 52,965,000 (L) | 7.86% | 5.60% |
| | Interest of spouse 配偶權益 | Domestic Shares 內資股 | 477,401,310 (L) | 70.85% | 50.45% |
| Ms. Zhou Li 周麗女士 | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 44,084,321 (L) ⁽⁵⁾ | 6.54% | 4.66% |
| Mr. Cheng Xiaowei ⁽⁶⁾ 程小偉先生 ⁽⁶⁾ | Interest of spouse 配偶權益 | Domestic Shares 內資股 | 44,084,321 (L) ⁽⁵⁾ | 6.54% | 4.66% |
| Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership* 上海復星創富股權投資基金合夥企業(有限合夥) | Beneficial owner 實益擁有人 | Domestic Shares 內資股 | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| Shanghai Fosun Capital Investment Management Co., Ltd.* 上海復星創富投資管理有限公司 | Interest of controlled corporation 受控法團權益 | Domestic Shares 內資股 | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| Shanghai Fosun Industrial Investment Co., Ltd.* 上海復星產業投資有限公司 | Interest of controlled corporation 受控法團權益 | Domestic Shares 內資股 | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| Shanghai Fosun High Technology (Group) Co., Ltd.* 上海復星高科技(集團)有限公司 | Interest of controlled corporation 受控法團權益 | Domestic Shares 內資股 | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| Fosun International Limited 復星國際有限公司 | Interest of controlled corporation 受控法團權益 | Domestic Shares 內資股 | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |

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| Shareholders | Nature of interest | Class of share of the Company | Number of shares held as at 31 December 2018 ⁽¹⁾ 於2018年12月31日 所持股份數目 ⁽¹⁾ | Approximate shareholding percentage in the relevant class of share capital ⁽⁴⁾ 於相關類別股本的 概約持股比例 ⁽⁴⁾ (%) | Approximate shareholding percentage in the total share capital ⁽³⁾ 於總股本的 概約持股比例 ⁽³⁾ (%) |
|--|------------------------------------|-------------------------------|--|---|--|
| Fosun Holdings Limited | Interest of controlled corporation | Domestic Shares | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| 復星控股有限公司 | 受控法團權益 | 內資股 | | | |
| Fosun International Holdings Ltd. | Interest of controlled corporation | Domestic Shares | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| 復星國際控股有限公司 | 受控法團權益 | 內資股 | | | |
| Mr. Guo Guangchang | Interest of controlled corporation | Domestic Shares | 61,111,000 (L) ⁽⁷⁾ | 9.07% | 6.46% |
| 郭廣昌先生 | 受控法團權益 | 內資股 | | | |
| Mr. Chen Xuelin | Beneficial owner | H Shares | 27,576,000 (L) | 10.12% | 2.91% |
| 陳學林先生 | 實益擁有人 | H 股 | | | |
| Hin Sang Group (International) Holding Co., Ltd. | Beneficial owner | H Shares | 59,121,600 (L) ⁽⁸⁾ | 21.70% | 6.25% |
| 衍生集團(國際)控股有限公司 | 實益擁有人 | H 股 | | | |
| Genwealth Group Holding Company Limited | Interest of controlled corporation | H Shares | 59,121,600 (L) ⁽⁸⁾ | 21.70% | 6.25% |
| 衍富集團控股有限公司 | 受控法團權益 | H 股 | | | |
| Ms. Kwan Lai Man | Interest of controlled corporation | H Shares | 59,121,600 (L) ⁽⁸⁾ | 21.70% | 6.25% |
| 關麗雯女士 | 受控法團權益 | H 股 | | | |
| | Interest of spouse | H Shares | 404,000 (L) ⁽⁹⁾ | 0.15% | 0.04% |
| | 配偶權益 | H 股 | | | |
| Mr. Pang Siu Hin | Interest of controlled corporation | H Shares | 59,121,600 (L) ⁽⁸⁾ | 21.70% | 6.25% |
| 彭少衍先生 | 受控法團權益 | H 股 | | | |
| | Beneficial owner | H Shares | 404,000 (L) ⁽⁹⁾ | 0.15% | 0.04% |
| | 實益擁有人 | H 股 | | | |

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Notes:

- (1) The letter "L" represents long position in such securities.
- (2) Ms. Wu Yanmei is the spouse of Mr. Gui. Under the SFO, Ms. Wu Yanmei was deemed to be interested in the same number of shares in which Mr. Gui was interested.
- (3) The percentages are calculated based on the total issued shares of the Company of 946,298,370 as at 31 December 2018.
- (4) As at 31 December 2018, the number of issued Domestic Shares and H Shares of the Company was 673,828,770 and 272,469,600 respectively.
- (5) On 17 December 2015, Ms. Zhou Li, Mr. Zhou Dong, Shanghai Jiahanyin Investment Company Limited* (上海甲翰寅投資有限公司), Shanghai Zhongwei Chuangye Investment Centre Partnership* (上海中衛創業投資中心 (有限合夥)), Shanghai Baojiehui Chuangye Investment Partnership Limited* (上海寶捷會創業投資合夥企業 (有限合夥)), Hejian and the Company entered into an acquisition agreement (as supplemented by supplemental acquisition agreement dated 22 January 2016), pursuant to which the Company has conditionally agreed, amongst other things, to issue and allot 44,084,321 Domestic Shares of the Company to Ms. Zhou Li, as a part of the consideration of the acquisition of Hejian. The allotment was completed on 14 June 2016.
- (6) Mr. Cheng Xiaowei is the spouse of Ms. Zhou Li. Under the SFO, Mr. Cheng Xiaowei was deemed to be interested in the same number of shares in which Ms. Zhou Li was interested.
- (7) These 61,111,000 Domestic Shares of the Company were held by Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership, which was held as to approximately 1.05% by Shanghai Fosun Capital Investment Management Co., Ltd. and approximately 31.74% by Shanghai Fosun Industrial Investment Co., Ltd.. Shanghai Fosun Capital Investment Management Co., Ltd. is the general partner of Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership. Shanghai Fosun Industrial Investment Co., Ltd. was held as to 100% by Shanghai Fosun High Technology (Group) Co., Ltd.. Further, Shanghai Fosun High Technology (Group) Co., Ltd. indirectly held approximately 60% equity interest in Nanjing Nangang Iron & Steel United Co., Ltd.* (南京南鋼鋼鐵聯合有限公司) which in turn indirectly held approximately 13.11% equity interest in Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership. Accordingly, Shanghai Fosun High Technology (Group) Co., Ltd. was interested in approximately 45.90% in Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership in total.

Shanghai Fosun High Technology (Group) Co., Ltd. was wholly owned by Fosun International Limited which was wholly owned by Fosun Holdings Limited.

Fosun Holdings Limited was wholly owned by Fosun International Holdings Ltd. which was held as to 64.45% by Mr. Guo Guangchang.

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 吳艷梅女士為桂先生的配偶。根據證券及期貨條例，吳艷梅女士將被視為擁有桂先生所持有同等數目股份的權益。
- (3) 於2018年12月31日，該等百分比乃根據本公司全部已發行股份946,298,370股計算。
- (4) 於2018年12月31日，本公司之已發行內資股及H股分別為673,828,770股及272,469,600股。
- (5) 於2015年12月17日，周麗女士、周東先生、上海甲翰寅投資有限公司、上海中衛創業投資中心(有限合夥)、上海寶捷會創業投資合夥企業(有限合夥)、禾健與本公司訂立收購協議(經日期為2016年1月22日的補充收購協議所補充)，據此，本公司有條件同意(其中包括)向周麗女士發行及配發本公司44,084,321股內資股，作為收購禾健代價的一部分。配發已於2016年6月14日完成。
- (6) 程小偉先生為周麗女士的配偶。根據證券及期貨條例，程小偉先生被視為擁有周麗女士所持有同等數目股份的權益。
- (7) 該等61,111,000股本公司內資股由上海復星創富股權投資基金合夥企業(有限合夥)持有，而上海復星創富股權投資基金合夥企業(有限合夥)分別由上海復星創富投資管理有限公司及上海復星產業投資有限公司持有約1.05%及約31.74%。上海復星創富投資管理有限公司為上海復星創富股權投資基金合夥企業(有限合夥)之普通合夥人。上海復星產業投資有限公司由上海復星高科技(集團)有限公司持有100%的股權。此外，上海復星高科技(集團)有限公司於南京南鋼鋼鐵聯合有限公司間接持有約60%股權，而南京南鋼鋼鐵聯合有限公司於上海復星創富股權投資基金合夥企業(有限合夥)間接持有約13.11%股權。因此，上海復星高科技(集團)有限公司於上海復星創富股權投資基金合夥企業(有限合夥)總共擁有約45.90%權益

上海復星高科技(集團)有限公司則由復星國際有限公司全資擁有，而後者則由復星控股有限公司全資擁有。

復星控股有限公司則由復星國際控股有限公司全資擁有，後者由郭廣昌先生持有64.45%權益。

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Under the SFO, the general partner of a limited liability partnership is regarded as having de facto control of the limited liability partnership even though its shareholding in the limited liability partnership may be less than one third. Accordingly, Shanghai Fosun Capital Investment Management Co., Ltd., Shanghai Fosun Industrial Investment Co., Ltd., Shanghai Fosun High Technology (Group) Co., Ltd., Fosun International Limited, Fosun Holdings Limited, Fosun International Holdings Ltd. and Mr. Guo Guangchang were deemed to hold interests in the 61,111,000 Domestic Shares of the Company held by Shanghai Fosun Chuangfu Shareholding Investment Fund Limited Partnership under the SFO.

- (8) These 59,121,600 H Shares were held by Hin Sang Group (International) Holding Co., Ltd., an exempted company incorporated with limited liability in the Cayman Islands whose issued shares are listed on the Stock Exchange (stock code: 6893). Hin Sang Group (International) Co., Ltd. was held as to 50.68% by Genwealth Group Holding Company Limited, which is beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Ms. Kwan Lai Man is the spouse of Mr. Pang Siu Hin. Accordingly, Genwealth Group Holding Company Limited, Mr. Pang Siu Hin and Ms. Kwan Lai Man were deemed to hold interests in these H Shares under the SFO.
- (9) Ms. Kwan Lai Man is the spouse of Mr. Pang Siu Hin. Under the SFO, Ms. Kwan Lai Man was deemed to be interested in the same number of shares in which Mr. Pang Siu Hin was interested.

Save as disclosed above, as at the date of this report, the Company had not been notified by any persons (other than Directors, Supervisors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register kept by the Company pursuant to section 336 of the SFO.

CONNECTED TRANSACTION

Details of the related party transactions of the Company for the Year and undertaken in the usual course of business are set out in note 36 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

根據證券及期貨條例，有限合夥企業之普通合夥人被視為對有限合夥企業擁有實際控制權，即使其於有限合夥企業的股權可能低於三分之一。因此，根據證券及期貨條例，上海復星創富投資管理有限公司、上海復星產業投資有限公司、上海復星高科技(集團)有限公司、復星國際有限公司、復星控股有限公司、復星國際控股有限公司及郭廣昌先生被視為於上海復星創富股權投資基金合夥企業(有限合夥)持有的61,111,000股本公司內資股中擁有權益。

- (8) 該等59,121,600股H股由衍生集團(國際)控股有限公司(一間於開曼群島註冊成立的獲豁免有限公司，其已發行股份於聯交所上市(股份代號：6893))持有。衍生集團(國際)控股有限公司由衍富集團控股有限公司持有50.68%，其分別由彭少衍先生及關麗雯女士實益擁有90%及10%權益。關麗雯女士為彭少衍先生的配偶。因此，根據證券及期貨條例，衍富集團控股有限公司、彭少衍先生及關麗雯女士被視為於該等H股中持有權益。
- (9) 關麗雯女士為彭少衍先生之配偶。根據證券及期貨條例，關麗雯女士被視為於彭少衍先生擁有權益的相同股份數目中擁有權益。

除上文披露者外，於本報告日期，本公司概無獲任何人士(本公司董事、監事或高級管理人員除外)告知彼於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定向本公司披露及根據證券及期貨條例第336條規定記錄於本公司備存的登記冊的權益或淡倉。

關連交易

本公司於本年度及於日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註36。該等關聯方交易均不構成上市規則所界定的須予披露關連交易。

AUDIT COMMITTEE

The Audit Committee has adopted a written terms of reference which are in compliance with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei. The Audit Committee is primarily responsible for the review and supervision of the financial reporting process, and risk management and internal control system. It has reviewed the accounting principles and practices adopted by the Company and the audited final results of the Group for the Year.

DONATIONS

During the Year, the Group has made charitable donations. Please refer to section “6.2 Public welfare and charity” in the Environmental, Social and Governance Report in this annual report for details of the donations made by the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or applicable laws of the PRC where the Company is incorporated.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders (as defined under the Listing Rules) during the Year.

NON-COMPETITION UNDERTAKINGS

Mr. Gui Pinghu and Ms. Wu Yanmei, both being the controlling shareholders (as defined in the Listing Rules) of the Company, have made non-competition undertakings in favour of the Company. They have confirmed compliance with the non-competition undertakings. The Board, including the independent non-executive Directors, is of the opinion that the relevant controlling shareholders have been in compliance with the non-competition undertakings in favour of the Company.

審核委員會

審核委員會已採納符合上市規則附錄十四所載企業管治守則(「企業管治守則」)的書面職權範圍。

審核委員會目前包括三名獨立非執行董事，即張繼彤先生、蔡天晨女士及王瑋先生。審核委員會主要負責審閱及監督財務申報程序，以及風險管理及內部監控制度。審核委員會審閱本公司所採納的會計原則及常規以及本集團於本年度之經審核末期業績。

捐獻

年內，本集團已作出慈善捐款。有關本集團所作捐獻的詳情，請參閱本年報中環境、社會及管治報告「6.2 公益慈善」一節。

優先購買權

章程或本公司註冊成立地的適用中國法例並無有關優先購買權的規定。

與控股股東的合約

於本年度，本公司或其任何附屬公司與控股股東(定義見上市規則)之間概無訂立任何重大合約。

不競爭承諾

本公司的控股股東(定義見上市規則)桂平湖先生及吳艷梅女士以本公司為受益人作出不競爭承諾。彼等已確認遵守不競爭承諾。董事會(包括獨立非執行董事)認為，有關控股股東一直遵守以本公司為受益人的有關不競爭承諾。

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CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of the CG Code during 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code governing the Directors in their dealings in the Company's securities. The Company has made specific enquiry with the Directors and all Directors confirmed that they have complied with the Model Code during 2018.

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

The H Shares were listed on the Stock Exchange. Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during 2018.

USE OF NET PROCEEDS FROM LISTING

The total net proceeds (the "Net Proceeds") from the listing of shares of the Company on the Main Board of the Stock Exchange and the issue of the over-allotment shares amounted to approximately HK\$428.7 million (equivalent to RMB336.4 million).

企業管治常規

董事認為，本公司已於2018年遵守企業管治守則的守則條文。

證券交易的標準守則

本公司已採納標準守則，作為規管董事買賣本公司證券的守則。本公司已向董事作出特定查詢，全體董事已確認，彼等於2018年均已遵守標準守則。

購買、出售或贖回本公司上市證券

H股在聯交所上市。於2018年，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

上市所得款項淨額的用途

來自本公司股份於聯交所主板上市及發行超額配發股份的所得款項總額(「所得款項淨額」)淨值達約428.7百萬港元(相等於人民幣336.4百萬元)。

As at 31 December 2018,

- (i) the Net Proceeds of approximately RMB72.0 million and RMB0.8 million has been used on the acquisition of GHP, and for Living Nature's product function enhancement;
- (ii) the Net Proceeds of approximately RMB86.84 million has been used to build a R&D testing centre;
- (iii) the Net Proceeds of approximately RMB19.25 million has been used to build information technology and logistics centre;
- (iv) the Net Proceeds of approximately RMB31.42 million has been used on the marketing and promotion activities;
- (v) the Net Proceeds of approximately RMB8.34 million has been used to expand the sales network and explore new markets; and
- (vi) the Net Proceeds of approximately RMB33.63 million has been used for working capital and the remaining of the Net Proceeds of approximately RMB84.12 million has been deposited into banks, which are intended to be applied in accordance with the proposed application set out in the circular of the Company dated 22 September 2017.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

There was no change in auditor of the Company during the past three years.

The consolidated financial statements of the Company for the year ended 31 December 2018 were audited by Ernst & Young, who holds office until the conclusion of the forthcoming annual general meeting of the Company. A resolution of the reappointment of Ernst & Young and Ernst & Young Hua Ming LLP as the international auditor and the domestic auditor of the Company respectively will be proposed at the forthcoming annual general meeting.

於2018年12月31日，

- (i) 所得款項淨額約人民幣72.0百萬元及人民幣0.8百萬元已用於收購GHP及改善Living Nature產品功能；
- (ii) 所得款項淨額約人民幣86.84百萬元已用於設立研發測試中心；
- (iii) 所得款項淨額約人民幣19.25百萬元已用於建立信息技術及物流中心；
- (iv) 所得款項淨額約人民幣31.42百萬元已用於營銷及推廣活動；
- (v) 所得款項淨額約人民幣8.34百萬元已用於擴大銷售網絡及開闢新市場；及
- (vi) 所得款項淨額約人民幣33.63百萬元已用作於營運資金及所得款項淨額之餘額約人民幣84.12百萬元已存入銀行，擬按照本公司日期為2017年9月22日的通函所載之使用建議加以使用。

公眾持股量的充足性

基於本公司可公開獲得的資料及據董事所知悉，於本年報日期，至少25%的本公司全部已發行股本由公眾人士持有。

核數師

本公司核數師於過往三個年度並無其他變動。

本公司截至2018年12月31日止年度綜合財務報表經安永會計師事務所審核，其將任職至本公司應屆股東週年大會結束。於應屆股東週年大會上將提呈決議案，分別重新委任安永會計師事務所及安永華明會計師事務所（特殊普通合伙）為本公司國際核數師及國內核數師。

DIRECTORS' REPORT

董事會報告

OUTLOOK

During the Year, the Company focused on the construction of Sinolife United Research and Development Centre, and built a supply and marketing platform through multiple channels. Furthermore, the channels for distributors, pharmacies and maternity stores began to take shape, and the phase I construction of Sinolife United Research and Development Centre became fully operational.

In 2019, the Company will focus on the development and cultivation of maternity stores channels and distributor channels, increase pharmacy channels and e-commerce platforms, and focus on expanding sales channels in the PRC. As for technological research and development, more efforts will be made to carry out scientific and technological innovation to lay a solid foundation for the future of the Company.

Health has always been a topic for humanity. Regardless of maternity and child, sub-healthy, or healthy demographics, they all have the demand and desire for scientific health. Since its establishment, the Company has always persisted in the work of health protection, health management, health and safety, which is also the belief and the pursuit of the Company.

We believe health means longevity, vigour, and happiness.

In safeguarding health, the Company upholds high quality and high standards. Upon completion of Sinolife United Research and Development Centre, the Company has entered into a new stage of development. Meanwhile, the Company also understands that the road ahead remains very long and is mixed with opportunities and challenges. The Company will certainly keep pace with the times and uphold the cultural spirit with one step at a time to serve the society and create value.

On behalf of the Board

Mr. Gui Pinghu

Chairman

Nanjing, the PRC, 29 March 2019

* For identification purpose only

展望

於本年度，本公司專注於中生聯合科技研發中心的建設，通過多種渠道建立供銷平台。此外，經銷商、藥房及母嬰店的渠道也初見規模，中生聯合科技研發中心一期工程亦已開始全面運作。

於2019年，本公司將重點發展及培育母嬰店渠道及經銷渠道，增加藥房渠道及電子商務平台，著重拓展中國銷售渠道。在技術研發方面，本公司將加強科技創新力度，為未來奠定堅實的基礎。

健康一直是人類持續的話題。無論是母嬰、亞健康或健康人群，都有對科學健康的需求及渴望。本公司自成立以來，始終堅持健康保健、健康管理、健康安全的工作，此亦為本公司的信念與追求。

我們相信健康意味著長壽、體力及快樂。

在維護健康方面，本公司堅持高品質、高標準。中生聯合科技研發中心建成後，本公司邁進一個全新發展階段。與此同時，本公司同樣明白前方道路仍然很長，機遇與挑戰並存。本公司將一定與時俱進，秉持文化精神，一步步前進為社會服務，創造價值。

代表董事會

董事長

桂平湖先生

中國，南京，2019年3月29日

2018 WORK REPORT OF THE BOARD OF SUPERVISORS

2018 年度監事會工作報告

During the reporting period of 2018, the board of Supervisors carefully and thoroughly performed its supervisory functions in favor of the Company and the shareholders of the Company (the “Shareholders”) in a responsible manner according to the Company Law, the Articles and the Rules of Procedures for the board of Supervisors, and the requirements under the relevant law and regulations, while duly monitoring and examining the operations, financial conditions and investment conditions of the Company according to the laws. In addition, the members of the Board, the managers of the Company, and other senior management members performed their duties under the supervision of the Supervisors.

2018 年度報告期內，監事會嚴格按照《公司法》、《公司章程》、《監事會工作細則》和有關法律、法規的規定，本著對公司和對公司股東（「股東」）負責的態度，認真全面履行了監督職責，對公司依法運作情況、財務情況、投資情況等事項履行了監督檢查職責以及對董事會成員、公司經理以及其他高級管理人員的監督職能。

I. DAILY WORK OF THE BOARD OF SUPERVISORS

一、監事會日常工作情況

In 2018, the board of Supervisors convened four meetings.

2018 年度，監事會共召開了 4 次會議。

On 29 March 2018, it considered the 2017 Work Report of the Board of Supervisors of the Company, the Resolution on the 2017 Audited Consolidated Financial Statements, the 2017 Financial Settlement and the Resolution regarding the 2018 Financial Budget, the Resolution on 2017 Profit Distribution Plan, the Resolution regarding the Appointment of Accountant and the Authorisation Granted at the General Meeting to the Board to Determine Its Remuneration, the Resolution regarding the Authorisation Granted at the General Meeting to the Board to Determine the Remunerations of the Directors and Supervisors, the Resolution on 2017 Statutory Reserve Withdrawal of the Company, and the Resolution where the Board is granted the general mandate at the General Meeting to issue, allocate, and deal with additional Domestic Shares and H Shares, both numbers of which will be no more than 20% of the total amount of Domestic Shares and H Shares of the Company in issue respectively, and the Board is authorised to revise the Articles, as it sees fit, for the purposes of reflecting the new shareholding structure upon the allotment or issue of additional Shares under the relevant mandate.

2018 年 3 月 29 日，監事會會議審議了《公司 2017 年度監事會工作報告》、《關於公司 2017 年度經審核綜合財務報表的議案》、《關於公司 2017 年度財務決算以及公司 2018 年財務預算的議案》、《關於公司 2017 年度利潤分配方案的議案》、《關於公司 2017 年度利潤分配方案的議案》、《關於聘請會計師並由股東大會授權董事會確定其酬金的議案》、《關於股東大會授權董事會釐定各董事監事薪酬的議案》、《關於公司提取 2017 年法定公積金的議案》、《關於提請股東大會向董事會作出一般授權，以發行、配發及處理不超過各佔本公司已發行內資股及 H 股面值總額 20% 的額外內資股及 H 股，同時授權董事會修訂其認為適當的本公司章程，藉以反映根據相關授權配發或發行額外股份時的新股本架構的議案》。

On 30 August 2018, it considered the Resolution on Interim Results for 2018 and Interim Dividend Distributions, the Resolution on Material Internal Audit Findings for the Period Ended 30 June 2018 and the Resolution on Proposed Measures regarding Employees in respect of Financial Reporting, Internal Auditing and other Misbehaviours.

2018 年 8 月 30 日，監事會會議審議了《關於公司 2018 年上半年業績以及有關派發中期股息的議案》、《關於公司截至 2018 年 6 月 30 日止重大內部審核事項的議案》、《關於公司對於員工就財務匯報、內部監控及其他不正當行為提出建議的議案》。

On 6 September 2018, it considered the Resolution on Nomination of Supervisors for the Third Session of the board of Supervisors of the Company.

2018 年 9 月 6 日，監事會會議審議了《關於提名公司第三屆監事會監事的議案》。

On 5 November 2018, it considered the Resolution on Election of Chairman of the Third Session of the board of Supervisors of the Company.

2018 年 11 月 5 日，監事會會議審議了《關於選舉公司第三屆監事會主席的議案》。

2018 WORK REPORT OF THE BOARD OF SUPERVISORS

2018年度監事會工作報告

II. LAWFUL OPERATION OF THE COMPANY

The board of Supervisors of the Company attended the meetings of the Board during the reporting period, and duly performed its supervisory duties of production and operation activities of the Company. It effectively discharged its supervisory duties on the development strategies of the Company on a timely basis, thus fully delivering its duties in the development of the Company in 2018. In the opinion of the board of Supervisors, the Board of the Company persisted in standardised operations with due diligence by practising its decision-making procedures in strict compliance with the provisions under the Company Law in the PRC and the Articles, as well as conscientiously carrying out all resolutions at the general meetings of shareholders; the internal control system of the Company was well established; disclosure of all information was made on a timely and accurate basis; no violation against the laws, regulations, or the Articles, or prejudice against the interests of the Company was committed by the Directors and senior management of the Company in the line of duty.

III. INSPECTION ON FINANCIAL STATUS OF THE COMPANY

The board of Supervisors reviewed the proposal on business operation of the Company and its subsidiaries for 2018 and the proposal on business plan of the Company for the financial year 2019.

In the opinion of the board of Supervisors, the financial report of the Company reflects its financial position and operation that are complete, true and accurate. The annual operating results of the Company have been audited by Ernst & Young Hua Ming LLP who has also issued an audit report on the Group's financial statements. The audit report is factual, fair and objective.

二、公司依法運作情況

公司監事會列席了報告期內的董事會會議，對公司依法經營運作等情況進行了監控。對公司的發展戰略、重大事項進行了適時有效的監督，發揮了監事會的職能，在公司2018年度發展工作中履行了應盡的職責。監事會認為：公司董事會決策程序嚴格遵循《中國公司法》和章程的規定，認真執行股東大會的各項決議，運作規範，勤勉盡職；公司內部控制制度完善；信息披露及時、準確；公司董事和高級管理人員履行職務時，無違反法律、法規、公司章程或損害公司利益的行為。

三、檢查公司財務情況

監事會對公司及子公司2018年業務營運狀況以及公司2019年財政年度的業務計劃進行了審閱。

監事會認為：公司財務報告全面、真實、正確地反映了財務狀況和經營情況；公司年度經營業績已經安永華明會計師事務所（特殊普通合夥）審核並出具了審計報告，該審計報告實事求是，客觀公正。

2018 WORK REPORT OF THE BOARD OF SUPERVISORS

2018 年度監事會工作報告

IV. INDEPENDENT OPINION OF THE BOARD OF SUPERVISORS ON CONNECTED TRANSACTIONS

The board of Supervisors is of the view that the Group had no connected transaction in 2018 which was subject to the reporting, annual review, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

V. REVIEW OF THE BOARD OF SUPERVISORS ON THE INTERNAL CONTROL SELF-ASSESSMENT REPORT

The board of Supervisors has conducted a review on the internal control report of the Company, and considered that the Company has established an appropriate internal control system in all important aspects and the internal control management system has operated effectively, thus ensuring its consistent implementation and normal business operations.

VI. IMPLEMENTATION OF RESOLUTIONS ADOPTED AT THE SHAREHOLDERS' MEETINGS

The members of the board of Supervisors had no objection to the contents of resolutions submitted to the shareholders' meetings. The board of Supervisors supervised the implementation of resolutions adopted at the shareholders' meetings, and considered that the Board was able to implement the relevant resolutions earnestly. The board of Supervisors is of opinion that the Board of the Company will carefully follow through the relevant resolutions at the general meetings, without prejudicing the interests of the Shareholders.

We hereby submit our report.

On behalf of Nanjing Sinolife United Company Limited
The board of Supervisors

Ms. Yu Min
Chairman

29 March 2019

四、監事會對關聯交易情況的獨立意見

監事會認為本集團於2018年度概無關聯交易須根據上市規則第14A章進行申報、年度審核、公告及獨立股東批准。

五、監事會對內部控制自我評價報告的審閱情況

監事會對公司內控報告進行了審閱，並認為公司已在所有重大方面建立了適當的內部控制制度，內部控制管理體系運行有效，確保了內部控制制度的貫徹執行和日常業務的正常開展。

六、股東大會通過的決議案的執行情況

監事會成員對提交予股東大會的決議案的內容並無異議。監事會監督股東大會通過的各項決議案的執行情況，並認為董事會能夠認真執行有關決議。監事會認為，公司董事會能夠認真履行股東大會的有關決議，未發生有損股東利益的行為。

特此報告。

南京中生聯合股份有限公司
監事會

主席
余敏女士

2019年3月29日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to report to the shareholders on the corporate governance of the Company for the year ended 31 December 2018.

董事會欣然向股東呈報本公司截至2018年12月31日止年度的企業管治報告。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

The Board is committed to maintaining good corporate governance standards.

董事會致力於維持良好的企業管治標準。

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

董事會相信，良好的企業管治標準乃本公司保障股東利益、提升企業價值、制定其業務策略及政策以及提升其透明度及問責性之關鍵。

The Company has adopted the principles and code provisions of the CG Code contained in Appendix 14 of the Listing Rules as the basis of the Company's corporate governance practices.

本公司已採納上市規則附錄十四所載之企業管治守則之原則及守則條文作為本公司企業管治常規的基準。

The Board is of the view that throughout the year ended 31 December 2018, the Company has complied with all the code provisions as set out in the CG Code.

董事會認為，於截至2018年12月31日止年度內，本公司已遵守企業管治守則所載之所有守則條文。

MODEL CODE FOR SECURITIES TRANSACTIONS

證券交易的標準守則

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules (with certain modifications) regarding the dealings in securities (as defined in Model Code).

本公司已就證券交易(定義見標準守則)採納上市規則附錄十所載列的標準守則(連同若干修訂)。

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2018.

經對全體董事作出特定查詢後，全體董事已確認，彼等於截至2018年12月31日止年度一直遵守標準守則。

BOARD OF DIRECTORS

董事會

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

本公司由具有效率的董事會領導。董事會監督本集團的業務、戰略性決策及績效並客觀地採納符合本公司最佳利益的決策。

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

董事會應定期審核董事為履行其對本公司的責任所需作出的貢獻以及董事是否正花費足夠的時間履行有關責任。

BOARD COMPOSITION

The Board currently comprises 8 Directors, consisting of 4 executive Directors, 1 non-executive Director and 3 independent non-executive Directors.

During the year ended 31 December 2018 and up to the date of this report, the members of the Board are set out below:

Executive Directors

Mr. Gui Pinghu (*Chairman*)
Ms. Zhang Yuan (*Chief Executive Officer*)
Ms. Xu Li
Ms. Zhu Feifei

Non-executive Directors

Ms. Li Fan⁽¹⁾
Mr. Xu Chuntao (Resigned)⁽²⁾

Independent non-executive Directors

Mr. Zhang Jitong⁽³⁾
Ms. Cai Tianchen⁽³⁾
Mr. Wang Wei⁽³⁾
Mr. Jiang Fuxin (Retired)⁽⁴⁾
Ms. Feng Qing (Retired)⁽⁴⁾
Mr. Vincent Cheng (Retired)⁽⁴⁾

Notes:

- (1) Appointed as a non-executive Director with effect from 21 February 2019
- (2) Resigned as a non-executive Director with effect from 20 February 2019
- (3) Appointed as an independent non-executive Director with effect from 23 October 2018
- (4) Retired as an independent non-executive Director with effect from 23 October 2018

The biographical information of the Directors are set out in the section headed "Directors, Supervisors, Senior Management and Employees" on pages 22 to 26 of this annual report.

None of the members of the Board is related to one another.

董事會構成

董事會目前由8名董事組成，包括4名執行董事、1名非執行董事及3名獨立非執行董事。

截至2018年12月31日止年度直至本報告日期，董事會成員載列如下：

執行董事：

桂平湖先生(董事長)
張源女士(首席執行官)
徐麗女士
朱飛飛女士

非執行董事：

李凡女士⁽¹⁾
許春濤先生(辭任)⁽²⁾

獨立非執行董事：

張繼彤先生⁽³⁾
蔡天晨女士⁽³⁾
王瑋先生⁽³⁾
蔣伏心先生(退任)⁽⁴⁾
馮晴女士(退任)⁽⁴⁾
鄭嘉福先生(退任)⁽⁴⁾

附註：

- (1) 於2019年2月21日獲委任為非執行董事
- (2) 於2019年2月20日辭任非執行董事
- (3) 於2018年10月23日獲委任為獨立非執行董事
- (4) 於2018年10月23日退任獨立非執行董事

董事之履歷資料載於本年報第22至26頁「董事、監事、高級管理層及僱員」一節。

概無任何董事會成員與另一名成員有關聯。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Apart from regular Board meetings, the Chairman also held a meeting with Non-executive Directors and independent non-executive Directors without the presence of other Directors during the year ended 31 December 2018. Code provision A.2.7 of the CG Code has been revised to require that the Chairman should at least annually hold meetings with independent non-executive Directors without the presence of other directors. Arrangements have been made for compliance with the revised code provision which took effect from 1 January 2019.

During the year ended 31 December 2018, the Board held five meetings. The attendance records of each of the Directors at the Board meetings of the Company held during the year ended 31 December 2018 is set out in the section headed "Attendance Records of Directors and Committee Members" on page 63 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and Chief Executive Officer are held by Mr. Gui Pinghu and Ms. Zhang Yuan respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended the year ended 31 December 2018, the Board at all times the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. Ms. Cai Tianchen possesses the appropriate professional qualifications and accounting expertise as required under Rule 3.10(2) of the Listing Rules.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

董事會會議及董事之出席記錄

至少應一年舉行四次定期董事會會議，涉及大多數董事親身或透過電子通信方式積極參與。

於截至2018年12月31日止年度內，除定期董事會會議外，董事長亦在並無其他董事出席的情況下與非執行董事及獨立非執行董事舉行會議。企業管治守則的守則條文A.2.7已修訂為要求董事長應至少每年與獨立非執行董事舉行沒有其他董事出席的會議。已就2019年1月1日起生效的該修訂守則條文作出安排。

於截至2018年12月31日止年度內，董事會舉行五次會議。於截至2018年12月31日止年度內，各董事於本公司董事會會議的出席記錄載列於本年報第63頁「董事及委員會成員之出席記錄」一節。

董事長及首席執行官

桂平湖先生及張源女士分別擔任董事長及首席執行官。董事長領導董事會及負責董事會有效運作及領導。首席執行官專責本公司的業務發展、日常管理及一般業務。

獨立非執行董事

於截至2018年12月31日止年度內，董事會一直遵守上市規則有關規定，委任至少三名獨立非執行董事（佔董事會三分之一），其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識。蔡天晨女士具備上市規則第3.10(2)條規定的適當專業資格及會計專業知識。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引就其獨立性的年度書面確認書。本公司認為，全體獨立非執行董事均屬獨立人士。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to the Articles, Directors shall be elected by shareholders at shareholders' general meeting and their term of office shall be three years. Directors are eligible for re-election upon expiry of their terms of office, while the successive terms of office of independent directors shall not exceed six years. Subject to the relevant laws, regulations and regulatory rules of the place where the Company is listed, if the Board appoints a new director to fill up any interim vacancy or increase the members of the Board, the term of office of such newly added director shall expire at the next shareholders' general meeting and he/she is eligible for re-election.

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of 3 years, subject to renewal after the expiry of the then current term.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

董事的委任及重選

根據章程，董事須由股東在股東大會選舉產生且彼等任期須為三年。董事於其任期屆滿時符合資格參與重選，然而獨立董事之連任時間將不會超過六年。在本公司上市所在地的相關法律、法規及監管規則的規限下，倘董事會委任新董事以填補董事會的任何臨時空缺或增加成員，則有關新增董事的任期將於下一屆股東大會時到期且彼合資格進行重選。

本公司非執行董事（包括獨立非執行董事）獲委任為三年指定年期，於現有年期屆滿後屆時可予續期。

董事會及管理層的責任、問責及貢獻

董事會應承擔領導及控制本公司的職責，並共同負責指導及監管本公司的事務。

董事會透過制定策略及監督其實施直接及間接通過其委員會領導管理層及為管理層提供指導，監控本集團的營運及財務績效，並確保落實健全的內部監控及風險管理制度。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保高標準的本公司監管報告並帶來董事會的平衡，以便產生與企業行動及營運有關的有效而獨立的判斷。

全體董事均可全面並及時獲得本公司所有資料，且可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

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The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2018, the Directors have attended trainings/seminars on topics such as (i) updates on policies relating to disclosure of information; (ii) group risk management and responsibilities of directors and supervisors; (iii) various transactions and regulations as defined under the Listing Rules; and (iv) mergers and acquisitions control regimes and disclosure of information. The following Directors have attended the trainings during the year ended 31 December 2018:

董事須向本公司披露彼等擔任的其他職務的詳情。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

董事之持續專業發展

董事須了解監管發展及變動的最新情況，以便有效履行其職責並確保其對董事會作出知情及相關貢獻。

每名新委任的董事於其獲委任之初已接受正式全面的入職培訓，以確保彼等適當了解本公司業務及營運以及充份認識到上市規則及相關法定規定下董事的職責及責任。

董事應參與合適的持續專業發展以發展及更新彼等的知識及技能。本公司將為董事安排內部推動簡報會，並於適當情況下向董事提供相關主題的閱讀資料。本公司鼓勵全體董事出席相關培訓，開支由本公司承擔。

於截至2018年12月31日止年度，董事已參加與以下主題有關的培訓／研討會，比如：(i) 有關資料披露政策的最新情況；(ii) 集團風險管理及董事與監事的責任；(iii) 上市規則界定的各種交易及監管；及(iv) 併購重組監控制度及資料披露。以下董事已出席截至2018年12月31日止年度內的培訓：

| Name of Directors | 董事姓名 | Participation 參與 |
|---|---------------------------|---------------------|
| Executive Directors | | |
| Mr. Gui Pinghu | 桂平湖先生 | Attended 出席 |
| Ms. Zhang Yuan | 張源女士 | Attended 出席 |
| Ms. Xu Li | 徐麗女士 | Attended 出席 |
| Ms. Zhu Feifei | 朱飛飛女士 | Attended 出席 |
| Non-executive Director | | |
| Mr. Xu Chuntao(1) | 許春濤先生(1) | Attended 出席 |
| Independent Non-Executive Directors | | |
| Mr. Zhang Jitong | 張繼彤先生 | Attended 出席 |
| Ms. Cai Tianchen | 蔡天晨女士 | Attended 出席 |
| Mr. Wang Wei | 王瑋先生 | Attended 出席 |
| Mr. Jiang Fuxin(2) | 蔣伏心先生(2) | Attended 出席 |
| Ms. Feng Qing(2) | 馮晴女士(2) | Attended 出席 |
| Mr. Vincent Cheng(2) | 鄭嘉福先生(2) | Attended 出席 |
| Notes: | 附註： | |
| (1) Resigned as a non-executive Director on 20 February 2019 | (1) 於2019年2月20日辭任非執行董事 | |
| (2) Retired as an independent non-executive Director on 23 October 2018 | (2) 於2018年10月23日退任獨立非執行董事 | |

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Development Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which specify clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

董事委員會

董事會已成立四個委員會，即審核委員會、薪酬委員會、提名委員會及戰略及發展委員會，以監管本公司事務的特定方面。本公司所有董事委員會均已訂明具體的書面職權範圍，有關職權範圍清楚地訂明其權力及職責。董事委員會的職權範圍刊登於本公司網站及聯交所網站，並可應要求時供股東查閱。

各董事委員會的主席及成員名單載列於本年報第2頁的「公司資料」。

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AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei. Ms. Cai Tianchen is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2018, the Audit Committee held two meetings to review, amongst other things, the annual financial results and reports in respect of the year ended 31 December 2017 and the interim results for the six months ended 30 June 2018. The Audit Committee also considered significant issues on the internal audit, review the effectiveness of internal control systems, appointment of external auditors and relevant scope of works and arrangements for employees to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee also met the external auditors twice during the year ended 31 December 2018, without the presence of the executive Directors.

The attendance of each of the members of the Audit Committee at the Audit Committee meetings held during the year ended 31 December 2018 is set out in the table under section headed "Attendance Records of Directors and Committee Members".

審核委員會

審核委員會包括三名獨立非執行董事，即張繼彤先生、蔡天晨女士及王瑋先生。蔡天晨女士為審核委員會主席。

審核委員會的職權範圍不會較企業管治常規守則所載者寬鬆。審核委員會的主要職責為其協助董事會審閱財務資料及申報程序、風險管理及內部監控制度、內部審核職能的有效性、外聘核數師的審核範圍及委任，以及檢討可使本公司僱員關注本公司財務申報、內部監控或其他事項可能出現之不當行為之安排。

截至2018年12月31日止年度，審核委員會已舉行兩次會議審閱(其中包括)有關截至2017年12月31日止年度的年度財務業績及報告以及本公司截至2018年6月30日止六個月的中期業績。審核委員會亦考慮有關內部審核的重大事宜、檢討內部監控制度的有效性、委任外部核數師及有關工作範圍以及於財務申報、內部控制或其他事宜中使僱員關注可能不當行為的安排。

截至2018年12月31日止年度，審核委員會亦在無執行董事出席的情況下與外聘核數師召開兩次會議。

於截至2018年12月31日止年度內，審核委員會各成員於審核委員會會議的出席率乃載於「董事及委員會成員之出席記錄」一節的表格中。

REMUNERATION COMMITTEE

薪酬委員會

The Remuneration Committee consists of one executive Director, namely Ms. Zhu Feifei, and two independent non-executive Directors, namely Ms. Cai Tianchen and Mr. Wang Wei. Mr. Wang Wei is the chairman of the Remuneration Committee.

薪酬委員會由一名執行董事朱飛飛女士及兩名獨立非執行董事、蔡天晨女士及王瑋先生組成。王瑋先生為薪酬委員會主席。

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

薪酬委員會的職權範圍不會較企業管治常規守則所載者寬鬆。薪酬委員會的主要職責包括審閱各董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見；及設立透明程序以制定薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士可參與釐定彼等自身的薪酬。

During the year ended 31 December 2018, the Remuneration Committee met twice to review and make recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management.

截至2018年12月31日止年度，薪酬委員會已舉行兩次會議，以審閱本公司薪酬政策及架構，以及董事及高級管理層的薪酬待遇，並就此向董事會提供意見。

Details of the remuneration of the senior management by band for the year ended 31 December 2018 are set out in note 8 to the financial statements of the Company for the year ended 31 December 2018.

於截至2018年12月31日止年度內，高級管理層的薪酬詳情載於本公司截至2018年12月31日止年度的財務報表附註8。

The attendance of each of the members of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 December 2018 is set out in the section headed "Attendance Records of Directors and Committee Members".

於截至2018年12月31日止年度內，薪酬委員會各成員於薪酬委員會會議的出席率乃載於「董事及委員會成員之出席記錄」一節。

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NOMINATION COMMITTEE

The Nomination Committee consists of one executive Director, namely Ms. Xu Li, and two independent non-executive Directors, namely Mr. Zhang Jitong and Mr. Wang Wei. Mr. Zhang Jitong is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy (as explained below under the section headed "Board Diversity Policy"). The Nomination Committee will discuss and agree on measurable objectives for implementing the Board Diversity Policy and recommend them to the Board for adoption.

The Nomination Committee met twice in 2018 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors. The Nomination Committee also considered the qualifications of the retiring executive and non-executive Directors and recommended to the Board for re-election. During the year ended 31 December 2018, the terms of office of Mr. Jiang Fuxin, Ms. Feng Qing and Mr. Vincent Cheng expired and retired as independent non-executive Directors. The Nomination Committee considered and recommended to the Board Mr. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei to be elected as the independent non-executive Directors. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

The attendance of each of the members of the Nomination Committee at the Nomination Committee meeting during the year ended 31 December 2018 is set out in the section headed "Attendance Records of Directors and Committee Members".

提名委員會

提名委員會由一名執行董事即徐麗女士及兩名獨立非執行董事張繼彤先生及王瑋先生組成。張繼彤先生為提名委員會主席。

提名委員會的職權範圍不會較企業管治常規守則所載者寬鬆。提名委員會的主要職責包括審閱董事會的組成、制定及擬定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。

於評估董事會的組成時，提名委員會將計及多方面以及本公司董事會成員多元化政策(解釋見下文「董事會成員多元化」一節)所載的董事會成員多元化所涉及的因素。提名委員會將討論及商定實施董事會成員多元化政策的可計量目標，並推薦予董事會供其採納。

提名委員會於2018年已舉行兩次會議，以檢討董事會的架構、規模及組成以及獨立非執行董事的獨立性。提名委員會亦考慮退任執行及非執行董事的資格並建議董事會重選。於截至2018年12月31日止年度內，蔣伏心先生、馮晴女士及鄭嘉福先生的任期屆滿，退任獨立非執行董事。提名委員會考慮及建議董事會張繼彤先生、蔡天晨女士及王瑋先生參選獨立非執行董事。提名委員會認為董事會在多樣性方面維持適當的平衡。

於截至2018年12月31日止年度內，提名委員會各成員於提名委員會會議的出席載於「董事及委員會成員之出席記錄」一節。

STRATEGY AND DEVELOPMENT COMMITTEE

The Strategy and Development Committee consists of two independent non-executive Directors, namely Mr. Zhang Jitong and Ms. Cai Tianchen and one executive Director, namely Mr. Gui Pinghu. Mr. Gui Pinghu is the chairman of the Strategy and Development Committee.

The principal duties of the Strategy and Development Committee are to conduct researches and submit proposals concerning the long-term development strategies and material investment decisions of the Company.

During the year ended 31 December 2018, the Strategy and Development Committee met once to review the development strategies for the year 2018 and the material investment decisions of the Company.

The attendance of each of the members of the Strategy and Development Committee at the Strategy and Development Committee meeting during the year ended 31 December 2018 is set out in the section headed "Attendance Records of Directors and Committee Members".

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Board Diversity Policy is available on the website of the Company.

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. A true diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account the diversity (including gender diversity). The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender.

戰略及發展委員會

戰略及發展委員會包括兩名獨立非執行董事張繼彤先生、蔡天晨女士及一名執行董事桂平湖先生。桂平湖先生為戰略及發展委員會的主席。

戰略及發展委員會的主要職責乃就本公司長期發展戰略及重大投資決策進行研究及提出建議。

截至2018年12月31日止年度，戰略及發展委員會已舉行一次會議，以檢討本公司的2018年發展戰略及重大投資決策。

於截至2018年12月31日止年度內，戰略及發展委員會各成員於戰略及發展委員會會議的出席率乃載於下文「董事及委員會成員之出席記錄」一節。

董事會多元化政策

本公司已採納董事會多元化政策，當中載列實現董事會多元化的方式。董事會多元化政策於本公司網站可供查閱。

本公司了解及認同具有多元化董事會成員裨益，以提升其表現質素。一個真正多元化的董事會將包括具備不同技能、地區及行業經驗、背景、種族、性別及其他特質的董事會成員，並可加以利用。本公司在制定董事會成員的最佳組合時將考慮上述不同之處。所有董事會成員之任命均以用人唯才為原則並考慮多元化(包括性別多元化)。本公司旨在技能、經驗、知識、專長、文化、獨立性、年齡及性別方面建立及保持董事會多元化的董事會成員。

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DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company. It aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy and diversity aspects under the Board Diversity Policy;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Willingness, ability to devote adequate time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness

提名董事政策

董事會已將其甄選及委任董事的責任及授權轉授予本公司提名委員會。

本公司已採納提名董事政策，當中載列有關提名與委任本公司董事的甄選標準及程序以及董事會繼任計劃考慮因素，旨在確保董事會具備本公司、董事會持續性及董事會適度領導層面適當所需技能、經驗及多樣化觀點。

提名董事政策載列評估建議候選人是否合適及對董事會潛在貢獻的因素，包括但不限於：

- 品格與誠信；
- 資格，包括專業資格、技能、知識及與本公司業務及公司策略相關的經驗，以及董事會多元化政策的多元化方面；
- 根據上市規則，獨立非執行董事對董事會的要求及建議獨立非執行董事的獨立性；及
- 是否願意及是否能夠投放足夠時間並有興趣履行身為董事會成員及／或擔任本公司董事會轄下委員會委員的職責。

提名董事政策亦載列甄選及委任新董事及於股東大會重選董事的程序。

提名委員會將檢討提名董事政策（倘適用）以確保其效用。

CORPORATE GOVERNANCE FUNCTIONS 企業管治職能

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

董事會負責履行企業管治守則的守則條文第D.3.1條所載職能。

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this corporate governance report.

董事會檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律法規規定、標準守則以及遵守企業管治守則方面的政策及常規以及本企業管治報告中的披露。

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

董事及委員會成員之出席記錄

The attendance record of each director at the Board meetings, Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2018 is set out in the table below:

下表載列各董事於截至2018年12月31日止年度內舉行的董事會會議及董事委員會會議以及本公司股東大會之出席記錄：

| Name of Director | Board | Audit Committee | Remuneration Committee | Nomination Committee | Strategy and Development Committee | Annual General Meeting | Other General Meetings (if any) |
|--|-------|-----------------|------------------------|----------------------|------------------------------------|------------------------|---------------------------------|
| 董事姓名 | 董事會 | 審核委員會 | 薪酬委員會 | 提名委員會 | 戰略及發展委員會 | 股東週年大會 | 其他股東大會 (如有) |
| Mr. Gui Pinghu 桂平湖先生 | 5/5 | - | - | - | 1/1 | 1/1 | 1/1 |
| Ms. Zhang Yuan 張源女士 | 5/5 | - | - | - | - | 1/1 | 1/1 |
| Ms. Xu Li 徐麗女士 | 5/5 | - | - | 2/2 | - | 1/1 | 1/1 |
| Ms. Zhu Feifei 朱飛飛女士 | 5/5 | - | 2/2 | - | - | 1/1 | 1/1 |
| Mr. Xu Chuntao 許春濤先生 | 5/5 | - | - | - | - | 1/1 | 1/1 |
| Mr. Zhang Jitong ⁽¹⁾ 張繼彤先生 ⁽¹⁾ | 1/1 | - | - | - | - | - | - |
| Ms. Cai Tianchen ⁽¹⁾ 蔡天晨女士 ⁽¹⁾ | 1/1 | - | - | - | - | - | - |
| Mr. Wang Wei ⁽¹⁾ 王瑋先生 ⁽¹⁾ | 1/1 | - | - | - | - | - | - |
| Mr. Jiang Fuxin ⁽²⁾ 蔣伏心先生 ⁽²⁾ | 4/4 | 2/2 | - | 2/2 | 1/1 | 1/1 | 1/1 |
| Ms. Feng Qing ⁽²⁾ 馮晴女士 ⁽²⁾ | 4/4 | 2/2 | 2/2 | 2/2 | - | 1/1 | 1/1 |
| Mr. Vincent Cheng ⁽²⁾ 鄭嘉福先生 ⁽²⁾ | 4/4 | 2/2 | 2/2 | - | 1/1 | 1/1 | 1/1 |

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Notes:

- (1) Appointed as an independent non-executive Director on 23 October 2018. A Board meeting was held after 23 October 2018.
- (2) Retired as an independent non-executive Director on 23 October 2018. Four Board meetings were held before 23 October 2018.

Apart from regular Board meetings, the Chairman also held a meeting with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the year ended 31 December 2018.

附註：

- (1) 於2018年10月23日獲委任為獨立非執行董事。於2018年10月23日後舉行一次董事會會議。
- (2) 於2018年10月23日退任獨立非執行董事。於2018年10月23日前舉行四次董事會會議。

除定期董事會會議外，董事長亦與非執行董事(包括獨立非執行董事)於截至2018年12月31日止年度在無執行董事出席的情況下舉行一次會議。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems of the Company and its subsidiaries and reviewing their effectiveness annually. Such systems 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 material misstatement or loss.

The Board has the responsibility for establishing, maintaining and evaluating effective risk management and internal control systems. The board of Supervisors is responsible for supervising the Board on the establishment and implementation of risk management and internal control systems. The management is responsible for coordinating and monitoring the risk management and internal control progress. The Audit Committee assists the Board in leading and coordinating matters regarding internal control, overseeing the design, implementation and monitoring of the risk management and internal control systems.

The Audit Department of the Company is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Audit Department examines key issues in relation to accounting practices and all material controls and provides its findings to the Audit Committee.

The objectives of risk management and internal control systems of the Company are to ensure compliance with relevant laws and regulations, safeguard the Company's assets, maintain proper accounting records and improve operational efficiency, so as to achieve strategic development.

風險管理及內部監控

董事會承認其對本公司及其附屬公司的風險管理及內部監控制度以及每年審核其有效性的責任。該等制度旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會負責制定、維持及評估有效的風險管理及內部監控制度。監事會負責監督董事會制定及實施風險管理及內部監控制度。管理層負責協助及監察風險管理及內部監控過程。審核委員會協助董事會有關內部監控的領導及協作事宜、監督設計、實施及監察風險管理及內部監控制度。

本公司的審核部門負責獨立檢討風險管理及內部監控制度的充足性及有效性。審核部門測試有關會計政策及所有重大控制的關鍵問題，及向審核委員會提供其發現。

本公司風險管理及內部監控制度的目標是確保遵守相關法律法規、保障本公司資產、保持完整會計記錄及提高營運效率，以實現發展戰略。

The Company's risk management and internal control systems include different functions and areas, namely organizational structure, strategic development, human resources, asset management, sales and purchase, finance and accounting, information technology, internal audit, contract management and administration.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes. The control activities are mainly carried out through the following:

1. Implement segregation of duties when establishing defined business processes and work responsibilities;
2. Based on the actual needs of business processes of each business unit, define approval and authorisation limits, approval process and responsibilities;
3. Establish accounting procedures by strictly following accounting standards and framework, enhance the quality and level of accounting work and improve accounting work procedures; and
4. Set up and evaluate regularly on the procedures regarding the use and management of assets, and safeguard the Company's assets by defining clear business processes and work responsibilities.

The Company's self-evaluation on internal control systems has the following features and processes:

1. Communicate with middle and senior management to collect risk information, conduct analysis and identify high risk areas that the Company may face for establishing and implementing internal control systems and defining the scope and key areas;
2. Identify key risk information, define clear risk management responsibilities and adopt the requirements of risk management and internal control, based on the conditions of internal control systems of all business processes of the Company;
3. Identify design defects by verifying and evaluating the implementation and efficiency of internal control systems through walk-through testing;
4. Discover defects during the implementation of internal control systems by evaluating key control activities samples which are extracted based on the frequency of occurrence; and

本公司的風險管理及內部監控制度包括不同功能及領域，例如組織架構、發展戰略、人力資源、資產管理、銷售及採購、財務及會計、資訊科技、內部審計、合同管理及行政管理。

本公司透過主要業務過程，已制定及採納附有界定實施權限的若干風險管理程序及指引。控制活動主要透過以下各項進行：

1. 於制定界定業務過程及工作責任時實行職責分離；
2. 基於各業務單位的業務過程的實際需要，界定審批權限、審批程序及責任；
3. 通過嚴格遵循會計標準及框架制定會計程序，提高會計工作的質量及水平以及改善會計工作程序；及
4. 設立及定期評估資產使用及管理的程序，及通過界定清晰的業務流程及工作責任保障本公司的資產。

本公司對內部監控制度的自我評核有以下特點及過程：

1. 與中級及高級管理層溝通，以收集風險資料，進行分析及識別本公司可能面臨的高風險領域，此舉將用於制定及實施內部監控制度及界定風險範圍及關鍵領域；
2. 根據本公司所有業務過程內部監控制度的狀況，識別主要風險資料，界定清晰的風險管理責任及採納風險管理及內部監控要求；
3. 通過穿行測試核查及評估內部監控制度的實施及效用，識別設計上的缺陷；
4. 通過評估據發生頻率抽取主要控制活動樣本，識別於實施內部風險監控制度過程中的缺陷；及

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5. Identify material weakness of internal control systems from business process perspectives and improve according to the findings and report of the Audit Department. Implement and test on the improved internal control systems and verify its effectiveness.

During the self-evaluation process, the Company has adopted methods such as interviews, walk-through testing and sampling to broadly collect evidence in relation to the effectiveness of internal control design and implementation, accurately analysing and identifying the defects of the internal control systems. Self-evaluation has been conducted annually to confirm that the control policies are properly complied with.

The management has confirmed to the Board on the effectiveness of the risk management and internal control systems for the year ended 31 December 2018.

The Board, as supported by the Audit Committee as well as the internal audit findings, reviewed the risk management and internal control systems, including the financial and non-financial controls for the year ended 31 December 2018, and considered that such systems are effective and no material defects were found.

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed disclosure policies, such as Procedures for Information Disclosure Management, Procedures for Internal Reporting of Material Information and Procedures on Registration of Insiders, which provide a general guide to the Directors, officers, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

5. 從業務過程角度識別內部監控制度的重大缺陷，及根據審核部門的發現及報告改善前述狀況。實施及測試已改進的內部監控制度並驗證其效用。

於自我評核過程中，本公司已採納訪談、穿行測試及抽樣等方法，廣泛收集有關內部監控設計及實施效用的證據，準確地分析及識別內部監控制度的缺陷。每年會進行自我評核，以確認妥為遵守內部監控政策。

管理層已向董事會確認截至2018年12月31日止年度的風險管理及內部監控制度的效用。

董事會在審核委員會協助下，連同內部審核的發現，檢討風險管理及內部監控制度（包括截至2018年12月31日止年度的財務及非財務控制），並認為該等制度行之有效及並無發現重大缺陷。

已落實安排以便本公司員工以保密形式對本公司財務申報、內部監控或其他事宜中可能的不當行為提出擔憂。

本公司已制定披露政策，如信息披露管理程序、重大信息內部申報程序及內幕信息知情人登記程序，該等程序為本公司的董事、高級職員、高級管理層及相關員工提供處理機密信息、監控信息披露及回覆詢問的一般指導。

已實施監控程序以確保嚴格禁止內幕消息的未經授權訪問及使用。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**董事就財務報表的職責**

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

董事知悉彼等編製本公司於截至2018年12月31日止年度財務報表的職責。

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

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力遭受重大質疑的事件或情況。

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 119 to 124 of this annual report.

本公司獨立核數師有關彼等就財務報表的申報責任的陳述載於本年報第119至124頁的獨立核數師報告內。

AUDITORS' REMUNERATION**核數師薪酬**

The remuneration paid/payable to the Company's external auditor in respect of audit services and non-audit services for the year ended 31 December 2018 is set out below:

就截至2018年12月31日止年度的審核服務及非審核服務的已付／應付本公司外聘核數師之薪酬載列如下：

| Service Category | 服務類型 | Fees Paid/Payable |
|--|------------------------------------|-----------------------------|
| | | 已付／應付費用 RMB'000 人民幣千元 |
| Annual audit services, Ernst & Young | 年度審核服務，安永會計師事務所 | 1,950 |
| Statutory audit services, Ernst & Young and other members in the global network of Ernst & Young | 法定審核服務，安永會計師事務所及安永會計師事務所全球網絡其他成員公司 | 560 |
| Non-audit Services | 非審核服務 | |
| — Environmental, Social and Governance reporting advisory | — 環境、社會及管治報告諮詢 | 180 |
| — Others | — 其他 | 170 |
| | | 2,860 |

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COMPANY SECRETARY

Ms. Zhi Hui and Ms. Kam Mei Ha Wendy have been appointed as the Company's joint company secretaries. Ms. Zhi Hui is experienced in the health food and nutritional supplements industry and has a thorough understanding of the operation of the Board and the Company.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, Ms. Kam Mei Ha Wendy of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services, has been engaged by the Company as its joint company secretary. Its primary contact persons at the Company are Ms. Zhi Hui, another joint company secretary of the Company and Mr. Li Bin, the chief financial officer of the Company.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and Board practices and matters.

For the year ended 31 December 2018, both Ms. Zhi Hui and Ms. Kam Mei Ha Wendy have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Directors.

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

CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to Articles 55 and 67 of the Articles, shareholder(s) individually or collectively holding 10% or more of the outstanding shares of the Company carrying voting rights may request the Board to convene an extraordinary general meeting by sending a written requisition with an explanation of the matters proposed to be discussed at the meeting.

公司秘書

支卉女士及甘美霞女士獲委任為本公司聯席公司秘書。支卉女士對保健食品及營養膳食補充劑行業甚有經驗，並且對董事會及本公司的運作有全面的認識。

為維持良好的企業管治並確保符合上市規則及適用香港法例的有關規定，本公司聘用卓佳專業商務有限公司(專門從事提供商務、企業及投資者綜合服務的全球性專業服務公司)的甘美霞女士為其聯席公司秘書。彼等主要聯絡人為另一聯席公司秘書支卉女士及本公司的首席財務官李斌先生。

所有董事均可就企業管治及董事會常規及事宜獲得聯席公司秘書的意見與服務。

截至2018年12月31日止年度，支卉女士及甘美霞女士已根據上市規則第3.29條分別進行不少於15個小時的相關專業培訓。

股東權利

為了保障股東的權益及權利，應在股東大會上就各項重大個別事宜(包括個別董事選舉)提呈個別決議案。

股東大會上提呈的全部決議案將根據上市規則以投票方式表決，投票結果將於各股東大會後於本公司及聯交所網站刊載。

召開臨時股東大會

根據章程第55條及第67條，單獨或合共持有本公司附帶表決權的已發行股份10%或以上的股東可透過遞交載有擬於會上討論事項說明的書面要求提請董事會召開臨時股東大會。

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Shareholders who individually or collectively holding more than 3% of the shares of the Company may submit a proposal to the Board in writing 10 days before the date of the shareholders' general meeting, at the Company's registered office in PRC or the principle place of business in Hong Kong. The Board shall notify other shareholders within 2 days of receiving the proposal and include it for consideration at the shareholders' general meeting. The matters stated in the proposal must be within the functions and powers of the shareholders' general meeting and it shall have a clear subject and specific resolutions.

Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the shareholders' general meeting or add new proposals upon issuance of the announcement on the notice of the shareholders' general meeting.

於股東大會上提呈建議

單獨或合計持有逾3%本公司股份的股東可於股東大會召開10日前在本公司中國註冊辦事處或香港主要營業地點以書面方式向董事會提交提案。董事會須於接獲該提案起計2日內向其他股東發出通知並於股東大會上列入該提案以供審議。提案所述事項須在股東大會的職能及權力範圍內及其須有明確議題及具體決議。

除了上述事宜外，召集人於發出有關股東大會通知的公佈後，不得修改股東大會通知所列的提案或添加新提案。

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

向董事會作出查詢

至於向董事會作出任何查詢，股東可將書面查詢發送至本公司。本公司通常不會處理口頭或匿名的查詢。

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:
30/F, Deji Building
188 Chang Jiang Road
Xuanwu District
Nanjing
Jiangsu Province
The PRC
(For the attention of the Company Secretary)

Fax: 86-25-86819167
Email: zhihui@zs-united.com

聯絡詳情

股東可向以下地址發送上述查詢或要求：

地址：
中國江蘇省
南京玄武區
長江路188號
德基大廈30樓

(註明收件人為公司秘書)

傳真：86-25-86819167
電郵：zhihui@zs-united.com

CORPORATE GOVERNANCE REPORT

企業管治報告

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Shareholders may call the Company at 86-25-86819188 for any assistance.

為免生疑，股東須將簽妥的要求書、通告或聲明或查詢(視情況而定)的正本存放及寄發至以上地址，並提供彼等的全名、聯絡詳情及確認文件以令該等函件生效。股東資料可按法律規定披露。

股東如需任何協助，亦可致電本公司，號碼為86-25-86819188。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

與股東及投資者溝通／投資者關係

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

本公司認為，與股東有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略的了解至為重要。本公司致力維持與股東持續溝通，尤其是透過股東週年大會及其他股東大會。董事(或彼等的代表(倘適用))將出席股東週年大會以會見股東及回答彼等的詢問。

During the year ended 31 December 2018, the Company has not made any changes to its Articles.

於截至2018年12月31日止年度內，本公司尚未對其章程作出任何變動。

POLICIES RELATING TO SHAREHOLDERS

與股東有關的政策

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders', both individual and institutional, views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

本公司已制定股東通信政策，確保個人及機構股東的意見及關注得到適當解決。該項政策定期進行檢討以確保其效用。

During the year ended 31 December 2018, the Company has adopted a Dividend Policy on declaration and payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year or period and any final dividend for a financial year which will be subject to the shareholders' approval.

於截至2018年12月31日止年度內，本公司已採納宣派及派付股息的股息政策。本公司並無任何預定派息比率。視乎本公司及本集團的財務狀況以及股息政策載列的條件與因素，董事會於財政年度或期間可建議及／或宣派股息，而任何財政年度的末期股息須獲股東批准。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Overview

This report is the third environmental, social and governance (hereinafter referred to as the “**ESG**”) report of Nanjing Sinolife United Company Limited (referred to as the “**Company**” hereto, collectively with its subsidiaries referred to as the “**Group**” or “**We**”(Stock Code:3332), which focuses on disclosing the ESG performance of the Group.

This report covers the financial period from 1 January 2018 to 31 December 2018 (the “**Reporting Period**”).

Basis of Preparation

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set forth in the Appendix 27 to the Listing Rules issued and amended by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in December 2015.

The contents of this report are determined in accordance with a set of systemic procedures. Such procedures include identifying and listing important stakeholders and ESG-related issues, determining the scope of the ESG reports, collecting relevant materials and data, compiling reports based on information and verifying data in this report.

Scope and Coverage of the Report

The policies, statements, and data given in this report cover the Company and its subsidiaries.

The subsidiaries of the Company involved in the production of products mainly include: Nanjing Zhongsheng Bio-Tech Co. Limited* (南京中生生物科技有限公司) (“**Zhongsheng Bio-Tech**”), Living Nature Natural Products Limited (“**Living Nature**”) and Good Health Products Limited (“**Good Health**”).

Data Description

Information and cases adopted in this report are mainly sourced from the statistics report and related documents of the Group. The Group undertakes that this report does not contain any false record or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

Confirmation and Approval

The report was approved by the Board on 29 March 2019 after confirmation with the management.

Contacts

30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, The PRC
Tel: 86-25-86819188
Fax: 86-25-86819167
Website: <http://www.zs-united.com>
E-mail: sinolife@zs-united.com

關於本報告

概覽

本報告是南京中生聯合股份有限公司(於本報告提述為「**本公司**」,及其附屬公司(統稱為「**本集團**」或「**我們**」)(股份代碼:3332)發布的第三份環境、社會及管治(以下簡稱「**ESG**」)年度報告,重點披露本集團在環境、社會及管治方面的工作表現。

本報告涵蓋2018年1月1日至2018年12月31日財務年度(以下簡稱「**報告期**」)的ESG表現。

編製依據

本報告編製遵循香港聯合交易所有限公司(以下簡稱「**聯交所**」)上市規則附錄二十七所載的於2015年12月公布經修訂的《環境、社會及管治報告指引》(以下簡稱「**指引**」)進行編製。

本報告內容按照一套有系統的程式而釐定。有關程序包括:識別和排列重要的權益人、識別和排列ESG相關重要議題、決定ESG報告的界限、收集相關材料和數據、根據資料編製報告以及對報告中的資料進行檢視等。

報告範圍及邊界

本報告中的政策、聲明、數據等覆蓋本公司及其附屬公司。

本公司涉及產品生產的附屬公司主要有:南京中生生物科技有限公司(以下簡稱「**中生科技**」)、Living Nature Natural Products Limited(以下簡稱「**Living Nature**」)、Good Health Products Limited(以下簡稱「**好健康**」)。

報告數據說明

本報告所引用的資料和案例主要來源於本集團的統計報告和相關文檔。本集團承諾本報告不存在任何虛假記載、誤導性陳述,並對其內容真實性、準確性和完整性負責。

確認及批准

本報告經管理層確認後,於2019年3月29日獲董事會通過。

報告聯繫方式

中國江蘇省南京市玄武區長江路
188號德基大廈30樓
電話:86-25-86819188
傳真:86-25-86819167
網址:<http://www.zs-united.com>
E-mail: sinolife@zs-united.com

1. ESG MANAGEMENT — PERMANENT RESPONSIBILITY

1.1 ESG management structure

We are always persisting in responsible development and rooting the sustainability concept in the foundation of our corporate culture. We devote efforts to create values for stakeholders through unceasing collaborative solidarity. In order to comply with requirements for ESG management during the management process, we carry out ESG work within our top-down ESG management structure. Meanwhile, we pay close attention to the ESG-related risks in operation, and continuously improve the ESG organizational structure and governance methods. During the Reporting Period, we continue to conduct our ESG-related work through an ESG management structure led by the Board, directed by the ESG Management Committee and mainly implemented by the ESG taskforce.

1. ESG 管治 — 責無止境

1.1 治理架構

本集團始終堅持負責任發展，將可持續理念根植於企業文化的基因中，不斷團結協作，努力為權益人創造價值。為了將ESG的管理要求落實至每一處管理環節，我們通過自上而下的ESG管理架構開展ESG工作，密切關注運營中的ESG風險，不斷完善ESG組織架構和管治方法。報告期內，我們繼續通過以董事會牽頭，ESG管理委員會為核心，ESG工作小組為落實主力的ESG治理架構開展ESG相關工作。

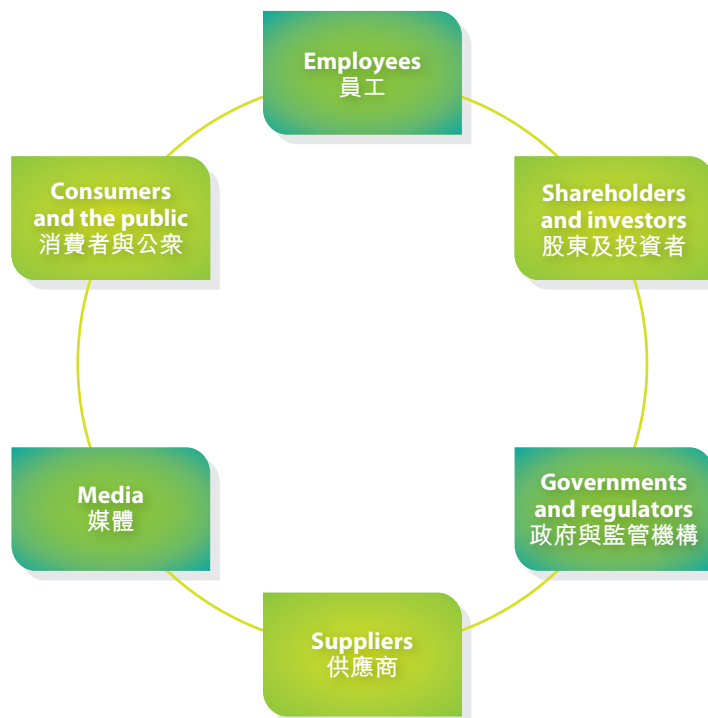


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1.2 Identification of and communications with stakeholders

The Group actively establishes communication and exchanges with all stakeholders covering a variety of aspects, and regards their opinions and requests as an important consideration for the corporate strategy for sustainable development in a long term. During the Reporting Period, we have identified major stakeholders who have the right of decision making or influence over the Group or are closely related to the sustainable development of the Group as follow:



The Group stresses great importance to communications with stakeholders by disseminating our social responsibility values and practices through various channels. We review the effectiveness of ESG-related measures on regular basis, and actively incorporate the expectations of different stakeholders into the Company's future development policy and priorities. The following table sets out the topics that are of particular interest to different stakeholders during the Reporting Period.

1.2 權益人識別與溝通

本集團積極與各類權益人建立多方面的溝通與交流，並將他們的意見與訴求作為企業長期可持續發展戰略的重要考量因素。報告期內，我們繼續識別對集團具有決策權或影響力、與集團的可持續發展工作關係密切的主要權益人組別，具體如下：

本集團高度重視與權益人的溝通交流，通過各種渠道傳播我們的社會責任價值與實踐。我們定期檢視ESG相關行動的成效，積極將不同組別權益人的期望納入企業未來發展路線與工作重點之中。下表列出報告期內不同權益人組別重點關注的議題。

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| Stakeholders 權益人 | Expectations and propositions 期望與要求 | Means of communications and responses 溝通與回應方式 |
|---------------------------------------|--|--|
| Governments and regulators 政府與監管機構 | To fully implement national policies, laws and regulations To promote local economic development To drive local employment 貫徹落實國家政策法律法規 促進地方經濟發展 帶動地方就業 | To file reports To provide advice and recommendations To submit special reports To engage in discussions and cooperation 上報文件 建言獻策 專題匯報 洽談合作 |
| Shareholders and investors 股東及投資者 | To provide return To ensure operating compliance To ensure safety production 收益回報 合規運營 安全生產 | To issue company announcements To release special reports To invite to site visits 公司公告 專題匯報 邀請實地考察 |
| Suppliers 供應商 | To fulfill contractual obligations according to law To ensure honest operations To manage supply chain 依法履約 誠信經營 供應鏈管理 | To engage in business negotiations To engage in on-site studies To engage in exchanges and discussions 商務溝通 現場調研 交流研討 |
| Media 媒體 | To ensure operating compliance To ensure product responsibility To participate in public activities 合規運營 產品責任 公益活動 | To publish news release/announcements To hold meetings To invite to site visits 新聞稿／公告 會議 邀請現場考察 |
| Employees 員工 | To protect employee rights To provide remuneration and fringe benefits To provide vocational development 權益維護 薪酬福利 職業發展 | To hold worker representative meetings To ensure collective negotiation To provide democratic communication platforms 職工代表大會 集團協商 民主溝通平台 |
| Consumers and the public 消費者及公眾 | To provide products and services To be involved in public welfare and charity To ensure green raw materials and productions 產品與服務 公益慈善 綠色原材料及生產 | To provide a company website To release company announcements To engage in interviews and communications To address customer feedback 公司網站 公司公告 採訪交流 客戶反饋 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1.3 Determination of material issues

To understand and respond to the expectations and propositions of stakeholders in a timely manner and enhance the relevance of ESG Management of the Group, the Group determines the ESG issues and makes materiality judgments in various forms, including counterpart benchmarking, media analysis and in-depth interviews with stakeholders, in accordance with the Guide, so as to achieve effective communication and response to the expectations of different stakeholders.

During the reporting period, we conducted more than ten in-depth on-site discussions with stakeholders and collected their views and concerns on the work of the Group's ESG in daily communication with each group of stakeholders. Based on the feedback from such stakeholders, we have adjusted and updated the matrix of the ESG material issues in the previous year by appropriately raising the weight of the issues such as cultural and business concepts, product innovation and climate change, thereby forming a matrix of material issues for this Reporting Period. The results are as follows:

1.3 重大性議題識別

為了深入瞭解並及時回應權益人的期望與訴求，提升本集團ESG管理的針對性，本集團依據《指引》的要求，通過同行對標、媒體分析、權益人深度訪談等方式識別環境、社會和管治議題並進行重大性判定，針對不同權益人的期望進行有效的溝通與回應。

報告期內，我們進行了十餘場權益人深度現場座談，並在與各組別權益人的日常溝通中收集其對本集團ESG工作的看法和關注重點。我們根據權益人反饋結果，對上一年度ESG重大性議題矩陣進行了調整和更新，適當提高了文化及經營理念、產品創新和氣候變化議題的權重，形成了本報告期的重大性議題矩陣，結果如下：



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| No. 序號 | Concerned issues 關注議題 | No. 序號 | Concerned issues 關注議題 |
|-----------|--|-----------|--|
| 1 | Culture and business value 文化及經營理念 | 14 | Product innovation 產品創新 |
| 2 | Industry trends and policies 行業趨勢及政策 | 15 | Customer interests and rights 客戶權益 |
| 3 | Anti-corruption 反腐倡廉 | 16 | Customer complaint management 客戶投訴管理 |
| 4 | Operating compliance 合規經營 | 17 | Customer experience 客戶體驗 |
| 5 | Supplier management 供應商管理 | 18 | Communications with communities and governments 社區、政府溝通 |
| 6 | Intellectual property rights 知識產權 | 19 | Community engagement 社區參與 |
| 7 | Water resources management 水資源管理 | 20 | Public charity 公益慈善 |
| 8 | Pollutants management 污染物管理 | 21 | Employee remuneration and benefit 員工薪酬與福利 |
| 9 | Energy management 能源管理 | 22 | Occupational safety and health 員工職業健康與安全 |
| 10 | Carbon footprint 碳足跡 | 23 | Employee development and training 員工發展與培訓 |
| 11 | Climate change 氣候變化 | 24 | Employee equality and diversity 員工公平與多元 |
| 12 | Impact of business on natural environment 業務對天然環境影響 | 25 | Protection of human rights 人權保障 |
| 13 | Product quality 產品質量 | | |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1.4 Operating compliance

During the daily operations, the Group carries out a series of measures to effectively improve the compliance level of corporate governance in accordance with laws, regulations and business ethics.

Ethical rules

The Group actively upholds a fair competitive environment and promotes the healthy and sustainable development of the industry. In strict accordance with the requirements of laws and guidance, such as the *Law Against Unfair Competition of the People's Republic of China* and *Certain Opinions of the State Council on Promoting Fair Competition in the Market and Maintaining the Normal Order of the Market*, we have been strengthening our own main business responsibility and risk management level in our operation. Besides, we have never conducted any form of monopoly and unfair competition but actively accept the supervision of society.

Clean and honesty

The Group is committed to creating a clean and honest culture without malpractice and fraud. Based on the relevant requirements of the *Criminal Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, the Group has formulated the enterprise norms such as Employee Code of Conduct and Business Code for discovering and dealing with corruption, bribery and malpractice in a timely manner to continuously improve its capabilities of internal control.

- In the process of procurement, the Group implements unified, standardized and centralized management of material procurement, and adds anti-corruption regulations in procurement contracts to reduce the risk of corruption and bribery in such process.
- In the process of sales, the Group strictly regulates the behavior of our employees, and establishes the correct concept of anti-corruption behavior to avoid the corruption and fraud.
- The Group conducts anti-corruption training and issues warning message on a regular basis, to continuously strengthen employees' awareness of honest and integrity.

1.4 合規經營

在日常運營中，本集團依照法律法規和商業道德，開展一系列措施切實提升企業治理的合規水平。

道德守序

本集團積極維護公平的競爭環境，促進行業的健康可持續發展。在企業運營中，我們嚴格遵守《中華人民共和國反不正當競爭法》《國務院關於促進市場公平競爭維護市場正常秩序的若干意見》等法律和指導意見，強化自身主體經營責任和風險管理水平，不開展任何形式的壟斷與不正當競爭行為，並積極接受社會監督。

廉潔誠信

本集團致力於營造誠信和反舞弊、反欺詐的廉潔文化，根據《中華人民共和國刑法》《中華人民共和國勞動合同法》等相關規定，制定了《員工守則》《商業準則》等企業規範，及時發現並處理貪污受賄及徇私舞弊行為，不斷提升內部控制能力。

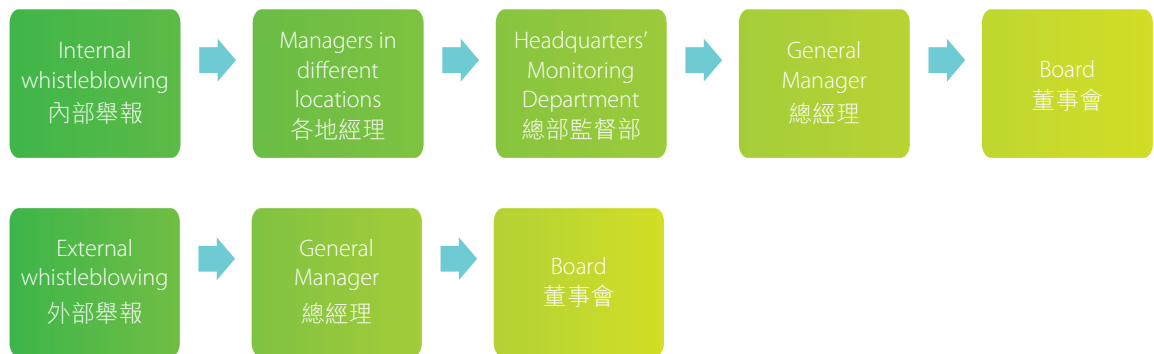
- 在採購環節，本集團對物資採購實施統一化、標準化和集中化的管理，並在採購合同中增加了反貪污條例，降低該環節中的貪污和賄賂行為風險。
- 在銷售過程中，本集團嚴格規範公司員工的行為，樹立反腐敗行為的正確觀念，避免舞弊和欺詐事件。
- 本集團定期開展反腐敗培訓和警示，不斷加強員工廉潔誠信意識。

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As the Group never tolerates any violation of integrity or honest practices, we implement internal and external complaint and whistle-blowing policies, and constantly improve the complaint and whistle-blowing systems against corrupt practices. We provide various complaint and whistle-blowing means and channels, allowing the whistleblowers to lodge complaints through interviews, text-messaging, WeChat and e-mail.

本集團對違反廉潔或誠信事件零容忍，針對內外部投訴舉報，不斷完善貪腐事件投訴舉報管理制度。我們開放多途徑投訴舉報渠道，投訴人可通過面談、短信、微信和電子郵件的方式進行投訴。



The Whistle-blowing Procedure of the Group
本集團舉報匯報流程

There was no litigation arising from corruption in the Group during the Reporting Period.

報告期內，本集團未發生貪污訴訟案件。

2. PRODUCT RESPONSIBILITY — QUALITY FIRST

The Group is committed to providing consumers with safer and healthier high-quality products by continuously optimizing product mix and improving technology R&D and innovation systems, with an aim of enhancing quality consumption experience with consumers and “improving the physical status of people under sub-health conditions and making healthy people healthier”.

2.1 Diversified products

Research and development of products

The Group adopts strategies of focusing on the Good Health brand, multiple channels marketing and diversified products and uses a market-based product development process to meet the changing needs of customers. We also develop incentive mechanisms for R&D and innovation to fully mobilize the enthusiasm of R&D personnel and maximize the product technology improvement and process optimization.

2. 產品責任 — 品質為先

本集團致力於為消費者提供更安全和高品質的高品質產品，不斷優化產品組合，完善技術研發和創新體系，與消費者共同提升品質消費體驗，努力「讓亞健康的人健康起來，讓健康的人更健康」。

2.1 多元產品

產品研發

本集團通過採取聚焦好健康品牌、多渠道營銷、多元化產品的戰略組合，採用以市場為本的產品研發流程，滿足不斷變化的客戶需求。我們亦制定研發創新的激勵機制，充分調動研發人員積極性，最大限度推動產品技術改進和工藝流程優化。

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During the Reporting Period, to meet consumers' more diversified demands for health products, the Group has launched a total of 30 new products, including 4 Zhongsheng series products, 6 Hejian series products, 11 Good Health series products and 9 Living Nature series products.

報告期內，本集團共計推出30項新產品，以滿足消費者更加多元化的健康產品需求，包括4項中生系列產品、6項禾健系列產品、11項好健康系列產品以及9項Living Nature系列產品。



Zhongsheng Bio-Tech has set up a new laboratory to promote the improvement of research and development

During the Reporting Period, Zhongsheng Bio-Tech has set up a new laboratory, which uses imported equipment and is equipped with a fully automatic Kjeldahl analyzer for the determination of protein content, effectively improving detection efficiency and microbiological testing. On the basis of the increase of the pathogen detection laboratory, the detection ability level of Zhongsheng Bio-Tech is higher than the peer level.

The new laboratory will focus on the development of new products, new technologies and new processes, including research on separation and extraction methods of active ingredients of Chinese herbal medicines and natural products, analysis and research on active ingredients, detection and analysis of product pollutants, analysis of trial manufacture based on production processes, research on development of product quality standards and research on product stability, with an aim of improving the Group's overall R&D level and core competitiveness.

中生科技新成立實驗室，助力研發水平提升

報告期內，中生科技成立新的實驗室，該實驗室主要儀器均採用進口設備，配備全自動的凱氏定氮儀，用於蛋白質含量的測定，有效提高檢測效率，並在微生物檢測的基礎上增加了致病菌檢測實驗室，中生科技的檢測能力水平高於同行水平。

新的實驗室將致力於新產品、新技術、新工藝的開發研製，包括中草藥及天然產物的有效成分分離提取方法研究、有效成分的分析研究、產品污染物的檢測分析、產品生產工藝的試製研究、產品質量標準制定研究以及產品穩定性研究，促進本集團提高整體研發水平和核心競爭力。

While encouraging R&D and innovation, we also focus on the maintenance of intellectual property. To protect the patent rights of the Company and employees from infringement and maintain the Company's legitimate interests and rights, Zhongsheng Bio-Tech has formulated the *Intellectual Property Management and Patent Protection System* in accordance with the laws and regulations such as the *Patent Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, which stipulates the development of new products and new technologies, research and technological transformation of new materials and new processes, and the inventions and creations made in the process of introducing technology digestion and absorption shall apply for patents in a timely manner if they meet the conditions for granting patents. No infringement occurred in the Group during the Reporting Period.

在鼓勵研發和創新的同時，我們也注重知識產權的維護。中生科技根據《中華人民共和國專利法》《中華人民共和國反不正當競爭法》等法律法規，制定《知識產權管理及專利保護制度》，保護公司和員工的專利權不受侵犯，維護公司的合法權益，同時規定新產品及新技術的開發，新材料及新工藝的研究、技術改造，引進技術消化、吸收等工作中做出的發明創造，凡符合專利授予條件的，應及時申請專利。報告期內，本集團未發生侵權事件。

The Group's applications for trademark and patent

本集團商標及專利申請情況

| Zhongsheng Bio-Tech 中生科技 | Cobayer 康培爾 | Good Health 好健康 | Living Nature |
|---|--|--|--|
| 25 applications for patents 申請專利 25 件 | | | |
| 13 authorized patents 被授權專利 13 件 | 4 applications for trademarks 申請商標 4 件 | 56 applications for trademarks 申請商標 56 件 | 55 applications for trademarks 申請商標 55 件 |
| 2 applications for copyright 申請著作權 2 件 | | | |
| 2 authorized copyrights 被授權著作權 2 件 | | | |

Cooperative innovation

During the Reporting Period, the Group continued to develop and enrich exchanges and cooperation with partners, universities and research institutes to promote complementary resources among parties.

- The Group continued to cooperate with the e-commerce platforms such as Alibaba, Tmall International, Jingdong, Suning.com, Xiaohongshu, Pinduoduo, Netease Koala, MIA, Health Post and Health Element to build a diversified sales platform and broaden our retail network;

合作創新

報告期內，本集團繼續開展並豐富與合作夥伴、高校及科研院所之間的交流與合作，促進多方資源互補。

- 本集團持續與阿里巴巴、天貓國際、京東、蘇寧易購、小紅書、拼多多、網易考拉、蜜芽、Health Post、Health Element 等電子商務平台合作，搭建多元化銷售平台，持續拓寬我們的零售網絡；

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- The Group established a school-enterprise cooperation with Nanjing University of Chinese Medicine by regularly receiving students to have an internship in the Group, in order to reserve talents for scientific research and development;
- Zhongsheng Bio-Tech cooperated with the Institute of Chemical Industry of Forest Products Chinese Academy of Forestry to establish a microwave negative pressure water extraction and separation technology for the active constituent (namely oleuropein) in olive leaves and a high performance liquid chromatography method which realize the patent achievement transformation of olive leaf extraction technology.
- 與南京中醫藥大學建立校企合作，定期接收學生來公司實習，為科研發展儲備人才；
- 中生科技和中國林業科學研究院林產化學工業研究所合作，建立了油橄欖葉中有效成分橄欖苦苷的微波負壓水提取分離工藝技術及高效液相色譜法檢測方法，實現橄欖葉提取技術專利成果轉化。

2.2 Quality assurance

Procurement of raw materials

High-quality raw materials are the primary guarantee for providing consumers with high quality products. The Group established a food safety practice mechanism for raw materials procurement, and conducted comprehensive evaluation and hierarchical management of suppliers from the aspects of supplier access, cooperation process management, audit evaluation, etc., to ensure product safety and product quality from the source. As of 31 December 2018, the Group had 30 overseas suppliers, 235 Chinese suppliers. Among the above-mentioned suppliers, there were 259 suppliers of raw materials.

2.2 品質保障

原材料採購

優質的原材料是為消費者提供高品質產品的首要保障。本集團建立原材料採購食品安全慣例機制，並從供應商准入、合作過程管理、審核評價等環節對供應商進行綜合評價和分級管理，從源頭保障產品安全和產品質量。截至2018年12月31日，本集團共有境外供應商30家，中國供應商235家，供應商中共有原材料供應商259家。



Quality control

In compliance with the Good Manufacturing Practice (GMP), the Group strictly controls the processes including inspection of raw materials before their entry into the production facilities, personnel management, facility and equipment management, production processes and reception and issuance of supplies. To guarantee our product quality, we also comply with local health quality practices overseas such as the *Dietary Supplements Regulations 1985*, the *Biosecurity Act 1993*, the *Animal Products Act 1999* and the *Food Act 2014*.

Zhongsheng Bio-Tech possesses a variety of quality management system certifications, including HACCP food safety system certification, ISO 9001 quality management system certification and ISO 22000 food safety management system certification. Our production workshops, operated by the 100,000-grade dust-free workshop standard with on-site quality assurance personnel, can fully ensure our production conditions fall in line with the relevant requirements.

質量控制

本集團遵守《生產質量管理規範 (GMP)》，嚴格控制原料進廠檢驗、人員管理、設施設備、生產過程以及入庫出庫等環節。在海外，我們亦遵守運營當地的衛生質量規範，如《膳食補充劑條例，1985》、《生物安全法案，1993》、《動物產品法案，1999》及《食品法案，2014》等，保障產品質量。

中生科技擁有 HACCP 食品安全體系認證、ISO 9001 質量管理體系認證及 ISO 22000 食品安全管理體系認證，生產車間達到 10 萬級淨化車間標準，生產現場配備質量保證人員 (QA)，可全方位保證我們的生產環境符合要求。

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Living Nature establishes a strict product quality management system by following the production practice guidelines, and sets up strict standards of the operational specifications for personnel entering the production area, with a view to achieving full traceability of the entire production process. It also performs detailed microscopic testing on raw materials, bulk and filled products, and constantly improves the refinement of product quality control.

Promoting quality awareness

During the Reporting Period, to safeguard our product quality, the Group continuously promoted quality awareness among its employees through the ongoing training sessions and industry communication. Meanwhile, we continuously cooperated with the government on carrying out the national campaign of "Quality Month" to strengthen the promotion of the quality awareness within the Company, including quality knowledge contests and select articles of shared experience in quality management. These measures strengthened the campaign and further encouraged the active involvement of our employees.

Product recall

The Group attaches great importance to food safety issues. According to *the State Food Recall Management Measures* issued by the government, the Group has internally developed a series of system specifications such as *Food Incoming Inspection System, Food Recall System and Defective Food Recall System* to continuously improve product recall procedure. The Group will organize at least one product recall exercise each year and make necessary modifications to relevant documents based on the problems found in the exercise, in order to improve the enforceability of such procedure. No product recall occurred in the Group during the Reporting Period.

Living Nature 建立嚴格的產品質量管理體系，遵循生產實踐準則，對人員進入生產區域的操作規範制定嚴格標準，並對整個生產過程實現完全可追溯，同時還會對原材料、散裝和填充產品進行詳細微觀測試，不斷提升產品質量控制的精細化水平。

質量意識提升

報告期內，本集團繼續積極通過培訓、行業交流等機會，不斷提高員工質量意識，為提高產品質量提供保障。同時，我們持續配合全國「質量月」活動，在內部採取多樣形式加大質量宣傳，比如知識競答、心得分享徵文等，增強活動趣味性，提高員工參與的積極性。

產品召回

本集團高度重視食品安全問題，根據國家《食品召回管理辦法》，內部制定《食品進貨查驗制度》、《食品召回制度》以及《缺陷食品召回制度》等一系列制度規範，不斷完善產品召回程序，每年組織至少一次產品召回演習，並根據演習中發現的問題對相關文件進行必要修改，提升程序的可執行性。報告期內，本集團未發生產品召回事件。

3. CUSTOMER RESPONSIBILITY — SERVICE FIRST

The Group adopts “providing customers with comprehensive health solutions” as the core value of our operations and services, based on which, we provide our customers with premier product and after-sales services, while continuing to enhance customer experience and safeguarding customer interests and rights. With high-quality customer service, we have formed the balanced and loyal customer base.

3.1 Service system

High-quality customer service is critical to attracting new customers and maintaining existing customers. The Group develops with customers at a healthy rate by upholding the customer service policy of “integrity and efficiency, quality service, continuous improvement”.

Service channel

During the Reporting Period, featured with the brand of Good Health, the Group conducted its sales business and provides services through channels such as dealers, TV shopping and e-commerce. In China, Our business is mainly under the model that combines TV shopping platform, online call centre and Zhongsheng brand retail stores.

3. 客戶責任 — 服務至上

本集團將「為客戶提供全面的健康解決方案」作為經營與服務的核心價值，向客戶提供優質產品及售後服務，不斷提升客戶體驗，保障客戶權益。憑藉優質的客戶服務，我們已形成年齡分布均衡及忠誠的客戶基礎。

3.1 服務體系

優質的客戶服務對吸引新客戶及維繫現有客戶至關重要。本集團以「誠信高效、優質服務、持續改進」的客戶服務方針，與顧客一同健康成長。

服務渠道

報告期內，本集團通過採取聚焦好健康品牌，重點在經銷商、電視購物、電商等渠道進行銷售和服務。在國內，我們主要通過電視購物平台、在線呼叫中心、中生品牌零售店模式相組合。



Major sales and service channels of the Group

本集團的主要銷售及服務渠道

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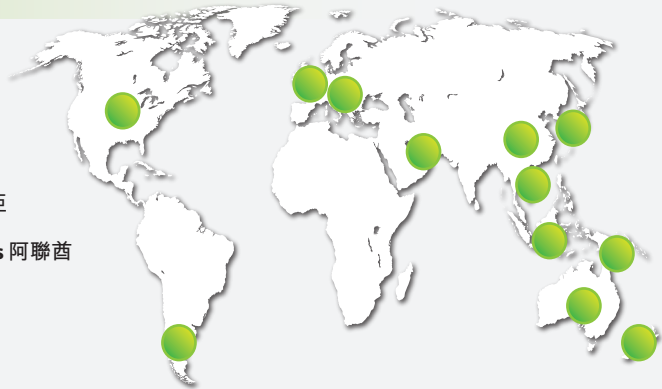
In the overseas market, our business is mainly under the models that combines distributors of the brands of Good Health and Living Nature, chain pharmacies and tourism channels. At the same time, we also carry out continuous product promotion and provide customer service by establishing flagship stores on large domestic and overseas e-commerce platforms.

在海外，我們主要通過好健康及Living Nature品牌的經銷商、連鎖藥房、旅遊渠道等模式相組合。同時，我們也通過在境內及境外大型電商平台開設旗艦店的方式進行持續的產品推廣和客戶服務。

Distributor network widely distributed in many countries

廣泛分佈於多個國家的經銷商網絡

- United Kingdom 英國
- Germany 德國
- Netherlands 荷蘭
- United States 美國
- Korea 韓國
- Japan 日本
- Singapore 新加坡
- Vietnam 越南
- Thailand 泰國
- Malaysia 馬來西亞
- Indonesia 印度尼西亞
- United Arab Emirates 阿聯酋



Satisfaction improvement

We are committed to maintaining a high level of customer satisfaction and continuously improving the quality of our products and services. We have established a comprehensive store and personnel management system to standardize the behavioral norms of service personnel and strengthen the professionalism of employees to provide customers with more comprehensive, professional, authoritative and reliable services and suggestions. In the process of enhancing the customer experience, we emphasize "active service" and send blessings by phone or in kind on important festivals such as important festivals, customer birthdays and wedding anniversary, etc.

Brand Building

For a long time, the Group continues to focus on brand building, in order to provide users with better products and services. During the Reporting Period, the Group actively participated in and organized a series of consumer activities at home and abroad, including China International Nutrition and Health Industry Expo in 2018, the Imported Food Exhibition, and China Health Industry Expo as well as the New Zealand Fashion Week and the Baby Show (New Zealand's largest infant and child consumption show), with an aim of enhancing the brand image and customer awareness of healthy and fashionable life.

滿意提升

我們始終致力於保持高水平的客戶滿意度，不斷完善產品和服務質量。我們建立完善的店鋪和人員管理制度，規範服務人員的行為規範，加強培養員工的專業性，努力為客戶提供更為全面、專業、權威及可靠的服務和建議。我們在提升客戶體驗的過程中強調「主動服務」，在重要的年節、客戶生日、結婚紀念日等重要節日都會以電話或實物形式送上祝福。

品牌建設

長期以來，本集團持續以品牌建設為重點，為用戶提供更優質的產品和服務。報告期內，本集團積極參與和組織一系列海內外消費者活動，包括2018年中國國際營養健康產業博覽會、進口食品展覽會、中國大健康產業博覽會等展會、紐西蘭時裝周與嬰幼兒用品展(紐西蘭最大的嬰幼兒消費展)等，旨在提升品牌形象和客戶對健康、時尚生活的認知。



3.2 Assurance and guarantee

The Group persists on the principle of compliance operation. While providing quality services to customers, the Group observes the rules and protects the legitimate interests and rights of customers. In the PRC market, the Group is in strict compliance with *the Food Safety Law, the Consumer Protection Law, the Advertising Law, the Advertising Management Regulations, the Interim Provisions on Publishing Food Advertisements, the Interim Provisions on Censorship of Healthcare Food Advertisements, and the Tort Law*, as well as *the Guidelines for Therapeutic Advertising Pre-vetting Service, TAPS, The Fair Trading Act 1986*, and other legal and regulatory requirements in the overseas market, for the purposes of safeguarding the compliance of promotions and advertisements. Furthermore, the Group is determined to protect the after-sales rights and privacy of customers.

Advertising compliance

The Group will carry out strict review of online and offline advertising contents before approval so as to ensure the accuracy of such contents without containing misleading or exaggerating contents. During the Reporting Period, the Group launched various marketing activities on TV shopping platforms. Besides promoting and marketing our brands, we evangelize the practice of a healthy lifestyle. To ensure the compliance of our programs, we work with TV channels to carry out the whole-process control over the pre-airing, airing, and post-airing of sales activities to ensure product descriptions and programs are compliant.

3.2 放心保障

本集團恪守合規經營的理念，在向客戶提供優質服務的同時，以身作則，保護客戶的合法權益。本集團嚴格貫徹中華人民共和國《食品安全法》《消費者權益保護法》《廣告法》《廣告管理條例》《食品廣告發布暫行規定》《保健食品廣告審查暫行規定》《侵權責任法》，在海外遵守《治療廣告預審服務規範》《公平交易法案，1986》等法律法規要求，確保宣傳廣告發布的合規性，並堅決保障客戶的售後權益與隱私。

廣告合規

本集團對發布的線上、線下廣告內容進行嚴格的審核，確保內容中肯準確，並不含有誤導性和誇大性內容。報告期內，本集團在電視購物平台展開了多場營銷活動，在進行品牌宣傳營銷的同時倡導健康的生活方式。為了保證節目的合規性，我們聯合電視台對銷售活動進行了覆蓋上屏前、中、後的全流程管控，確保產品描述和節目呈現合規。

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Protecting customers' interests and rights

We constantly improve our customer complaint mechanism by making available various customer complaint channels so that each customer's opinions and complaints can be expressed and appealed. As a result, we improved and enhanced the quality of our services while safeguarding the legitimate interests and rights of customers. We have a customer service executive in each sales territory to attend customers' complaints. If any customer is not satisfied with our reply, the customer may make a complaint to the customer account department at the Group's Headquarters through the customer complaint hotline, and we will respond within 24 hours and propose a satisfactory solution to the relevant customer. We also set up a corresponding market manager assessment system, under which, local market managers will be interviewed if three or more than complaints are filed by the same customer directly to the headquarters of the Group, and the complaints will be handled accordingly.

保障客戶權益

我們不斷完善客戶投訴機制，暢通客戶投訴通道，讓每一位客戶的意見和投訴都能得到表達和申訴，在維護客戶合法權益的同時，完善和提升服務質量。我們在各銷售地域設立客服專員，協助解決客戶問題。如若客戶無法得到滿意答覆，可以通過客戶投訴熱線向集團總部大客戶部進行投訴，我們會在24小時內做出回應並給予客戶滿意的解決方案。我們也設有相應的市場經理考核制度，對客戶直接向集團總部投訴3次及以上的客戶所在地市場經理進行相應的談話與處理。



Customer Complaint Handling Process

客戶投訴處理流程

Customer Complaint Handling Process

As for products distributed on TV shopping platforms, the Group's aftersales team has trained customer service agents of the TV channels prior to product sales by guiding them to provide correct answers to questions raised by customers, as well as coordinating them to resolve customer complaints. As for post-airing of products, our nutritionists and customer service agents will also maintain close contact with TV channels in an active position to resolve issues pertaining to specialised products, such as coordinating with them to resolve customer inquiries about product returns.

For cross-border products, we pay close attention to product damages that may occur during long-distance transportations so that packaging design and logistics procedures can be timely improved. Where customers receive damaged cargoes, we will make immediate responses, and take timely follow-up and re-shipment actions to safeguard the interests and rights of the customers.

Privacy protection

Customer information helps us provide our customers with more considerate and accurate services. The Group will rigorously protect the security of customer information and prevent the divulgence of customer information. We will categorise our customers into existing customers, new customers, and prospective customers for archiving management. To safeguard the security of customer privacy, we regulate the access rights of our employees, and prohibit any employee from disclosing or accessing customer information without authorisation.

客戶投訴處理流程

對於通過電視購物平台銷售的產品，本集團售後團隊已在產品銷售前對電視台售後客服進行培訓，指導他們正確解答客戶疑問，協調解決客戶投訴。在產品上屏後，我們的營養師和服務專員也與電視台保持密切聯繫，回覆專業產品問題，協調包括產品退貨在內的客戶問題。

對於跨境產品，我們格外關注長途運輸過程中可能發生的產品破損情況，及時改進包裝設計和物流程序。若客戶收到的貨品存在破損情況，我們將在第一時間做出回應，及時跟進並補發，切實保障客戶權益。

隱私保護

客戶信息有助於我們向客戶提供更體貼精準的服務。本集團嚴格保護客戶信息安全，避免客戶信息外泄。我們將客戶分為老客戶、新客戶及潛在客戶進行歸檔管理，並規範員工的查閱權限，嚴禁任何員工泄露或未經審批調用客戶信息，保障客戶隱私安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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4. ENVIRONMENTAL RESPONSIBILITY — GREEN BUSINESS OPERATIONS

In response to challenges arising from climate changes, the Group persists in the philosophy of green business operations, and vigorously shoulders the corporate responsibility of environmental protection. To minimise the environmental load during our continued efforts to improve the corporate image in society, we will remain committed to environmental sustainability so that a green environment can be shared with the community.

4.1 Environmental management

In strict compliance with various national and local laws and regulations governing environmental protection, including *the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China, the Law on the Prevention and Control of Air Pollution of the People's Republic of China, the Law on the Prevention and Control of Solid Waste Pollution to the Environment of the People's Republic of China, the tax law on environmental protection of the People's Republic of China and the Law of the People's Republic of China on Energy Conservation*, the Group has developed the *Corporate Environmental Management System, Corporate Drainage Management System, Corporate Solid Waste Management System, Energy Conservation Management System and Vehicle Management System*. The Group has set up an environmental leading group in accordance with the above systems, which is Responsible for promoting, supervising and managing environmental protection. Such management systems have enabled the Group to effectively manage and control energy and resource use, emission generation and disposal, and reduce the environmental risks of the Group, thus laying a solid foundation for achieving sustainable development.

All of the Group's infrastructure projects in mainland China, including projects to be constructed, expanded or reconstructed, strictly implement the "three simultaneous" policies for environmental protection in accordance with the requirements of laws and regulations, and have obtained the approval of environmental protection competent authorities. During the Reporting Period, the R&D Centre project I phase of Zhongsheng Bio-Tech was completed and obtained the approval of completion-based check and acceptance for environmental protection.

4. 環境責任 — 綠色運營

為應對氣候變化帶來的挑戰，本集團秉承綠色運營的理念，積極承擔企業環境保護責任。我們以降低環境負荷為目標，持續提升企業社會形象，不斷追求環境可持續發展，與社會共享綠色環境。

4.1 環境管理

本集團嚴格遵守《中華人民共和國環境保護法》《中華人民共和國水污染防治法》《中華人民共和國大氣污染防治法》《中華人民共和國固體廢物污染環境防治法》《中華人民共和國環境保護稅法》及《中華人民共和國能源節約法》等相關環保法律法規，已制定有《環保管理制度》《排水系統管理制度》《固廢管理制度》《節能管理制度》及《車輛管理制度》等環境管理制度。本集團根據以上制度成立了環保領導小組，負責推進並監督管理環境保護相關工作。此類管理制度實現了本集團對能源和資源使用、排放物產生和處置的有效管控，降低了本集團的環境風險，為實現可持續發展打下了堅實的基礎。

本集團位於中國大陸的所有新建、擴建、改建的基建項目，均按照法律法規的要求嚴格執行環境保護「三同時」，並獲得環保單位的審批。報告期內，中生科技研發中心項目一期工程已竣工並通過環保竣工驗收。

4.2 Emissions compliance

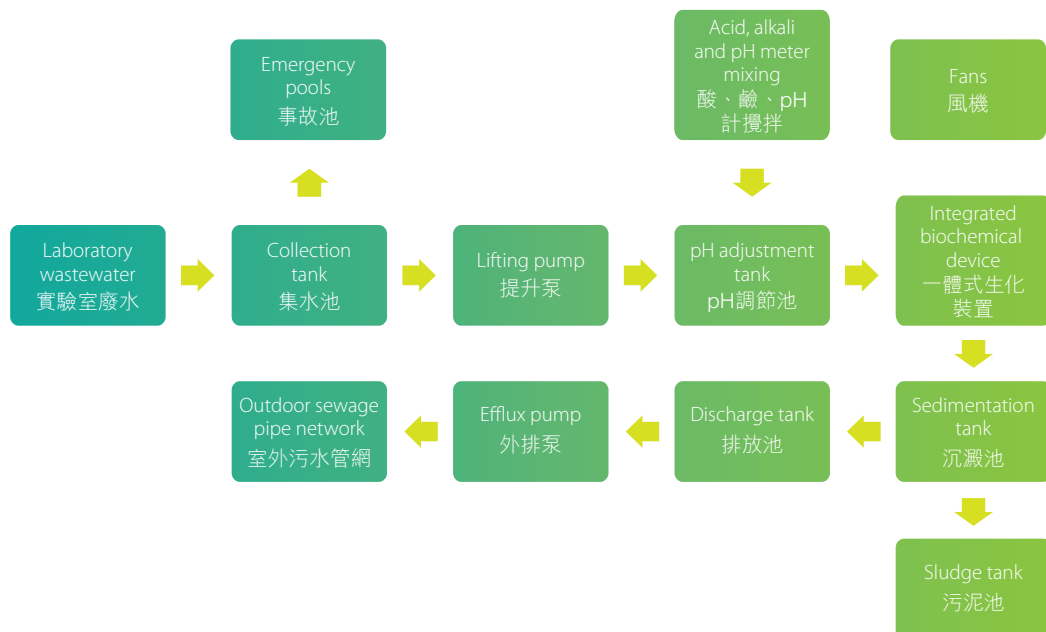
Wastewater discharge

The Group discharges wastewater in strict accordance with national and local standards and conducts regular inspections. The Group's wastewater is mainly produced by the factory production, laboratory experiments and office operations. The production wastewater is discharged to the sewage treatment plant through the sewage pipe network after pH adjustment and anaerobic treatment to ensure the emissions in total and in intensity are lower than the Class 3 standards in Pollution Discharge Permit and the Integrated wastewater discharge standard (GB8978-1996). Our domestic wastewater is discharged through the municipal pipe network. Zhongsheng Bio-Tech has equipped with the laboratories built during the Reporting Period with sewage treatment equipment to treat the wastewater generated by chemical experiments according to the requirements of influent water quality and discharge. During the Reporting Period, The Group's various types of sewage treatment facilities are operated in accordance with the process specifications, and are regularly inspected and maintained by special personnel to guarantee that they are in good working condition.

4.2 合規排放

廢水排放

本集團嚴格按照國家及地方標準排放廢水，並定期進行檢測。本集團的廢水主要由工廠生產、實驗室實驗與辦公經營活動產生。生產廢水均經污水處理設施進行pH調節、厭氧處理等手段後通過污水管網外排至污水處理廠，排放物總量及濃度均低於《排污許可證》及《污水綜合排放標準》(GB8978-1996)的三級標準。我們的生活廢水通過市政管網統一排放。中生科技已為於報告期內建成的實驗室配備了污水處理設備，根據進水水質和排放要求規範地處理化學實驗產生的廢水。報告期內，本集團的各類污水處理設施均根據符合工藝規範的方法操作，並定期由專人檢修保養，運行狀態良好。



**Wastewater treatment process of
New Laboratory of Zhongsheng Bio-Tech**
中生科技新建實驗室的污水處理流程

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Good Health Starts Clean Production From the Sources

好健康從源頭開展清潔生產

Good Health always pays attention to environmental protection, and advocates control over pollution from the sources used for production processes:

好健康公司一向關注環保，在生產工藝上推崇從源頭控制污染：

- Coal-fired or gas boilers will not be used for production activities;
- 在生產中不使用燃煤鍋爐及燃氣鍋爐；
- No corrosive alkaline, acid, chlorine or other solvents will be used for any closed-loop cleaning system;
- 在閉路清洗系統中不使用腐蝕性鹼、酸、氯或溶劑；
- The dry process is adopted for our production processes so that water consumption is reduced;
- 使用乾法生產工藝，減少水耗；
- Domestic waste is zoned and discharged in accordance with the laws and regulations of New Zealand.
- 生活廢水根據紐西蘭國家法規分區合規排放。

Set out below are the Group's water pollutant discharges were during the Reporting Period:

報告期內，本集團的水體污染物排放情況如下：

| Effluents Category | 排放物 類別 | Emission Amount 排放量 | | | Unit 單位 |
|--------------------------------------|-------------|------------------------|--------|--------|------------|
| | | 2016 | 2017 | 2018 | |
| Wastewater discharge | 廢水排放 | | | | |
| Total amount of wastewater discharge | 廢水排放總量 | 16,250 | 15,682 | 12,974 | tonne 噸 |
| Chemical Oxygen (COD) emissions | COD 排放量 | 0.03 | 0.03 | 0.036 | tonne 噸 |
| Ammonia and nitrogen emissions | 氨氮排放量 | 0.026 | 0.01 | 0.0058 | tonne 噸 |

Exhaust emissions

The Group's waste gases emitted from stationary sources are mainly consist of a small amount of experimental exhaust gas produced by the laboratory, all of which are collected and then discharged upon activated carbon adsorption treatment to ensure the concentration of pollutants meets the requirements.

廢氣排放

本集團的固定源廢氣排放主要為由實驗室產生的少量實驗廢氣，所有實驗廢氣均經收集後由活性炭吸附處理後外排，污染物濃度符合規定。

Solid wastes management

The general solid wastes generated by the Group can be mainly classified as general industrial waste and domestic waste generated by office and sales premises, all of which are uniformly disposed of by local qualified municipal sanitation units. During the Reporting Period, we continued to promote the implementation of the paperless office system and the classification of domestic waste, with an aim to reduce the domestic waste generated and promote the standardized treatment of waste.

Our major hazardous wastes include waste engine oil, fluorescent tubes and ink cartridges produced during the production and office processes, as well as waste acid and waste alkali and packaging materials produced during the experiment. For such wastes, the Group has established a sound hazardous waste management system to regulate the collection and storage of hazardous wastes, and entrusted third-party qualified companies to transfer and dispose of them. The Group's hazardous waste management has a record of accounts and is registered with the regulatory authorities to ensure safety compliance.

Set out below is the waste transfer of the Group during the Reporting Period:

固體廢棄物管理

本集團產生的一般固體廢棄物主要可分為一般工業廢棄物和辦公銷售場所產生的生活廢棄物，均由當地有資質的市政環衛單位統一清運處理。報告期內，我們繼續推廣施行無紙化辦公制度和生活垃圾分類工作，力求降低生活廢棄物的產生量，並促進廢棄物的規範處理。

我們的主要危險廢棄物為生產、辦公過程中產生的廢機油、日光燈管、墨盒和實驗過程中產生的廢酸廢鹼及其包裝材料。對於此類廢棄物，本集團已建立健全的危險廢棄物管理制度，規範地進行危險廢棄物的收集、儲存，並委託第三方資質公司進行轉移和處置。本集團的危險廢棄物管理均有台賬記錄，並在監管機構備案，確保安全合規。

報告期內，本集團的廢棄物轉移情況如下：

| Emissions Category | 排放物類別 | Emission Amount 排放量 | | | Unit 單位 |
|--|------------|------------------------|-------|-------|---------------------------------|
| | | 2016 | 2017 | 2018 | |
| Waste | 廢棄物 | | | | |
| Hazardous waste | 危險廢棄物 | 7.45 | 17.02 | 28.00 | tonne 噸 |
| Hazardous waste per revenue of RMB10,000 | 萬元收益危險廢棄物 | - | 0.34 | 0.62 | kilogram per RMB10,000 千克/萬元 |
| Non-hazardous waste | 無害廢棄物 | 6.01 | 43 | 44.21 | tonne 噸 |
| Non-hazardous waste per revenue of RMB10,000 | 萬元收益無害廢棄物 | - | 0.86 | 0.98 | kilogram per RMB10,000 千克/萬元 |

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4.3 Use of resources

Energy management

The Group mainly consumes gasoline, diesel and purchased electricity for the purposes of production activities, office operations, cafeteria operations, vehicles, and engineering and mechanic equipment, all of which require energy consumption. We have implemented a series of measures to regulate the use of energy for our operations with a view to maintain a clean and low-carbon production environment.

4.3 資源使用

能源管理

本集團主要使用汽油、柴油和外購電力作為生產、辦公、食堂運營、車輛和工程機械設備使用環節的能源。我們採取了一系列舉措，對運營環節的能源使用做出規範，營造清潔低碳的生產運營環境。

During office hours

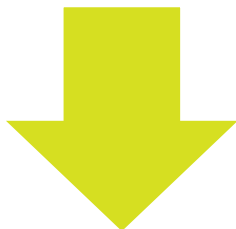
辦公環節



- to promote the energy-saving awareness among employees by providing more training on energy conservation and evangelizing knowledge about energy conservation;
加強節能培訓和節能知識宣傳，提高員工節能意識；
- to regulate and manage the use of air-conditioners by setting the temperature during summer and autumn;
對空調使用進行規範管理，限定夏秋季的設定溫度；
- to require all employees to shut down unnecessary electrical equipment before leaving office, and to carry out an inspection tour;
要求所有員工離開辦公室前及時關閉不必要的電氣設備，並開展監控巡查；
- to employ LED energy-efficient lighting for many areas in combination with smart lighting and surveillance equipment, such as sound control systems or switch times for lighting;
大面積使用LED節能燈，並採用智能化照明、監控設備，如聲控定時照明等；
- to encourage green travel by minimizing unnecessary use of self-owned vehicles.
鼓勵綠色出行，減少自有車輛的非必要使用。

During production

生產環節



- to strengthen daily inspections and make timely rectifications;
加強日常巡查並及時整改；
- to configure the parameters and settings of equipment operating in production conditions to a lower level if production requirements are satisfied;
在滿足生產條件下，生產環境控制設備參數設置控制在較低水平；
- to set a reasonable air-conditioned temperature where storage requirements are satisfied;
在符合儲存條件下，設置合理的空調溫度；
- to set electricity meters for different zones for efficient power control, and to record use of, and to analyse anomalies of, electricity on a timely basis.
分區計電，控制有效功率，及時記錄用電情況並分析異常。

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Set out below are the Group's energy consumption and greenhouse gas emissions during the Reporting Period:

報告期內，本集團的能耗及溫室氣體排放情況如下：

| Consumables Categories | 消耗物 類別 | Consumption Amount 使用量 | | | Unit 單位 |
|---|-----------------|---------------------------|----------|----------|---|
| | | 2016 | 2017 | 2018 | |
| Energy consumption | 能源消耗 | | | | |
| Direct energy consumption | 直接能源消耗 | | | | |
| Gasoline | 汽油 | 54,657 | 57,291 | 62,128 | Litre 升 |
| Diesel | 柴油 | 10,528 | 7,708 | 7,371 | Litre 升 |
| Total direct energy consumption amount | 直接能源消耗總量 | 72.51 | 71.65 | 75.30 | tonnes of standard coal equivalent 噸標煤 |
| Indirect energy consumption | 間接能源消耗 | | | | |
| Purchased power | 外購電力 | 2,014.32 | 2,363.01 | 1,952.82 | MWh 兆瓦時 |
| Total indirect energy consumption amount | 間接能源消耗總量 | 247.56 | 290.41 | 240.00 | tonnes of standard coal equivalent 噸標煤 |
| Total energy consumption | 綜合能源消耗 | | | | |
| Total energy consumption | 綜合能源消耗 | 320.07 | 362.06 | 315.30 | tonnes of standard coal equivalent 噸標煤 |
| Integrated energy consumption per revenue of RMB10,000 | 萬元收益綜合能耗 | 6.86 | 7.32 | 6.96 | kilogram standard coal equivalent per RMB10,000 千克標煤/ 萬元 |

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| Greenhouse gas emission Category | 溫室氣體類別 | Emission Amount 產生量 | | | Unit 單位 |
|--|--------------------|------------------------|-------|-------|---|
| | | 2016 | 2017 | 2018 | |
| Greenhouse gas Scope I | 範疇一 溫室氣體 | 392 | 174 | 161 | tonnes of CO ₂ eq 噸當量CO ₂ |
| Greenhouse gas Scope II | 範疇二 溫室氣體 | | 972 | 828 | tonnes of CO ₂ eq 噸當量CO ₂ |
| Greenhouse gas Scope III | 範疇三 溫室氣體 | - | 19 | 65 | tonnes of CO ₂ eq 噸當量CO ₂ |
| Total amount of greenhouse gas emissions | 溫室氣體產生總量 | 392 | 1,165 | 1,054 | tonnes of CO ₂ eq 噸當量CO ₂ |
| Greenhouse gas emissions per revenue of RMB10,000 | 萬元收益溫室氣體產生量 | 8.41 | 23.56 | 23.26 | kilogram of CO ₂ eq per RMB10,000 千克當量CO ₂ /萬元 |

Note: In 2016, greenhouse gas emissions only included Scope I and II of greenhouse gas emissions of Zhongsheng Bio-Tech, a subsidiary of the Group.

註：2016年溫室氣體僅包含本集團附屬公司中生科技公司的範疇一及範疇二的溫室氣體。

Water consumption management

The Group uses tap water as the main source for production and domestic consumption. To enhance efficient utilization of water resources and avoid excessive water consumption, the Group continues to implement the water consumption management rules and strengthen internal management by introducing water-saving equipment and techniques as required. In the meantime, the Group will continue to raise water-saving awareness among its employees.

用水管理

本集團以自來水作為主要的生產和生活用水來源。為了提升水資源的利用率，避免水資源的過度使用，本集團繼續推行用水管理制度，加強內部管理，根據自身需要引入節水設備和工藝，同時不斷加強員工節水意識。

Zhongsheng Bio-Tech's measures to manage water conservation

During the Reporting Period, Zhongsheng Bio-Tech implemented scientific approaches to plan product manufacturing. At the initial stage of research and development, Zhongsheng Bio-Tech has taken into consideration the processing procedures in regards to new products, and managed to avoid pre-treatment techniques that requires massive water consumption, such as granulation and drying processes. These initiatives may reduce use of water for cleaning equipment and workshops, and effectively reduce use of water for cleaning baking trays.

In addition, Zhongsheng Bio-Tech updated its procedures and steps for cleaning and disinfecting work uniforms by changing "the original disinfection steps include soaking, cleaning, dehydrating, and drying by washing machines" to "all clothes are soaked in big transfer containers before being dehydrated and baked", which will significantly save the consumption amounts of disinfectants and tap water.

Rainwater recycle and treatment of Zhongsheng Bio-Tech

Zhongsheng Bio-Tech built rainwater and sewage separation facilities in the production and office areas located in Nanjing, which transports the rainwater and sewage in separate pipelines for subsequent treatment. For water sustainability, Zhongsheng Bio-Tech added to the original separation facilities a rainwater recycle system with a processing capacity of 15 cubic meters per hour during the Reporting Period. Featured with water storage control, this system is connected to smart integration, and the quality of water discharged from this system is in compliance with the GB/T18920-2002 *Reuse of Recycling Water for Urban: Water Quality Standard for Urban Miscellaneous Water Consumption*. Rainwater collected from the roofs and road surfaces can be used for greening, irrigation, and cleaning vehicles and roads, which can reduce use of tap water.

中生科技節水管理舉措

報告期內，中生科技通過科學安排產品生產規劃，從研發初期就考慮新品工藝規程，儘量避開製粒、乾燥等耗水量較大前處理工藝。該舉措可降低設備清洗、房間清潔用水的使用，並有效的節約烘盤清潔的用水量。

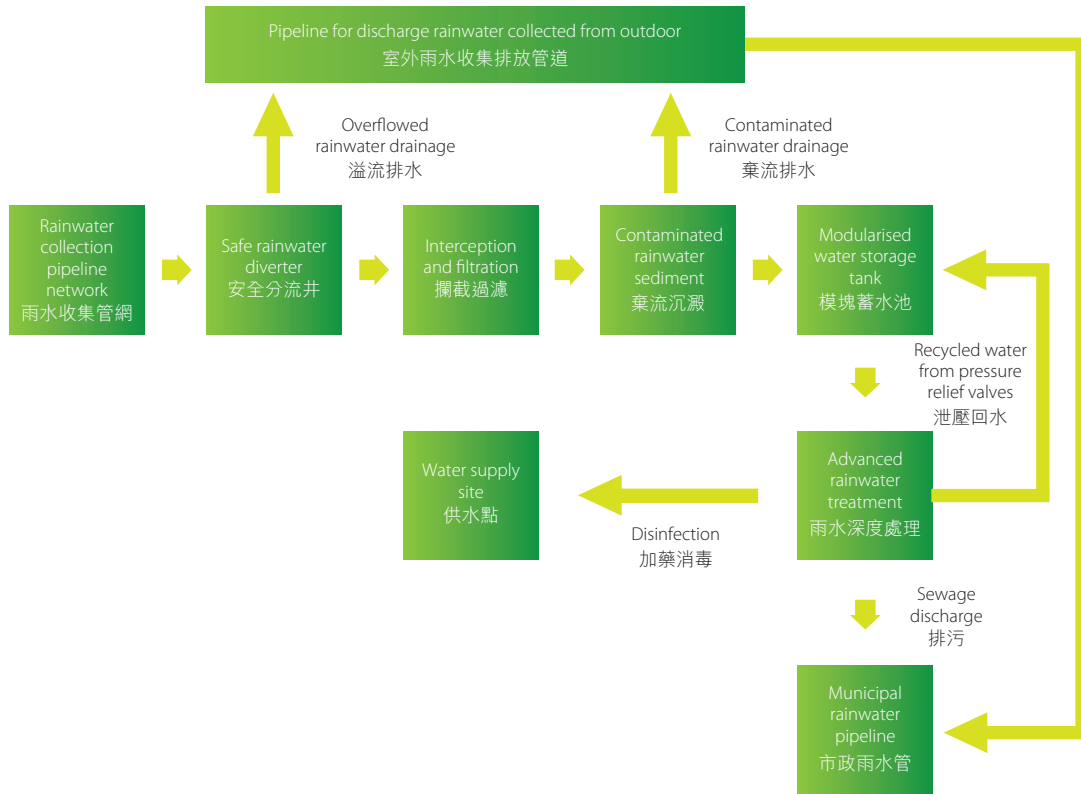
此外，中生科技也修訂了工作服的清潔、消毒標準程序和步驟，將原有消毒步驟中「在洗衣機內浸泡、清潔、脫水、甩乾」改為「所有衣物在大中轉箱內浸泡，再脫水、烘乾」，可大大節約消毒劑和自來水的使用量。

中生科技雨水回收處理工藝

中生科技已在其位於南京的生產辦公區域建有雨污分流設施，將雨水和污水經由不同管道分開輸送和後續處理。為了可持續地利用水資源，於報告期內，中生科技在原有分流設施的基礎上加裝了處理能力為15立方米每小時的雨水回用系統。該系統採用儲存水位控制功能，系統聯動智能一體化運行，出水水質符合國家《城市污水再生利用城市雜用水水質》GB/T18920-2002標準。收集的屋面及路面的雨水可供綠化灌溉、車輛和道路清洗等環節使用，可降低對自來水使用的需求。

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Set out below is water consumption of the Group during the Reporting Period:

報告期內，本集團的用水情況如下：

| Consumables Category | 消耗物類別 | Consumption Amount 使用量 | | | Unit 單位 |
|--|---------|---------------------------|-----------|-----------|------------------------------|
| | | 2016 | 2017 | 2018 | |
| Water resources | 水資源 | 43,991.54 | 40,630.22 | 18,463.80 | tonne 噸 |
| Water consumption per revenue of RMB10,000 | 萬元收益水消耗 | 0.94 | 0.82 | 0.41 | tonnes per RMB10,000 噸/萬元 |

Use of packaging materials

During the Reporting Period, the Group's major packaging materials included paper and plastic packaging. To promote the green consumption philosophy, the Group streamlined unnecessary product packaging, and continued to strengthen the promotion and implementation of the conservation practices to minimize consumption of packaging materials.

包裝材料使用

報告期內，本集團主要使用的包裝材料為紙質和塑料包裝。為了倡導綠色的消費觀念，本集團通過精簡產品中不必要的產品包裝，並繼續強化節約意識宣貫，減少包裝材料消耗。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Cobayer's measures to conserve resources

康培爾資源節約舉措

During the Reporting Period, Cobayer continued to encourage its employees to engage in good environmental practices, including:

報告期內，康培爾繼續鼓勵員工參與良好的環保實踐，包括：

- to use environmental friendly paper-based gift bags for promotion events;
使用環保紙質禮品袋進行促銷活動；
- to reduce use of paper-based letters by delivering billing statements and communications through network-connected channels wherever possible;
盡可能通過線上渠道發送賬單和通信，減少紙質信件的使用；
- to reuse or recycle paper, paper boxes, and other paper-based materials in the offices;
在辦公室重複使用或回收紙張、紙箱和其他紙質材料；
- to deploy recycle bins in the offices to encourage recycle of paper.
在辦公室設置回收箱，促進紙張回收利用。

Set out below is the consumption by the Group of packaging materials during the Reporting Period:

報告期內，本集團的包裝材料使用情況如下：

| Consumables Category | 消耗物 類別 | Consumption Amount 使用量 | | | Unit 單位 |
|---|-----------|---------------------------|--------|--------|------------------------------------|
| | | 2016 | 2017 | 2018 | |
| Packaging materials | 包裝材料 | 354.79 | 280.95 | 391.50 | tonne 噸 |
| Packaging consumption per revenue of RMB10,000 | 萬元收益包裝消耗 | 7.61 | 5.68 | 8.64 | kilogram per RMB10,000 千克/萬元 |

Note: In 2018, the Group started to provide packaging materials for TV shopping. As result, consumption of packaging materials increased during the Reporting Period.

註：2018年本集團新增為電視購物提供包裝材料，故報告期內包裝材料使用量有所上升。

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5. EMPLOYEE RESPONSIBILITY — SHARED DEVELOPMENT

High-calibre and responsible employees constitute an indispensable asset to sustain the market competitive strength of an enterprise. As a result, the Group persists in its people-oriented philosophy, safeguards various interests and rights of its employees, and provides them with development platforms, comfortable and pleasant workplace conditions, thereby allowing its employees to share achievements and growth with the Company.

5.1 Employment overview

In addition to upholding the employment principles of fairness and impartiality, the Group is in strict compliance with the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. In overseas markets, we also observe the *Human Rights Act 1993*, the *Employment Relations Act 2005*, the *Holidays Act 2003*, and other related laws and regulations. The Group has formulated and continued to improve the *Employee Recruitment Procedures*. Subject to corporate development requirements and various position requirements, the appropriate talents will be introduced. Candidates and employees will be fairly treated. Therefore, no candidates and employees will be discriminated due to their sex, race, religious belief, skin color, sexual orientation, age, marital status, family, pregnancy or any other discriminatory factors prohibited by laws. Furthermore, the Group strictly prohibits the use of child labour and forced labour. During the Reporting Period, the Group reported no child labour or forced labour.

5. 員工責任 — 共享發展

高素質和負責任的員工是企業保持市場競爭力不可或缺的資產。本集團堅持以人為本，保障員工各類權益，為員工提供發展平台，營造舒適溫馨的工作環境，讓員工共享企業發展成果，與企業共同成長。

5.1 僱傭概況

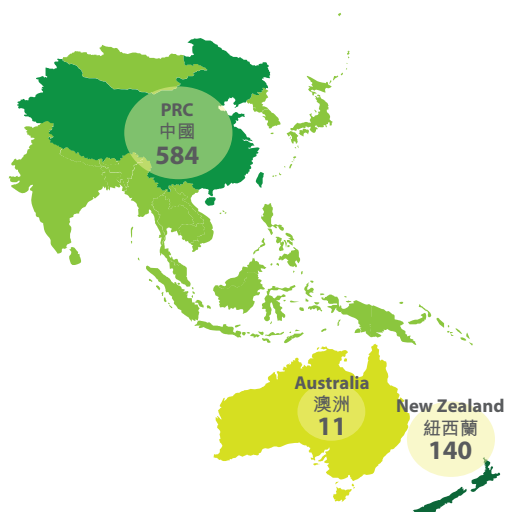
本集團堅持公平公正的僱傭原則，嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》，在海外我們亦遵守運營當地的《人權法案，1993》《就業關係法案，2005》《假期法案，2003》等相關法律法規，制定並持續完善《員工招聘制度》，根據公司發展需要和不同崗位需求引進合適的人才，平等對待求職者和員工，絕不會以性別、種族、宗教信仰、膚色、性取向、年齡、婚姻、家庭、懷孕或任何法律禁止的歧視因素歧視求職者和員工，並嚴禁僱傭童工和強迫勞動。報告期內，本集團未發生使用童工和強制勞工的情況。

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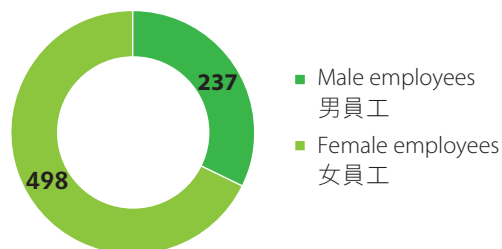
環境、社會及管治報告

As at 31 December 2018, the Group had a total of 735 employees, the detailed structure of which is set out as below:

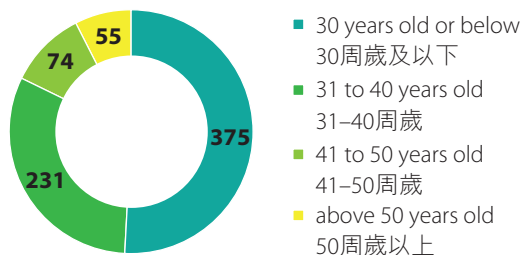
截至2018年12月31日，本集團共有員工735人。具體員工結構如下：



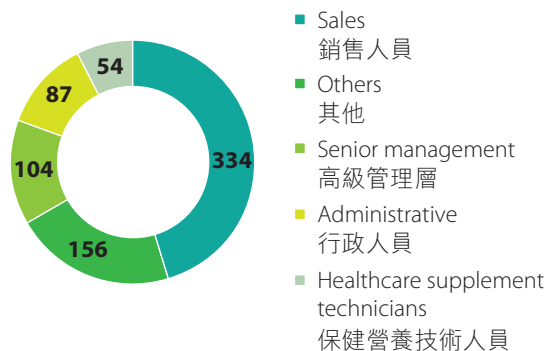
Distribution of total employees by region
按地域劃分的員工總數分佈



Distribution of total employees by gender
按性別劃分的員工總數分佈



Distribution of total employees by age
按年齡劃分的員工總數分佈



Distribution of total employees by profession
按專業劃分的員工總數分佈

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5.2 Protection of rights and interests

Remuneration and benefits

The Group has formulated the *Remuneration Management System*, pursuant to which, all employees are provided with competitive remuneration benefits that are in line with industry practices. In addition to those national statutory insurances, including retirement insurance, medical insurance, unemployment insurance, workplace injury insurance, maternity insurance, and housing fund (also known as five insurances plus one fund), we also provide nutrition soup to female employees who experience the breastfeeding period. All factories arrange shuttle buses to pick up our employees who commute between workplaces and home. In high temperature conditions during summer, our employees will receive water to stay cool.

Democratic communications

The Group encourages all employees to participate in corporate operations management, while recognising the importance of protecting the rights of information, engagement, and supervision given to the employees. Besides active communications with the employees, the Group provides many other forms of communications, including general manager's mail box, one-on-one communications, and seminars, to safeguard smooth and effective communications channels for its employees, which allow all employees to actively express their opinions.

5.2 權益保障

薪酬福利

本集團制定《薪資管理制度》，為全體員工提供符合行業慣例並具有競爭力的薪酬及福利。我們除為員工提供國家法定的養老保險、醫療保險、失業保險、工傷保險、生育保險和住房公積金(五險一金)之外，還為哺乳期的女員工提供營養湯，所有工廠配備班車，接送員工上下班，夏季高溫時為員工發放解暑清涼飲品。

民主溝通

本集團鼓勵全體員工參與公司的經營管理，注重保障員工的知情權、參與權及監督權，積極開展員工溝通，並通過總經理郵箱、一對一溝通、座談會等形式，保障員工溝通渠道的暢通有效，讓員工積極表達自己的意見。



Employee Exchange Seminar
開展員工交流座談會

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5.3 Occupational health

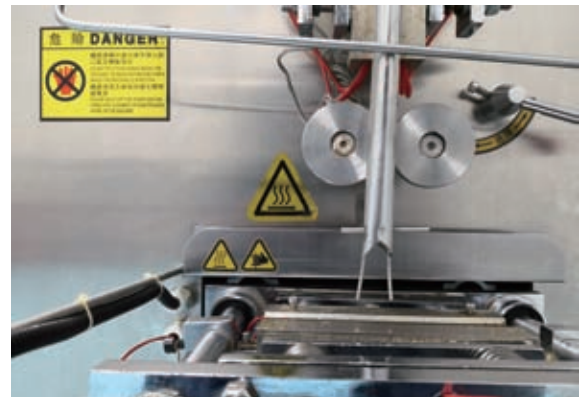
The Group always prioritises the occupational health and safety of our employees, and therefore implements *the Workplace Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Safety Training Management Rules, Health & Safety at Work Act 2015*, and other laws and regulations of places where our business operates. In accord with these laws, all subsidiaries have formulated their internal occupational health and safety management regulations and rules, and continue to optimise and improve the safety management mechanisms. As required, we provide our employees with personal protective equipment at workplaces, and organise regular safety drills and safety training sessions to enhance the safety awareness among our employees. As a result, a culture of production safety has well been developed. During the Reporting Period, the Group invested a total of RMB584,100 in production safety, and organised four safety drills with a coverage rate of 100%. Furthermore, no accidents involving the death of our employees due to work were reported.



Fire drill by Zhongsheng Bio-Tech
中生科技開展消防演習

5.3 職業健康

本集團始終以員工健康與安全為首，貫徹執行《中華人民共和國安全生產法》《中華人民共和國職業病防治法》《安全生產培訓管理辦法》《工作健康安全法案，2015》等運營所在地法律法規，各附屬公司依此制定內部職業健康與安全管理規章制度，不斷優化和完善安全管理機制，按要求為員工提供勞保用品，並定期組織安全演習、安全培訓等活動，增強員工安全意識，營造良好的安全生產文化氛圍。報告期內，本集團安全生產投入共計58.41萬元，開展安全演習4次，安全演習覆蓋率100%，未發生員工因工作關係而死亡的事故。



Warning signs posted at production workshops
生產車間張貼警示標識

Safety management system of Zhongsheng Bio-Tech

Upholding the people-oriented philosophy, Zhongsheng Bio-Tech recognises the importance of safety and health of our employees during production, and thus carries out various safety actions from safety production management structure to system development, safety inspection, and regular assessment for the purposes of ongoing improvement of safety management systems. These initiatives will safeguard the continuity and stability of our safe productions.

中生科技安全管理體系

中生科技堅持以人為本，重視員工在生產過程中的安全和健康，推行多項安全行動，從安全生產管理架構、制度建設、安全檢查、定期評估等方面持續完善安全管理體系，為公司安全生產的持續、穩定的運行提供保障。

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| Administrative structure 管理架構 | System Development 制度建設 | Safety Inspection 安全檢查 | Regular Assessment 定期評估 |
|--|---|--|--|
| <ul style="list-style-type: none">To establish a safe production management team, which comprise the general manager as the team leader, department heads as team members, and shift leaders as the major safety officers. 成立以總經理為組長，各職能部門負責人為成員，各班組長為第一安全負責人的安全生產管理小組 | <ul style="list-style-type: none">To formulate the <i>Safety Education and Training System</i> 制定《安全教育培訓制度》To formulate the <i>Administrative Rules for Special positions</i> 制定《特殊工種管理制度》To update the <i>Administrative Rules for Employee Health and Sanitation</i> 更新《人員健康衛生管理制度》To update the <i>Mould Management Rules</i> 更新《模具管理制度》To update the <i>Management Rules for Cleaning Tools</i> 更新《清潔工具管理制度》To update the <i>Management Rules for Use of Containers</i> 更新《容器使用管理制度》 | <ul style="list-style-type: none">To organise a quarterly safety inspection that focuses on identifying violation of rules and potential hazards 以查處違章、隱患為主要內容，每季度組織一次安全檢查To launch not less than one routine safety check at every department each month 各部門每月開展不少於一次經常性安全自查 | <ul style="list-style-type: none">To formulate corrective measures to address identified issues on a regular basis, the corrective results and reviews of which will be reported to the leading safety taskforce 針對發現的問題制定定期整改措施，並將整改複查情況及時反饋給安全領導小組 |

Living Nature's strict implementation of health and safety management procedures

Living Nature 執行嚴格的健康與安全管理程序

Living Nature recognises the great importance of safe production and occupational health of its employees. All employees at the company participate in reviewing and updating the health and safety management procedures.

Living Nature 高度重視員工的安全生產和職業健康，在公司執行全員參與審查和更新的健康與安全管理程序。

- Any accident or any condition that is susceptible to hazards shall be recorded on the list of corrective and preventative measures, and immediate assessment shall be carried out to further reduce such risks;
- 任何事故或險些發生的情況都要記錄在糾正和預防措施表上，並立即進行評估，以減少進一步的風險；
- All accidents are recorded on the monthly minutes for health and safety meetings and regular meetings;
- 所有事故都記錄在每月的健康安全會議及當期會議記錄中；
- Any injured person shall be immediately attended by qualified first aid personnel, and wherever required, such injured person shall be hospitalised for further treatment.
- 任何傷者均由合資格的急救人員即時處理，如有需要，傷者會被送往醫院接受進一步治療。

5.4 Employee development

Employee training

During the Reporting Period, in accordance with the *Employee Training Management System*, the Group continued to improve the training system and provide various training opportunities to its employees. In 2018, we strengthened the employee training on food safety regulations and rules, and incorporated more regulatory requirements regarding food safety to the pre-employment training in order to continue raising the food safety awareness among our employees.

During the Reporting Period, the total training hours of the Group amounted to 34,135.32 hours, and the total number of attendees for our training sessions amounted to 2,077 with average training hours of 46 hours per person.

5.4 員工發展

員工培訓

報告期內，本集團以《員工培訓管理制度》為基礎，持續完善培訓體系，為員工提供形式多樣的培訓機會。2018年，我們加強了對員工在食品安全等法規方面的培訓，在員工崗前培訓中加強食品安全法規要求的內容，不斷提升員工食品安全意識。

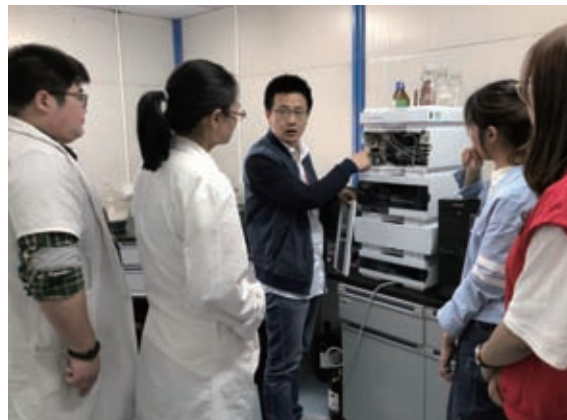
報告期內，本集團全年總培訓時數達 34,135.32 小時，總培訓人次達 2,077 人次，人均受訓小時數 46 小時。

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Training on food safety regulations
食品安全法規培訓



Training on maintenance and repair of
Agilent liquid and gas phases instruments
安捷倫液相氣相維護保養培訓

Internal and external training systems of Zhongsheng Bio-Tech

Zhongsheng Bio-Tech stresses the importance of employee growth. In accordance with the employee training requirements, the annual training plan will be formulated, which is comprised of internal and external training sessions. In doing so, Zhongsheng Bio-Tech will continue to enrich the employee training contents and forms. Furthermore, Zhongsheng Bio-Tech sets a mandatory requirement of 40-hour training for employees at the production workshops throughout the year so as to maintain their professional standard and capability.

Career development

Always upholding the “fair, impartial, and open” mechanisms to identify and employ talents, the Group provides equal promotion opportunities for every outstanding employee. In addition, we continue to smooth the employee career development path with multi-pronged promotion mechanism in place. In accordance with the *Employee Promotion Management System*, the quality, ability, working attitude, and performance of an employee will be evaluated and assessed, the results of which will serve as the basis for promotion. In this way, the employees will be motivated to improve their work performance, while reasonable employee mobility is facilitated, as a result of which both employees and the Company will together advance forward.

中生科技內外部培訓體系

中生科技重視員工成長，根據員工培訓需求制定年度培訓計劃，並以內部培訓和外部相結合的形式，不斷豐富員工培訓內容和培訓方式。此外，中生科技亦對生產車間員工年度培訓提出總學時至少40小時的硬性要求，以保障員工專業素質和能力。

職業發展

本集團始終秉承「公平、公正、公開」的選人和用人機制，讓每一位優秀員工獲得平等的晉升機會。我們亦不斷暢通員工職業發展通道，實行多軌晉升機制，依據《員工晉升管理制度》，從員工品質、能力、態度、業績等維度對員工進行評價考核，並根據考核結果作為晉升標準，以此激勵員工提升工作表現，促進員工合理流動，實現與公司共同進步。



5.5 Employee care

The Group is committed to building excellent working ambiance for its employees, as well as comfortable and pleasant workplace conditions. The Group's active engagement with its employees in various interesting cultural and sports activities will help them achieve a work-life balance. In the meantime, we have established the labour union that takes the initiative to express care to the employees experiencing difficulties, and try our best to resolve difficulties our employees encounter during their life. As for female employee care, we convey our solicitude to maternity employees and offer nutrition soup to breastfeed employees. These initiatives will continue to improve the sense of belonging and happiness of the employees.

In the overseas market, Good Health will organise employee birthday parties, Christmas events, cultural carnivals, and other celebrative events to encourage its employees to maintain a work-life balance. Furthermore, Good Health provides its employees with counsel services in regard to psychological health and stress management so that the employees can maintain a healthy and happy work-life relationship.

5.5 員工關懷

本集團致力於為員工創造良好的工作氛圍，營造舒適溫馨的工作環境，積極組織員工參與各類豐富多彩的文體活動，促進員工工作與生活相平衡。同時，我們也成立了工會，主動關懷困難員工，盡力解決員工生活上的困擾；關愛女性員工，開展產婦慰問，為哺乳期女員工提供營養湯，持續提升員工的歸屬感和幸福感。

在海外，好健康為了鼓勵和維持員工工作與生活平衡，為員工舉辦生日、聖誕節、文化節等慶祝活動，還為員工提供心理健康及壓力輔導服務，讓員工健康工作、快樂生活。

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New Employee Team Building Event
新員工拓展活動



Jinniu Lake Spring Outing
金牛湖春遊活動



Cultural Carnival
文化節慶祝活動



Mini Golf Event
迷你高爾夫活動

6. COMMUNITY RESPONSIBILITY — HARMONIOUS CO-EXISTENCE

A good community environment safeguards the sustainability of a business. Over the course of development, the Group has fully taken into consideration the impacts brought by its business operations on local communities, and therefore has been in active response to and supporting community activities. Our extensive involvement in communications with communities allows the public to enjoy rich cultural and sports events, as well as to positive contributions to society together with us.

6.1 Community engagement

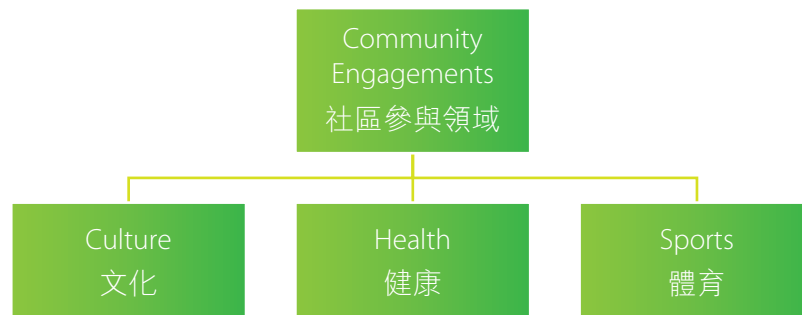
The Group continues its community engagements based on its business nature, product properties, and brand features with particular focuses on culture, health, and sports. Besides supporting and promoting a healthier lifestyle, the Group will promote the integration of different cultures.

6. 社區責任 — 和諧共生

良好的社區環境是企業持續發展的保障。本集團在發展的過程中充分考量自身運營對當地社區帶來的影響，積極響應支持社會活動的開展，廣泛開展社會溝通，讓公眾在享受豐富的文體生活的同時，與我們一同為社會貢獻積極力量。

6.1 社區參與

本集團持續開展以企業屬性、產品屬性和品牌特色等為基礎的社區參與活動，以文化、健康、體育為重點參與領域，支持和倡導更健康的生活方式，並促進不同文化間的融合。



Good Health's Sponsors Australian Chinese Triathlon Club's Participation in 2018 Sydney Running Festival
好健康贊助澳洲華人鐵三俱樂部
(Australian Chinese Triathlon Club) 參加2018年悉尼馬拉松



Cobayer Participates in Mid-Autumn Festival Evening Held by Australian Chinese Communities
康培爾參加澳大利亞華人社團在悉尼舉辦的中秋節慶祝晚會

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6.2 Public welfare and charity

Living Nature supports bodies, charity organizations, and non-profit organisations (NGOs) in the northern New Zealand by regularly donating its products, and provide active support to local nursing homes and schools.

- **Breast Cancer Foundation**

The Breast Cancer Foundation operates as a non-profit charity trust fund to support breast cancer patients. Living Nature has a nationwide network of product donations in New Zealand, and helps the Pink Ribbon Breakfasts raise funds.

- **Sweet Louise**

Sweet Louise operates as a non-profit charity trust fund that supports incurable breast cancer patients. Living Nature has donated packaging products for the activities organised by this fund, and assisted it in fundraising activities as well.

- **Look Good Feel Better**

Look Good Feel Better operates as a non-profit organisation that supports cancer patients, and Living Nature made product donations to this organisation, and assisted it in fundraising activities as well.

6.2 公益慈善

Living Nature 定期以產品贊助的形式支持紐西蘭北部的團體、慈善機構以及非營利性組織(NGO)，同時還積極支持當地的養老院和學校。

- **乳腺癌基金會**

乳腺癌基金會是一個支持乳腺癌患者的非營利性慈善信托基金。Living Nature 在紐西蘭全國各地提供產品贊助，在粉紅絲帶早餐會上幫助籌集資金。

- **Sweet Louise**

Sweet Louise 是一個支持患有不治之症的乳腺癌患者的非營利性慈善信托基金。Living Nature 兩次為該基金的活動提供禮品包的產品贊助，幫助組織募集資金。

- **Look Good Feel Better**

Look Good Feel Better 是一個支持癌症患者的非盈利組織，Living Nature 為其贊助產品，以幫助組織籌集資金。

APPENDIX I APPLICABLE REGULATIONS AND POLICIES 附錄一 適用法規及政策

Environmental Aspect

環境範疇

Regulations and Policies

法規政策

- the Environmental Protection Law of the People's Republic of China
《中華人民共和國環境保護法》
- the Law on the Prevention and Control of Water Pollution of the People's Republic of China
《中華人民共和國水污染防治法》
- the Law on the Prevention and Control of Air Pollution of the People's Republic of China
《中華人民共和國大氣污染防治法》
- the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution
《中華人民共和國固體廢物污染環境防治法》
- the Law of the People's Republic of China on Energy Conservation
《中華人民共和國能源節約法》

Corporate Policies

公司制度

- Environmental Protection Management
《環保管理制度》
- Corporate Drainage System Management
《排水系統管理制度》
- Corporate Solid Waste Management System
《固廢管理制度》
- Energy Conservation Management System
《節能管理制度》
- Vehicle Management System
《車輛管理制度》

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Social Aspect

社會範疇

The PRC Regulatory Policies

中國法規政策

- the Patent Law of the People's Republic of China
《中華人民共和國專利法》
- the Anti-Unfair Competition Law of the People's Republic of China
《中華人民共和國反不正當競爭法》
- the Food Product Recall Management Rules
《食品召回管理辦法》
- the Food Safety Law of the People's Republic of China
《中華人民共和國食品安全法》
- the Consumer Protection Law of the People's Republic of China
《中華人民共和國消費者權益保護法》
- the Advertising Law of the People's Republic of China
《中華人民共和國廣告法》
- the Advertising Management Regulations of the People's Republic of China
《中華人民共和國廣告管理條例》
- the Interim Provisions of the People's Republic of China on Publishing Food Advertisements
《中華人民共和國食品廣告發布暫行規定》
- the Interim Provisions of the People's Republic of China on Censorship of Healthy Food Advertisements
《中華人民共和國保健食品廣告審查暫行規定》
- the Tort Law of the People's Republic of China
《中華人民共和國侵權責任法》
- the Labour Law of the People's Republic of China
《中華人民共和國勞動法》
- the Labour Contract Law of the People's Republic of China
《中華人民共和國勞動合同法》
- the Workplace Safety Law of the People's Republic of China
《中華人民共和國安全生產法》
- the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
《中華人民共和國職業病防治法》
- the Safety Training Management Rules
《安全生產培訓管理辦法》

Australia and New Zealand Regulatory Policies

澳大利亞及紐西蘭法規政策

- Human Rights Act 1993
《人權法案，1993》
- Employment Relations Act 2005
《就業關係法案，2005》
- Holidays Act 2003
《假期法案，2003》
- Guidelines for Therapeutic Advertising Pre-vetting Service, TAPS
《治療廣告預審服務規範》

Social Aspect

社會範疇

- The Fair Trading Act 1986
《公平交易法案，1986》
- the Dietary Supplements Regulations 1985
《膳食補充劑條例，1985》
- the Biosecurity Act 1993
《生物安全法案，1993》
- the Animal Products Act 1999
《動物產品法案，1999》
- the Food Act 2014
《食品法案，2014》
- Health & Safety at Work Act 2015
《工作健康安全法案，2015》

Corporate policies

公司制度

- Intellectual Property Right Management and Patent Protection Policy
《知識產權管理及專利保護制度》
- Incoming Food Inspection Procedures
《食品進貨查驗制度》
- Food Product Recall System
《食品召回制度》
- Defective Food Product Recall System
《缺陷食品召回制度》
- Employee Recruitment System
《員工招聘制度》
- Remuneration Management System
《薪資管理制度》
- Safety Education and Training System
《安全教育培訓制度》
- Administrative Rules for Special Positions
《特殊工種管理制度》
- Administrative Rules for Employee Health and Sanitation
《人員健康衛生管理制度》
- Mould Management Rules
《模具管理制度》
- Management Rules for Cleaning Tools
《清潔工具管理制度》
- Management Rules for Use of Containers
《容器使用管理制度》
- Employee Training Management System
《員工培訓管理制度》
- Employee Promotion Management System
《員工晉升管理制度》

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

APPENDIX II CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT GUIDE OF THE STOCK EXCHANGE 附錄二 聯交所環境、社會及管治報告指引內容索引

| ESG aspects and general disclosure and key performance indicators (KPI) 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI) | | | Chapter 所在章節 |
|---|---|---|---|
| Environment 環境 | | | |
| A1: Emissions A1：排放物 | General disclosure 一般披露 | Information on (a) the policies; and (b) compliance with relevant laws and regulations on air and greenhouse gas emissions, sewage discharges into water and land, generation of hazardous and non-hazardous waste, etc. may have material impact on the issuer 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的法律及規例的數據。 | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.1 | The types of emissions and relevant emissions data. 排放物種類及相關排放數據 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.2 | Greenhouse gas emissions in total and intensity 溫室氣體總排放量及密度 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.3 | Total hazardous waste produced and where appropriate, intensity 所產生有害廢棄物總量及密度 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.4 | Total non-hazardous waste produced and intensity 所產生無害廢棄物總量及密度 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.5 | Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |
| A1.6 | Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果 | | 4. Environmental Responsibility — Green Business Operations 4. 環境責任 — 綠色運營 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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|---|--------------------|--|---|
| 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI) | | | 所在章節 |
| A2: use of resources | General disclosure | Policies on efficient use of resources including energy, water and other raw Materials. | 4. Environmental Responsibility — Green Business Operations |
| A2: 資源使用 | 一般披露 | 有效使用資源(包括能源, 水及其他原材料)的政策。 | 4. 環境責任 — 綠色運營 |
| | A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity 按類型劃分的直接及/或間接能源(如電, 氣或油)總耗量及密度 | 4. Environmental Responsibility — Green Business Operations |
| | A2.2 | Water consumption in total and intensity 總耗水量及密度 | 4. Environmental Responsibility — Green Business Operations |
| | A2.3 | Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果 | 4. Environmental Responsibility — Green Business Operations |
| | A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果 | 4. Environmental Responsibility — Green Business Operations |
| | A2.5 | Total packaging material used for finished products, and with reference to per unit produced 製成品所用包材料的總量及每生產單位佔量 | 4. Environmental Responsibility — Green Business Operations |
| A3: the environment and natural resources | General disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources. | 4. Environmental Responsibility — Green Business Operations |
| A3: 環境及天然資源 | 一般披露 | 減低發行人對環境及天然資源造成重大影響的政策。 | 4. 環境責任 — 綠色運營 |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動 | 4. Environmental Responsibility — Green Business Operations |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ESG aspects and general disclosure and key performance indicators (KPI)

環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI)

Chapter

所在章節

social

社會

| | | | |
|---|-------------------------------|---|--|
| B1: Employment B1 : 僱傭 | General disclosure 一般披露 | Information on (a) the policies; and (b) compliance with relevant laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and other benefits and welfare that have material impact on issuers. 有關薪酬及解僱，招聘及晉升，工作時數，假期，平等機會，多元化，反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B1.1 | | Total workforce by gender, employment type, age group and geographical Region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B1.2 | | Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率 | — |
| B2: health and safety B2 : 健康與安全 | General disclosure 一般披露 | Information on (a) the policies; and (b) compliance with relevant laws and regulations on providing a safe working environment and protecting employees from occupational hazards that have material impact on issuers. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B2.1 | | Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B2.2 | | Lost days due to work injury. 因工傷損失工作日數 | — |
| B2.3 | | Description of occupational health and safety measures adopted and their implementation and oversight. 描述所採納的職業健康與安全措施，以及相關執行及監察方法 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B3: development and training B3 : 發展及培訓 | General disclosure 一般披露 | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 | 5. Employee Responsibility — Shared Development 5. 員工責任 — 共享發展 |
| B3.1 | | The percentage of employees trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比 | — |
| B3.2 | | The average training hours completed per employee by gender and employee Category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數 | — |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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|---|--------------------|---|--|
| 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI) | | | 所在章節 |
| B4: Labour standards | General disclosure | Information on (a) the policies; and (b) compliance with relevant laws and regulations on preventing child or forced labour that have material impact on issuers. 有關防治童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 5. Employee Responsibility — Shared Development 5.員工責任 — 共享發展 |
| B4 : 勞工準則 | 一般披露 | | |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工 | 5. Employee Responsibility — Shared Development 5.員工責任 — 共享發展 |
| | B4.2 | Description of steps taken to eliminate such practices when discovered 描述在發現違規情況時消除有關情況所採取的步驟 | No case involving child labour and Forced labour is found 未發生使用童工和強制勞工的情況 |
| B5: Supply chain management | General disclosure | Policies on managing environmental and social risks of supply chain. 管理供應鏈的環境及社會風險政策。 | 2. Product Responsibility — Quality First 2.產品責任 — 品質為先 |
| B5 : 供應鏈管理 | 一般披露 | | |
| | B5.1 | Number of suppliers by geographical region 按地區劃分的供應商數目 | 2. Product Responsibility — Quality First 2.產品責任 — 品質為先 |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法 | 2. Product Responsibility- Quality First 2.產品責任 — 品質為先 |
| B6: Product responsibility | General disclosure | Information on (a) the policies; and (b) compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that have material impact on issuers. 有關所提供產品和服務的監控與安全，廣告，標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 3. Customer Responsibility — Service First 3.客戶責任 — 服務至上 |
| B6 : 產品責任 | 一般披露 | | |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比 | 3. Customer Responsibility — Service First 3.客戶責任 — 服務至上 |
| | B6.2 | Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法 | 3. Customer Responsibility — Service First 3.客戶責任 — 服務至上 |

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|---|-------------------------------|--|--|
| 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI) | | | 所在章節 |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例 | 2. Product Responsibility — Quality First 2. 產品責任 — 品質為先 |
| | B6.4 | Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序 | 2. Product Responsibility- Quality First 2. 產品責任 — 品質為先 |
| | B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法 | 3. Customer Responsibility — Service First 3. 客戶責任 — 服務至上 |
| B7: Anti-corruption B7 : 反貪污 | General disclosure 一般披露 | Information on (a) the policies; and (b) compliance with relevant laws and regulations On bribery, extortion, fraud and money laundering that have material impact on issuers. 有關防治賄賂，勒索，欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 1. ESG Management- Permanent Responsibility 1. ESG 管治 — 責無止境 |
| | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果 | 1. ESG Management- Permanent Responsibility 1. ESG 管治 — 責無止境 |
| | B7.2 | Description of preventive measures and whistle-blowing procedures and their implementation and oversight. 描述防範措施及舉報程序，以及相關執行及監察方法 | 1. ESG Management- Permanent Responsibility 1. ESG 管治 — 責無止境 |
| B8: Community investment B8 : 社區投資 | General disclosure 一般披露 | Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。 | 6. Community Responsibility — Harmonious Co-existence 6. 社區責任 — 和諧共生 |
| | B8.1 | Focus areas of contribution 專注貢獻範疇 | 6. Community Responsibility — Harmonious Co-existence 6. 社區責任 — 和諧共生 |
| | B8.2 | Resources contributed to the focused area. 在專注範疇所動用資源 | 6. Community Responsibility — Harmonious Co-existence 6. 社區責任 — 和諧共生 |



To the shareholders of Nanjing Sinolife United Company Limited

(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Nanjing Sinolife United Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 125 to 222, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

致南京中生聯合股份有限公司股東

(於中華人民共和國成立的有限公司)

意見

我們已審計第125至222頁所載南京中生聯合股份有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，包括於2018年12月31日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實及公平地反映了貴集團於2018年12月31日之綜合財務狀況及截至該日止年度之綜合財務表現及其綜合現金流量，並已根據香港公司條例之披露規定妥善編製。

意見之基準

我們根據香港會計師公會頒佈之香港審計準則(「香港會計準則」)進行審計工作。我們於該等準則項下之責任在本報告中核數師審計綜合財務報表之責任一節進一步描述。根據香港會計師公會之專業會計師道德守則(「守則」)，我們獨立於貴集團，而我們亦根據守則履行其他道德責任。我們認為，我們獲得之審計憑證充足及適當，以為我們提供意見基準。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

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

Key audit matter

關鍵審計事項

Impairment of goodwill and intangible assets with indefinite lives

無限年期的商譽及無形資產減值

As at 31 December 2018, the Group recorded goodwill and intangible assets with indefinite lives of RMB77,269,000 and RMB45,098,000, respectively, which represented 10.43% and 6.09% of the total assets of the Group, respectively.

於2018年12月31日，貴集團錄得無限年期的商譽及無形資產分別為人民幣77,269,000元及人民幣45,098,000元，分別相當於貴集團總資產的10.43%及6.09%。

Under Hong Kong Accounting Standard 36 *Impairment of Assets*, the Group is required to perform annual impairment tests for goodwill and intangible assets with indefinite lives. Management performed impairment tests on these assets by using discounted cash flow models as at 31 December 2018. The assessment was complex, and it involved significant judgments and assumptions such as the long-term growth rate and discount rate.

根據香港會計準則第36號資產減值，貴集團須對無限年期的商譽及無形資產進行年度減值測試。於2018年12月31日，管理層採用貼現現金流模式對該等資產進行減值測試。評估較為複雜，涉及諸如長期增長率及貼現率的重要判斷及估計。

The related disclosures are set out in notes 3 and 17 to the consolidated financial statements.

相關披露載於綜合財務報表附註3及17。

關鍵審計事項

關鍵審計事項乃根據我們之專業判斷，於我們對本期綜合財務報表之審計中最重要之事項。該等事項於我們對綜合財務報表整體進行審計並就此形成我們之意見時處理，我們不就該等事項提出單獨意見。就以下各項事項而言，我們於文中描述我們之審計如何處理該事項。

我們履行本報告中核數師審計綜合財務報表之責任一節所述之責任，包括與該等事項有關者。因此，我們之審計包括履行旨在應對我們對綜合財務報表重大錯誤陳述風險之評估程序。我們審計程序之結果，包括為處理以下事項而履行之程序，為我們就隨附綜合財務報表之審計意見提供基礎。

How our audit addressed the key audit matter

我們之審計如何處理關鍵審計事項

We reviewed the basis of preparation of the forecasts used for the goodwill and intangible assets with indefinite lives impairment tests. We also involved our internal valuation specialist to assist us in reviewing the methodology and certain assumptions adopted in the assessment of impairment of goodwill and intangible assets with indefinite lives.

我們審閱無限年期的商譽及無形資產的減值測試所用預測的編製基準。我們亦讓內部估值專家協助我們審閱無限年期商譽及無形資產減值評估所採用的方法及若干假設。

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們之審計如何處理關鍵審計事項

Net realisable value of inventories

存貨可變現淨值

As at 31 December 2018, the Group recorded inventories of RMB110,904,000. Management judgement is required in assessing whether the carrying value is higher than the net realisable value ("NRV") of the inventories on hand at the year end, especially of those slow-moving inventories which may become obsolete.

於2018年12月31日，貴集團錄得存貨人民幣110,904,000元。於評估年末手頭存貨的賬面值是否高於可變現淨值（「可變現淨值」），尤其是可能成為過時的滯銷存貨時，需要運用管理層判斷。

Significant judgements are also required in determining the write-down of inventories to NRV, which involves management's expectations of the forecast inventory sales and usage and the estimated selling price of inventories based on the current market condition and the historical experience of selling products of a similar nature.

釐定存貨撇減至可變現淨值時亦須作出重大判斷，涉及管理層根據目前市況及出售類似性質產品的過往經驗對存貨之銷售額及使用量作出預測及預估存貨售價。

The related disclosures are set out in notes 3 and 18 to the consolidated financial statements.

相關披露載於綜合財務報表附註3及18。

We evaluated the design and implementation of management's controls over the assessment of the net realisable values of inventories. We obtained an understanding of the Group's inventory provision policy and checked the calculation of the inventory provision based on the Group's policy. We evaluated management's assumptions used to calculate the provision by checking the ageing of inventories, subsequent sales and usage of inventories on a sampling basis. We also checked the subsequent selling prices to the sales orders and invoices on a sampling basis.

我們評估管理層對存貨可變現淨值控制權評估的設計及實施。我們了解貴集團存貨撥備政策並根據貴集團政策核實存貨撥備的計算。我們透過抽查方式查核存貨的賬齡、存貨的期後銷售額及使用量來評估管理層用於計算撥備的假設。我們亦核實抽樣的銷售訂單的期後售價及發票。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

載入年報之其他資料

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

貴公司董事對其他資料負責。其他資料包括年報中包括之資料，綜合財務報表及我們之核數師報告除外。

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

我們對綜合財務報表之意見不包括其他資料，我們不表達任何形式之保證結論。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT (CONTINUED)

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

載入年報之其他資料(續)

就我們對綜合財務報表之審計，我們之責任是閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或我們於審計中獲得之知識有重大不一致或看似出現重大錯誤陳述。倘根據我們所履行之工作，我們認為該其他資料存在重大錯誤陳述，我們必須報告該事實。我們並無就此作出報告。

董事對綜合財務報表之責任

貴公司董事負責編製綜合財務報表，以根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定提供真實及公平之意見，及貴公司董事釐定屬必要之內部控制以使編製綜合財務報表不存在由於欺詐或錯誤導致之重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團之持續經營能力、披露(如適用)與持續經營有關之事項及使用持續經營之會計基準，除非貴公司董事有意清算貴集團或停止經營，或別無其他實際之替代方案。

貴公司董事由審核委員會協助履行其監督貴集團財務報告程序之責任。

核數師審計綜合財務報表之責任

我們之目標是對綜合財務報表作為整體是否不存在由於欺詐或錯誤導致之重大錯誤陳述以及發佈包括我們意見之核數師報告獲得合理保證。我們之報告僅為閣下作為整體而作出，並無其他目的。我們對本報告之內容不承擔任何責任或承擔任何其他人之責任。

合理保證屬高水平之保證，惟並不保證根據香港審計準則進行之審計總會發現存在之重大錯誤陳述。錯誤陳述可能由欺詐或錯誤引起，並且倘單獨或合計可合理預期會影響用戶根據該等綜合財務報表所作之經濟決策，則被視為重大錯誤陳述。

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

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

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

核數師審計綜合財務報表之責任(續)

作為根據香港審計進行審計之一部分，我們在整個審計期間行使專業判斷並維持專業懷疑。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審計程序以應對這些風險，以及獲取充足及適當之審計憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露，或假若有關之披露不足，則修改我們之意見。我們之結論是基於截至核數師報告日期止所取得之審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K.W. Lau.

Ernst & Young
Certified Public Accountants
Hong Kong

29 March 2019

核數師審計綜合財務報表之責任(續)

- 就 貴集團內各實體或業務活動之財務資料獲得充足之審計憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團之審計工作。我們須為我們之審計意見承擔全部責任。

我們與審核委員會就(其中包括)審計之計劃範圍及時間以及重大審計發現，包括我們於審計期間識別出內部監控之任何重大缺陷溝通。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性之道德要求，並就所有被合理認為可能影響我們獨立性之關係及其他事宜及相關防範措施(如適用)與彼等溝通。

我們從與審核委員會溝通之事項中，決定對本期間綜合財務報表之審計工作最為重要之事宜，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有之情況下，我們認為披露此等事項可合理預期之不良後果將超越公眾知悉此等事項之利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告之審計項目合夥人為劉國華。

安永會計師事務所
執業會計師
香港

2019年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2018 截至2018年12月31日止年度

| | | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|---------------------------------|-------------|-----------------------------------|-----------------------------------|
| REVENUE | 收益 | 5 | 453,199 | 472,490 |
| Cost of sales | 銷售成本 | | (204,229) | (166,893) |
| Gross profit | 毛利 | | 248,970 | 305,597 |
| Other income and gains | 其他收入及收益 | 5 | 9,053 | 7,252 |
| Selling and distribution expenses | 銷售及經銷開支 | | (225,550) | (190,761) |
| Administrative expenses | 行政開支 | | (79,768) | (83,090) |
| Finance costs | 融資成本 | 7 | (3,363) | (1,815) |
| Other expenses | 其他開支 | | (76,465) | (23,319) |
| Share of profits of a joint venture | 分佔合營企業利潤 | | - | 224 |
| (LOSS)/PROFIT BEFORE TAX | 除稅前(虧損)/利潤 | | (127,123) | 14,088 |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 10 | 14,286 | (3,245) |
| (LOSS)/PROFIT FOR THE YEAR | 本年度(虧損)/利潤 | | (112,837) | 10,843 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | 其他全面收入/(虧損) | | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, after tax: | 於隨後期間或將重新分類為損益的其他全面收入/(虧損)·除稅後: | | | |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額 | | 1,363 | (10,916) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | 本年度全面虧損總額 | | (111,474) | (73) |
| (Loss)/profit attributable to: | 以下各項應佔(虧損)/利潤: | | | |
| Owners of the parent | 母公司擁有人 | | (112,837) | 4,209 |
| Non-controlling interests | 非控股權益 | | - | 6,634 |
| | | | (112,837) | 10,843 |
| Total comprehensive loss attributable to: | 以下各項應佔全面虧損總額: | | | |
| Owners of the parent | 母公司擁有人 | | (111,474) | (6,150) |
| Non-controlling interests | 非控股權益 | | - | 6,077 |
| | | | (111,474) | (73) |
| (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通權益持有人應佔每股(虧損)/盈利 | | | |
| — Basic and diluted for (loss)/profit | — 基本及攤薄(虧損)/利潤 | 12 | RMB 人民幣 (11.92) cents 分 | RMB 人民幣 0.44 cent 分 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 於2018年12月31日

| | | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 140,825 | 99,139 |
| Prepaid land lease payments | 預付土地租賃款項 | 14 | 10,216 | 10,463 |
| Goodwill | 商譽 | 15 | 77,269 | 146,134 |
| Other intangible assets | 其他無形資產 | 16 | 69,707 | 73,186 |
| Deferred tax assets | 遞延稅項資產 | 26 | 34,871 | 16,036 |
| Pledged deposit | 已抵押按金 | 31 | 1,170 | – |
| Other non-current assets | 其他非流動資產 | 32 | 6,734 | 6,144 |
| Total non-current assets | 非流動資產總額 | | 340,792 | 351,102 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 18 | 110,904 | 163,329 |
| Trade receivables | 貿易應收款項 | 19 | 57,654 | 49,340 |
| Prepaid land lease payments | 預付土地租賃款項 | 14 | 247 | 247 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 20 | 24,134 | 34,626 |
| Tax recoverable | 可收回稅項 | | 5,405 | 5,129 |
| Pledged deposit | 已抵押按金 | 31 | 434 | 1,603 |
| Cash and cash equivalents | 現金及現金等價物 | 21 | 201,411 | 269,592 |
| Total current assets | 流動資產總額 | | 400,189 | 523,866 |
| Total assets | 資產總值 | | 740,981 | 874,968 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 22 | 15,678 | 14,164 |
| Other payables and accruals | 其他應付款項及應計費用 | 23 | 73,211 | 45,105 |
| Interest-bearing bank borrowings | 計息銀行借款 | 24 | 20,000 | 49,500 |
| Tax payables | 應付稅金 | | 6,303 | 8,648 |
| Total current liabilities | 流動負債總額 | | 115,192 | 117,417 |
| NET CURRENT ASSETS | 流動資產淨值 | | 284,997 | 406,449 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 625,789 | 757,551 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 於 2018 年 12 月 31 日

| | | Notes 附註 | 2018 2018 年 RMB'000 人民幣千元 | 2017 2017 年 RMB'000 人民幣千元 |
|--|-------------------|-------------|---|------------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Interest-bearing bank borrowings | 計息銀行借款 | 24 | 7,500 | 27,500 |
| Deferred tax liabilities | 遞延稅項負債 | 26 | 14,021 | 14,345 |
| Provision | 撥備 | 25 | 714 | 678 |
| Total non-current liabilities | 非流動負債總額 | | 22,235 | 42,523 |
| Net assets | 資產淨值 | | 603,554 | 715,028 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Share capital | 股本 | 27 | 94,630 | 94,630 |
| Other reserves | 其他儲備 | 28 | 508,924 | 620,398 |
| Total equity | 權益總額 | | 603,554 | 715,028 |

Gui Pinghu

桂平湖

Chairman and Executive Director

董事長兼執行董事

Zhang Yuan

張源

Chief Executive Officer and Executive Director

首席執行官兼執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018 截至2018年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | Non-controlling interests | Total equity | |
|---|-----------------|--|-----------------|------------------------------|---------------------------|----------------|---------------|------------------|---------------------------|--------------|-----------|
| | | Share capital | Capital reserve | Exchange fluctuation reserve | Statutory surplus reserve | Merger reserve | Other reserve | Retained profits | | | |
| | | 股本 | 資本儲備 | 換算儲備 | 法定盈餘儲備 | 合併儲備 | 其他儲備 | 保留利潤 | 總計 | 非控股權益 | 總權益 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 27) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | | |
| | | (附註27) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | | | |
| At 1 January 2017 | 於2017年1月1日 | 94,630 | 544,223 | 5,173 | 49,777 | (3,871) | - | 133,292 | 823,224 | 57,585 | 880,809 |
| Profit for the year | 本年度利潤 | - | - | - | - | - | - | 4,209 | 4,209 | 6,634 | 10,843 |
| Exchange differences on translation of foreign operations | 有關換算海外業務的匯兌差額 | - | - | (10,359) | - | - | - | - | (10,359) | (557) | (10,916) |
| Total comprehensive income/(loss) for the year | 本年度全面收入/(虧損)總額 | - | - | (10,359) | - | - | - | 4,209 | (6,150) | 6,077 | (73) |
| Acquisition of non-controlling interests | 收購非控股權益 | - | - | - | - | - | (2,022) | - | (2,022) | (63,662) | (65,684) |
| Final 2016 dividends declared and paid | 已宣派及已付2016年末期股息 | - | - | - | - | - | - | (100,024) | (100,024) | - | (100,024) |
| Transfer from retained profits | 自保留利潤轉入 | - | - | - | 6,398 | - | - | (6,398) | - | - | - |
| At 31 December 2017 | 於2017年12月31日 | 94,630 | 544,223 | (5,186) | 56,175 | (3,871) | (2,022) | 31,079 | 715,028 | - | 715,028 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018 截至2018年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | |
|---|----------------|--|-----------------|------------------------------|---------------------------|----------------|---------------|--------------------|--------------|
| | | Share capital | Capital reserve | Exchange fluctuation reserve | Statutory surplus reserve | Merger reserve | Other reserve | Accumulated losses | Total equity |
| | | 股本 | 資本儲備 | 換算儲備 | 法定盈餘儲備 | 合併儲備 | 其他儲備 | 累計虧損 | 總權益 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 27) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | |
| | | (附註27) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | |
| At 1 January 2018 | 於2018年1月1日 | 94,630 | 544,223 | (5,186) | 56,175 | (3,871) | (2,022) | 31,079 | 715,028 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (112,837) | (112,837) |
| Exchange differences on translation of foreign operations | 有關換算海外業務的匯兌差額 | - | - | 1,363 | - | - | - | - | 1,363 |
| Total comprehensive income/(loss) for the year | 本年度全面收入/(虧損)總額 | - | - | 1,363 | - | - | - | (112,837) | (111,474) |
| Transfer from retained profits | 自保留利潤轉入 | - | - | - | 2,055 | - | - | (2,055) | - |
| At 31 December 2018 | 於2018年12月31日 | 94,630 | 544,223* | (3,823)* | 58,230* | (3,871)* | (2,022)* | (83,813)* | 603,554 |

* These reserve accounts comprise the consolidated other reserves of RMB508,924,000 (2017: RMB620,398,000) in the consolidated statement of financial position.

此等儲備賬目包括綜合財務狀況表內的綜合其他儲備人民幣508,924,000元(2017年:人民幣620,398,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動現金流量 | | |
| (Loss)/profit before tax | 除稅前(虧損)/利潤 | (127,123) | 14,088 |
| Adjustments for: | 就下列各項作出調整： | | |
| Finance costs | 融資成本 | 3,363 | 1,815 |
| Share of profits of a joint venture | 應佔一家合營企業利潤 | - | (224) |
| Bank interest income | 銀行利息收入 | (4,242) | (3,300) |
| Short term investment income | 短期投資收入 | - | (9) |
| Depreciation | 折舊 | 8,786 | 7,203 |
| Amortisation of other intangible assets | 其他無形資產攤銷 | 3,651 | 3,709 |
| Amortisation of prepaid land lease payments | 預付土地租賃款項攤銷 | 247 | 247 |
| Loss/(gain) on disposal of property, plant and equipment | 出售物業、廠房及設備虧損/(收益) | 163 | (19) |
| Realised foreign exchange loss | 已變現匯兌虧損 | - | 12,091 |
| Write-down of inventories to net realisable value | 撇減存貨至可變現淨值 | 28,227 | 336 |
| Impairment of trade receivables | 貿易應收款項減值 | 4,201 | 790 |
| Impairment of goodwill | 商譽減值 | 70,050 | 346 |
| Impairment of an investment in a joint venture | 於一家合營企業投資減值 | - | 5,959 |
| | | (12,677) | 43,032 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 23,460 | (90,228) |
| Decrease/(increase) in pledged deposit, prepayments, deposits and other receivables | 已質押存款、預付款項、按金及其他應收款項減少/(增加) | 10,710 | (21,257) |
| Increase in trade receivables | 貿易應收款項增加 | (12,833) | (10,886) |
| Increase/(decrease) in trade payables | 貿易應付款項增加/(減少) | 1,629 | (1,309) |
| Increase/(decrease) in other payables and accruals | 其他應付款項及應計費用增加/(減少) | 27,877 | (4,451) |
| Cash generated from/(used in) operations | 經營所得/(所用)現金 | 38,166 | (85,099) |
| Income tax paid | 已付所得稅 | (7,589) | (23,641) |
| Net cash flows from/(used in) operating activities | 經營活動所得/(所用)現金流量淨額 | 30,577 | (108,740) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018 截至2018年12月31日止年度

| | | | 2018 | 2017 |
|---|----------------|-------|-----------------|-----------|
| | | Notes | 2018年 | 2017年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動現金流量 | | | |
| Payments to acquire property, plant and equipment | 收購物業、廠房及設備的款項 | | (51,060) | (40,143) |
| Deposits for other intangible assets | 其他無形資產按金 | | (934) | (460) |
| Additions to other intangible assets | 其他無形資產添置 | 16 | (365) | (315) |
| Acquisition of a non-controlling interest | 收購非控股權益 | 29 | - | (65,684) |
| Reduction of purchase consideration | 收購代價減少 | | - | 1,217 |
| Acquisition of a subsidiary | 收購一家附屬公司 | 30 | - | (35) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | | 650 | 405 |
| Short term investment income received | 已收短期投資收入 | 5 | - | 9 |
| Dividends received from a joint venture | 已收一家合營企業股息 | | - | 87 |
| Realised foreign exchange loss | 已變現匯兌虧損 | | - | (12,091) |
| Interest received | 已收利息 | | 4,368 | 3,194 |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | | (47,341) | (113,816) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動現金流量 | | | |
| New bank loans | 新借銀行貸款 | | - | 77,000 |
| Interest paid | 已付利息 | | (3,479) | (1,658) |
| Repayment of bank loans | 償還銀行貸款 | | (49,500) | - |
| Dividend paid to owners of the parent | 已付母公司擁有人股息 | 11 | - | (100,024) |
| Net cash flows used in financing activities | 融資活動所用現金流量淨額 | | (52,979) | (24,682) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物減少淨額 | | (69,743) | (247,238) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | | 269,592 | 517,934 |
| Effect of foreign exchange rate changes, net | 匯率變動的影響，淨額 | | 1,562 | (1,104) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金及現金等價物 | 21 | 201,411 | 269,592 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock limited liability company established in the People's Republic of China (the "PRC"). The address of its registered office is 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC.

The Group is principally engaged in the manufacturing and sale of nutritional supplements and health food products in the PRC, Australia and New Zealand.

Information about subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2018 are as follows:

| Name | Place of incorporation or establishment and place of operation/ date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及 成立日期/法人類別 | Fully paid share capital/ registered capital 已繳足股本/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|----------------|--|---|--|----------|--|
| | | | Direct | Indirect | |
| 南京中生生物科技有限公司 | the PRC 17 June 2003 Limited liability company 中國 2003年6月17日 有限公司 | RMB20,000,000 人民幣 20,000,000元 | 100% | – | Manufacturing, processing and sale of health food products 生產、加工及銷售保健食品 |
| 蘇州中生健康生物制品有限公司 | the PRC 26 March 2008 Limited liability company 中國 2008年3月26日 有限公司 | RMB600,000 人民幣600,000元 | 100% | – | Retailing of health food products 零售保健食品 |
| 杭州中研生物制品有限公司 | the PRC 2 April 2008 Limited liability company 中國 2008年4月2日 有限公司 | RMB600,000 人民幣600,000元 | 100% | – | Retailing of health food products 零售保健食品 |
| 北京中生美好健康科技有限公司 | the PRC 9 April 2008 Limited liability company 中國 2008年4月9日 有限公司 | RMB600,000 人民幣600,000元 | 100% | – | Retailing of health food products 零售保健食品 |

1. 公司及集團資料

本公司乃於中華人民共和國(「中國」)成立的股份有限公司。註冊辦事處地址為中國江蘇省南京市玄武區長江路188號德基大廈30樓。

本集團主要在中國、澳大利亞及紐西蘭從事製造及銷售營養膳食補充劑及保健食品。

有關附屬公司之資料

於2018年12月31日本公司主要附屬公司之詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

有關附屬公司之資料(續)

| Name 名稱 | Place of incorporation or establishment and place of operation/ date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及 成立日期/法人類別 | Fully paid share capital/ registered capital 已繳足股本/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|---|--|---|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| 無錫中研健康品有限公司 | the PRC 10 April 2008 Limited liability company 中國 2008年4月10日 有限公司 | RMB600,000 人民幣 600,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 常州中生美好生物制品有限公司 | the PRC 22 April 2008 Limited liability company 中國 2008年4月22日 有限公司 | RMB600,000 人民幣 600,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 濟南中生華商生物制品有限公司 | the PRC 30 April 2008 Limited liability company 中國 2008年4月30日 有限公司 | RMB600,000 人民幣 600,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 廣州中院生物科技有限公司 | the PRC 27 June 2008 Limited liability company 中國 2008年6月27日 有限公司 | RMB600,000 人民幣 600,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| Australia Cobayer Health Food Co Pty Ltd. | Australia 2 March 2009 Limited liability company 澳大利亞 2009年3月2日 有限公司 | AUD2,000 2,000 澳元 | 100% | – | Trading of food products 食品貿易 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

有關附屬公司之資料(續)

| Name 名稱 | Place of incorporation or establishment and place of operation/ date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及 成立日期/法人類別 | Fully paid share capital/ registered capital 已繳足股本/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|---------------------|--|---|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| 深圳市中生華商生物科技 有限公司 | the PRC 23 April 2009 Limited liability company 中國 2009年4月23日 有限公司 | RMB600,000 人民幣600,000元 | 100% | – | Retailing of health food products 零售保健食品 |
| 成都中生華美生物科技有限公司 | the PRC 6 April 2011 Limited liability company 中國 2011年4月6日 有限公司 | RMB500,000 人民幣500,000元 | 100% | – | Retailing of health food products 零售保健食品 |
| 鎮江中生健康科技有限公司 | the PRC 28 April 2011 Limited liability company 中國 2011年4月28日 有限公司 | RMB100,000 人民幣100,000元 | 100% | – | Retailing of health food products 零售保健食品 |
| 武漢中生華商生物科技有限公司 | the PRC 23 May 2011 Limited liability company 中國 2011年5月23日 有限公司 | RMB100,000 人民幣100,000元 | 100% | – | Retailing of health food products 零售保健食品 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

有關附屬公司之資料(續)

| Name 名稱 | Place of incorporation or establishment and place of operation/ date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及 成立日期/法人類別 | Fully paid share capital/ registered capital 已繳足股本/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|------------------------------|--|---|--|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| 青島中生康健生物制品有限公司 | the PRC 24 June 2011 Limited liability company 中國 2011年6月24日 有限公司 | RMB100,000 人民幣 100,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 天津康爾生物科技有限公司 | the PRC 20 August 2014 Limited liability company 中國 2014年8月20日 有限公司 | RMB10,000 人民幣 10,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 合肥澳卡生物科技有限公司 | the PRC 17 July 2014 Limited liability company 中國 2014年7月17日 有限公司 | RMB10,000 人民幣 10,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 上海惟翊投資管理有限公司 | the PRC 21 October 2014 Limited liability company 中國 2014年10月21日 有限公司 | RMB120,000,000 人民幣 120,000,000 元 | 100% | – | Investment holding 投資控股 |
| 南京宅易購電子商務有限公司 | the PRC 21 April 2015 Limited liability company 中國 2015年4月21日 有限公司 | RMB1,000,000 人民幣 1,000,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| Good Health Products Limited | New Zealand 22 December 1987 Limited liability company 紐西蘭 1987年12月22日 有限公司 | NZD2,200,002 2,200,002 紐西蘭元 | 100% | – | Manufacture, processing and sale of health food products 生產、加工及銷售保健食品 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

有關附屬公司之資料(續)

| Name 名稱 | Place of incorporation or establishment and place of operation/ date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及 成立日期/法人類別 | Fully paid share capital/ registered capital 已繳足股本/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|---|--|---|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| 中生聯合(香港)有限公司 | Hong Kong 23 March 2015 Limited liability company 香港 2015年3月23日 有限公司 | HKD1 1港元 | 100% | – | Trading of food products 食品貿易 |
| 上海禾健營養食品有限公司 | the PRC 30 May 2007 Limited liability company 中國 2007年5月30日 有限公司 | RMB20,000,000 人民幣 20,000,000 元 | 100% | – | Retailing of health food products 零售保健食品 |
| 上海集騰信息科技有限公司 | the PRC 30 September 2011 Limited liability company 中國 2011年9月30日 有限公司 | RMB1,000,000 人民幣 1,000,000 元 | 100% | – | Information technology maintenance services 信息技術維護服務 |
| Living Nature Natural Products Limited | New Zealand 1987 Limited liability company 紐西蘭 1987年 有限公司 | NZD14,784,444 14,784,444 紐西蘭元 | 100% | – | Manufacture, and sale of cosmetics and skin care products 生產及銷售化妝品及護膚品 |
| Sinolife (Cayman) Holding Company Limited | Cayman Islands 6 October 2017 Limited liability company 開曼群島 2017年10月6日 有限公司 | USD100 100美元 | 100% | – | Investment holding 投資控股 |
| Zhongsheng Health Company Limited | British Virgin Islands 6 October 2017 Limited liability company 英屬維爾京群島 2017年10月6日 有限公司 | USD1 1美元 | 100% | – | Investment holding 投資控股 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all 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. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則以及香港公司條例披露規定編製。該等財務報表乃按歷史成本慣例編製。該等財務報表以人民幣呈列，而除非另有指明外，所有數值已約整至最接近的千位。

合併基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)於截至2018年12月31日止年度之財務報表。附屬公司乃本公司直接或間接控制的實體(包括結構性實體)。當本集團透過參與被投資方而享有或有權獲得可變回報，且有能力透過對被投資方的權力影響該等回報(即現有權利賦予本集團目前指示被投資方相關活動的能力)時，即屬於擁有控制權。

當本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估是否擁有對被投資方的權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與被投資方的其他投票持有者之間的合作安排；
- (b) 從其他合同安排取得的權力；及
- (c) 本集團的投票權及潛在投票權。

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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

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

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

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

2.1 編製基準(續)

合併基準(續)

附屬公司財務報表乃按與本公司一致的報告期及會計政策編製。附屬公司業績的合併始於本集團獲得對該等附屬公司的控制權之時，並止於本集團喪失有關控制權之時。

損益和其他全面收入的各個組成部分歸屬於本集團母公司的擁有人及非控股權益，即使此舉導致非控股權益有虧絀結餘。所有集團內公司間的資產與負債、權益、收入、開支及與本集團成員公司之間交易有關的現金流量均於綜合賬目時悉數撇銷。

倘有事實及情況顯示上文所述三項控制因素中的一項或多項出現變化，本集團會重新評估其是否控制被投資方。並無失去控制權的附屬公司擁有權權益變動以股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認該附屬公司的(i)資產(包括商譽)及負債，(ii)任何非控股權益之賬面金額；及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公平值；(ii)所保留任何投資的公平值；及(iii)損益賬中任何因此產生的盈餘或虧絀。先前已於其他全面收入內確認的本集團應佔部分重新分類至損益或保留利潤(如適用)，基準與本集團直接出售相關資產或負債所要求的基準相同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

| | |
|--|---|
| HKFRS 9 | <i>Financial Instruments</i> |
| HKFRS 15 | <i>Revenue from Contracts with Customers</i> |
| Amendments to HKFRS 15 | <i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> |
| HK(IFRIC)-Int 22 | <i>Foreign Currency Transactions and Advance Consideration</i> |
| <i>Annual Improvements 2014–2016 Cycle</i> | Amendments to HKFRS 1 and HKAS 28 |

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

HKFRS 9

Based on the assessment by the Group, there is no significant cumulative effect of the initial application of HKFRS 9 at 1 January 2018 in accordance with transition requirements.

2.2 會計政策變動及披露事項

本集團於本年度財務報表首次採納以下經修訂香港財務報告準則。

| | |
|------------------------|----------------------------|
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 來自客戶合約之收益 |
| 香港財務報告準則第15號修訂本 | 香港財務報告準則第15號「來自客戶合約之收益」的澄清 |
| 香港(國際財務報告詮釋委員會)–詮釋第22號 | 外幣交易及預付代價 |
| 2014年至2016年週期之年度改進 | 香港財務報告準則第1號及香港會計準則第28號修訂本 |

除下文所闡述有關香港財務報告準則第9號及香港財務報告準則第15號的影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。

香港財務報告準則第9號

基於本集團的評估，根據過渡規定於2018年1月1日初步應用香港財務報告準則第9號並無重大累計影響。

NOTES TO THE FINANCIAL STATEMENTS

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策變動及披露事項(續)

HKFRS 9 (Continued)

Classification and measurement

香港財務報告準則第9號(續)

分類及計量

| | Original classification under HKAS 39 | New classification under HKFRS 9 | Carrying amount at 31 December 2017 under HKFRS 9 根據香港財務報告準則第9號於2017年12月31日的賬面值 RMB'000 人民幣千元 | Carrying amount at 1 January 2018 under HKFRS 9 根據香港財務報告準則第9號於2018年1月1日的賬面值 RMB'000 人民幣千元 |
|---|---------------------------------------|----------------------------------|--|--|
| Trade receivables 貿易應收款項 | Loans and receivables 貸款及應收款項 | Amortised cost 按攤銷成本 | 49,340 | 49,340 |
| Financial assets included in prepayments, deposits and other receivables 計入預付款項、按金及其他應收款項的金融資產 | Loans and receivables 貸款及應收款項 | Amortised cost 按攤銷成本 | 7,337 | 7,337 |
| Cash and cash equivalents 現金及現金等價物 | Loans and receivables 貸款及應收款項 | Amortised cost 按攤銷成本 | 269,592 | 269,592 |
| Pledged deposits 已抵押按金 | Loans and receivables 貸款及應收款項 | Amortised cost 按攤銷成本 | 1,603 | 1,603 |
| Deposits included in other non-current assets 計入其他非流動資產的按金 | Loans and receivables 貸款及應收款項 | Amortised cost 按攤銷成本 | 416 | 416 |

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

HKFRS 9 (Continued)

Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Further details on the Group's accounting policy for accounting for impairment of financial instruments are set out on note 2.4.

The Group concluded that there is no material impact for the initial application of the new impairment requirements.

HKFRS 15

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group's contract from customers for the sale of health food products and cosmetics and skin care products include only one single performance obligations. The Group has concluded that revenue from sale should be recognised at the point of time when a customer obtains the control of the assets. The Group concluded that the initial application of HKFRS 15 has not had a significant impact on the timing of Group's revenue recognition. However, the impact of adoption of HKFRS 15 on accounting is noted below:

2.2 會計政策變動及披露事項(續)

香港財務報告準則第9號(續)

減值

透過以前瞻預期信貸虧損方法取代香港會計準則第39號已產生虧損方法，採納香港財務報告準則第9號已基本改變本集團金融資產減值虧損的會計處理。

有關本集團金融工具減值的會計處理的會計政策的進一步詳情載於附註2.4。

本集團認為，初步應用新減值規定並無重大影響。

香港財務報告準則第15號

香港財務報告準則第15號取代香港會計準則第11號*建造合約*、香港會計準則第18號*收益及相關詮釋*，適用於來自客戶合約之所有收益，除非該等合約屬於其他準則範圍。新準則建立將來自客戶合約之收益入賬的五步模式。根據香港財務報告準則第15號，收益按反映實體預期就向客戶轉讓貨品或服務而有權收取的代價金額確認。

本集團與客戶所訂銷售保健食品以及化妝品及護膚品的合約僅包括一種履約責任。本集團認為銷售收入應於客戶獲得資產控制權的時間點確認。本集團認為初步應用香港財務報告準則第15號對本集團收益確認時間並無重大影響。然而，採納香港財務報告準則第15號對入賬的影響註明如下：

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

HKFRS 15 (Continued)

Accounting for loyalty points programme

The Group operates a loyalty programme for “Heijan” brand health food products, prior to the adoption of HKFRS 15, the Group recognised “deferred revenue” in relation to the fair value of points that have been issued but not expired. Upon HKFRS 15, the Group allocated a portion of the transaction price to the loyalty points awarded to customers based on the relative stand-alone selling prices and represented “contract liabilities” included in the other payables and accruals in the consolidated statement of financial position.

Accounting for volume rebates

The Group provides retrospective volume rebates to its customers on health food products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. For “Good health” brand health food products, prior to the adoption of HKFRS 15, the Group estimated the expected volume rebates using the most likely amount of rebates approach and included a provision for rebates in other payables and accruals. Upon the adoption of HKFRS 15, the Group represented “refund liabilities” included in the other payables and accruals in the consolidated statement of financial position.

Accounting for advances received from the customers

Generally, the Group receives short-term advances from its customers, under the adoption of HKFRS 15, for short-term advances, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts. Prior to the adoption of HKFRS 15, the Group represented these advances as “advances from customers”, and upon the adoption of HKFRS 15, the Group reclassified the advance amounts to “contract liabilities” included in the other payables and accruals in the consolidated statement of financial position.

2.2 會計政策變動及披露事項(續)

香港財務報告準則第15號(續)

入賬忠誠積分計劃

採納香港財務報告準則第15號前，本集團就「禾健」品牌保健食品運作一項忠誠計劃。本集團就已發放但未屆滿的積分公平值確認「遞延收益」。根據香港財務報告準則第15號，本集團按照相關獨立售價將部分交易價轉撥為獎勵予客戶的忠誠積分，代表「合約負債」，計入綜合財務狀況表的其他應付款項及應計費用。

入賬批量回扣

本集團對期內客戶購買保健食品超過合約規定數量時提供追溯批量回扣。對於「好健康」品牌保健食品，於採納香港財務報告準則第15號前，本集團使用最可能回扣金額方法估計預期批量回扣，回扣撥備計入其他應付款項及應計費用。採納香港財務報告準則第15號後，本集團將「退款負債」計入綜合財務狀況表的其他應付款項及應計費用。

入賬自客戶收取的預付款項

一般而言，本集團從客戶收取短期預付款項。採納香港財務報告準則第15號後，本集團就短期預付款項採用實際權宜法。因此，本集團不會就合約融資部分的影響調整代價的承諾金額。採納香港財務報告準則第15號前，本集團將該等預付款項計入「客戶預付款項」。採納香港財務報告準則第15號後，本集團將預付款項重新分類為「合約負債」，計入綜合財務狀況表的其他應付款項及應計費用。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

| | |
|--|---|
| Amendments to HKFRS 3 | <i>Definition of a Business</i> ² |
| Amendments to HKFRS 9 | <i>Prepayment Features with Negative Compensation</i> ¹ |
| Amendments to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴ |
| HKFRS 16 | <i>Leases</i> ¹ |
| HKFRS 17 | <i>Insurance Contracts</i> ³ |
| Amendments to HKAS 1 and HKAS 8 | <i>Definition of Material</i> ² |
| Amendments to HKAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> ¹ |
| Amendments to HKAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> ¹ |
| HK(IFRIC)-Int 23 | <i>Uncertainty over Income Tax Treatments</i> ¹ |
| <i>Annual Improvements 2015–2017 Cycle</i> | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹ |

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but available for adoption

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

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於此等財務報表內應用已頒佈但尚未生效之以下新訂及經修訂香港財務報告準則。

| | |
|---|--|
| 香港財務報告準則第3號 修訂本 | 業務的定義 ² |
| 香港財務報告準則第9號 修訂本 | 具有負補償的預付款特性 ¹ |
| 香港財務報告準則第10號及 香港會計準則第28號修訂本 (2011年) | 投資者與其聯營公司 或合營企業之間的 資產出售或注資 ⁴ |
| 香港財務報告準則第16號 | 租賃 ¹ |
| 香港財務報告準則第17號 | 保險合約 ³ |
| 香港會計準則第1號及香港 會計準則第8號修訂本 | 重大的定義 ² |
| 香港會計準則第19號修訂本 | 計劃修訂、縮減或 結算 ¹ |
| 香港會計準則第28號修訂本 | 於聯營公司及合營 企業之長期權益 ¹ |
| 香港(國際財務報告詮釋 委員會)–詮釋第23號 | 所得稅處理的不確 定性 ¹ |
| 2015年至2017年週期之 年度改進 | 香港財務報告準則 第3號、香港財務 報告準則第11號、 香港會計準則 第12號及香港會計 準則第23號修訂本 ¹ |

¹ 於2019年1月1日或之後開始之年度期間生效

² 於2020年1月1日或之後開始之年度期間生效

³ 於2021年1月1日或之後開始之年度期間生效

⁴ 尚未釐定強制生效日期，但可予採納

預期將適用於本集團的該等香港財務報告準則的進一步資料概述如下。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(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」、香港(常設詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(常設詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括兩項承租人可選擇的確認豁免項目－低價值資產租賃及短期租賃。於租賃開始日期，承租人將於租賃期就租賃付款確認負債(即租賃負債)及就代表可使用相關資產的權利確認為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或涉及應用於重估模型的一類房產、廠房及設備，有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號的出租人大致沿用香港會計準則第17號的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of RMB21,697,376.04 and lease liabilities of RMB21,464,294.16 will be recognised at 1 January 2019.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。承租人可選擇以全面追溯應用或部分追溯應用方式應用該準則。本集團將自2019年1月1日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號中的過渡條文，以確認初次採納的累積影響為對2019年1月1日保留盈餘期初結餘的調整，且本集團將不會重述比較資料。此外，本集團計劃將新規定應用於先前應用香港會計準則第17號獲識別為租賃的合約，且將按剩餘租賃付款的現值計量租賃負債，並採用本集團於首次應用日期的增量借款利率折現。有使用權資產將按租賃負債計量，並按於緊接首次應用日期前財務狀況表中確認的租賃相關的任何預付或應計租賃金額予以調整。本集團計劃於租賃合約內使用該準則准許的豁免，而該等租賃合約的租賃期限於截至首次應用日期止12個月內到期。於2018年，本集團已對採用香港財務報告準則第16號之影響進行詳細的評估。本集團估計將於2019年1月1日確認使用權資產人民幣21,697,376.04元及租賃負債人民幣21,464,294.16元。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港(國際財務報告詮釋委員會)－詮釋第23號，在稅項處理涉及影響採納香港會計準則第12號的不確定性因素(一般指「不確定稅項狀況」)時，處理該情況下的所得稅(即期及遞延)會計。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅，亦尤其不包括與權益及有關不確定稅項處理的處罰相關的規定。該詮釋具體處理以下事項：(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未用稅項虧損、未用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。毋須採納事後確認時可以全面追溯調整法採納該詮釋，或於首次採納當日對期初權益作出調整而毋須重述比較資料，在有關採納的積累影響下可以採納追溯調整法採納該詮釋。本集團預期將自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

2.4 重大會計政策概要

業務合併及商譽

業務合併乃以收購法列賬。已轉讓對價乃以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被於收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時列為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 重大會計政策概要(續)

業務合併及商譽(續)

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公平值重新計量，所產生的任何收益或虧損在損益中確認。

收購方將轉讓的任何或然對價按收購日期的公平值確認。分類為資產或負債的或然對價按公平值計量，其公平值變動於損益內確認。分類為權益的或然對價不重新計量，其之後的結算在權益中入賬。

商譽最初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公平值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公平值，於重新評估後該差額於損益內確認為議價收購之收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

2.4 重大會計政策概要(續)

業務合併及商譽(續)

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，確認減值虧損。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則在釐定出售收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公平值計量

公平值指於計量日期之市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓債務所支付之價格。公平值計量乃基於假設出售資產或轉讓債務之交易於資產或負債之主要市場，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公平值乃使用市場參與者為資產或負債定價所用之假設計量(假設市場參與者依照彼等之最佳經濟利益行事)。

非金融資產之公平值計量乃經計及一名市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益的能力。

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

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

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

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

2.4 重大會計政策概要(續)

公平值計量(續)

於財務報表計量或披露公平值之所有資產及負債，均根據對公平值計量整體而言屬重要之最低層輸入數據在下述公平值等級架構內進行分類：

- | | | |
|-----|---|---|
| 第一層 | — | 按同等資產或負債於活躍市場之報價(未經調整)計算 |
| 第二層 | — | 按估值技術計算(藉此直接或間接可觀察且對公平值計量而言屬重要之最低層輸入數據) |
| 第三層 | — | 按估值技術計算(藉此觀察不到且對公平值計量而言屬重要之最低層輸入數據) |

就按經常性基準於財務報表確認之資產及負債而言，本集團於各報告期末通過重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)以決定等級架構內各層之間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

2.4 重大會計政策概要(續)

非金融資產之減值

倘有跡象顯示出現減值或須就資產(存貨、金融資產及非流動資產除外)進行年度減值測試，則會估計資產之可收回金額。資產之可收回金額為資產或現金產生單位之使用價值及公平值減出售成本(以較高者為準)，並就個別資產釐定，除非有關資產並無產生在頗大程度上獨立於其他資產或資產組別之現金流入。在此情況下，可收回金額乃就資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超逾其可收回金額時確認。於評估使用價值時，估計日後現金流量按可反映貨幣時間價值的現時市場評估及資產特定風險之稅前貼現率貼現至其現值。減值虧損於產生期間自損益中與減值資產功能相一致之開支類別中扣除。

資產乃於各報告期末進行評估，以確定是否有跡象顯示之前已確認之減值虧損不再存在或可能已經減少。倘出現該等跡象，則對該可收回金額作出估計。之前已確認之資產(商譽除外)減值虧損僅會於用以釐定資產可收回金額之估計改變時撥回，惟撥回後之金額不得高於假設過往年度並無就資產確認減值虧損而應予以釐定之賬面值(扣除任何折舊／攤銷)。減值虧損之撥回於產生期間計入損益，惟若資產按重估金額入賬，則撥回之減值虧損按該重估資產之相關會計政策列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 重大會計政策概要(續)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

關聯方

下列人士視為與本集團有關聯，倘：

- (a) 有關方為一名人士或該人士家族之近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理人員的其中一名成員；

或

- (b) 該人士為符合下列任何一項條件之實體：
 - (i) 該實體與本集團屬同一集團旗下成員；
 - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體之母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體及本集團均為同一第三方之合營企業；
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或一家與本集團有關之實體就僱員之福利而設的離職後福利計劃；
 - (vi) 該實體受(a)所述人士控制或共同控制；
 - (vii) 於(a)(i)所述人士對實體有重大影響或屬該實體(或該實體母公司)主要管理人員之其中一名成員；及
 - (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團的母公司提供主要管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|------------------------|---------|
| Buildings | 5% |
| Leasehold improvements | 33%–49% |
| Plant and machinery | 10%–20% |
| Furniture and fixtures | 20%–33% |
| Motor vehicles | 20%–25% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要(續)

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損列賬。倘物業、廠房及設備項目分類為持作出售，或該項目屬於分類為持作出售之出售組別一部分，則不會計提折舊，並按香港財務報告準則第5號處理入賬。物業、廠房及設備項目之成本包括其買價及令該項資產達至其運作狀態及地點以供擬定用途之任何直接應佔成本。

在物業、廠房及設備項目投入運作後所產生之開支(例如維修及保養)，一般於產生期間計入損益。倘能符合確認條件，重大檢查開支可於資產賬面值資本化以作代替。倘物業、廠房及設備之主要部分需定期更換，本集團會按特定使用年期確認該部份為個別資產，並據此作出折舊。

折舊乃採用直線法於各項物業、廠房及設備項目之估計可使用年期撇銷其成本至其剩餘價值計算。計算採用之主要年率如下：

| | |
|-------|---------|
| 樓宇 | 5% |
| 租賃裝修 | 33%–49% |
| 廠房及機器 | 10%–20% |
| 傢俬及設備 | 20%–33% |
| 汽車 | 20%–25% |

如某項物業、廠房及設備項目各部份的可使用年期各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部份則各自計提折舊。剩餘價值、可使用年期及折舊方法至少會於各財政年度末進行審核及調整(如適用)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 重大會計政策概要(續)

物業、廠房及設備及折舊(續)

物業、廠房及設備項目(包括已初步確認之任何重大部分)於出售時或預日期後不會因使用或出售而帶來經濟利益時終止確認。在終止確認該項資產之同一年度,於損益確認出售或報廢的任何盈虧為有關資產之出售所得款項淨額與其賬面值之差額。

在建工程指在建樓宇,乃按成本減任何減值虧損入賬,不計折舊。成本包括建築期間的直接建築成本及相關借貸之資本化借貸成本。在建工程於竣工及投入使用時重新分類至物業、廠房及設備之適當類別。

無形資產(商業除外)

分開收購的無形資產於初步確認時按成本計量。經業務合併收購的無形資產成本指收購日期的公平值。無形資產的可使用年期可評定為有限期或無限期。有限期無形資產其後按可使用經濟年期予以攤銷,並於無形資產可能出現減值跡象時評估減值。有限期可使用年期無形資產的攤銷期及攤銷方法至少須於各個財政年度末進行審核。

無限期可使用年期之無形資產,個別或按現金產生單位組別每年進行減值測試。該等無形資產毋須攤銷。無特定年期之無形資產之可使用年期會每年檢討,以釐定是否仍然適合評估為無限年期。如不適用,可使用年期評估評定資產由無限期可使用年期轉至有限期可使用年期時,乃按未來使用基準入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Licence and health food certificates

Licence acquired as part of a business combination was valued at fair value based on the relief from the royalty method. The licence with indefinite useful life was tested for impairment annually. The health food certificates acquired as part of a business combination were valued at fair value based on the replacement cost method and are amortised on the straight-line basis over their estimated useful life of 5 years. Health food certificates acquired separately are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 5 years.

Customer relationships

Customer relationships acquired as part of business combinations were valued at fair value based on the multi-period excess earnings method. Customer relationships are assessed as having finite useful lives and are amortised on the straight-line basis over their estimated useful lives of 10 to 14 years.

Trademarks

Trademarks acquired as part of business combinations were valued at fair value based on the relief from the royalty method. Trademarks with finite useful lives are amortised on the straight-line basis over their estimated useful life of 10 years. Trademarks with indefinite useful lives are tested for impairment annually.

Distribution network

Distribution network acquired as part of a business combination was valued at fair value and is amortised on the straight-line basis over its useful life of 10 years.

2.4 重大會計政策概要(續)

無形資產(商業除外)(續)

許可證及保健食品證書

作為業務合併的一部分收購的許可證乃基於減免特許權使用費的方法，按公平值進行估值。使用期限不確定的許可證每年進行一次減值測試。作為業務合併的一部分收購的保健食品證書乃基於置換成本法按公平值進行估值，並於5年的估計使用年內按直線基準進行攤銷。單獨收購的保健食品證書乃按成本減任何減值虧損列賬，並於5年的估計使用年內按直線基準進行攤銷。

客戶關係

作為企業合併一部分而獲得的客戶關係按多期超額收益法以公平值估量。客戶關係獲評定擁有有限期可使用年期，並以直線法按其可使用年期十至十四年進行攤銷。

商標

作為企業合併一部分而獲得的商標基於權利金節省法按公平值估值。有限期可使用年期的商標以直線法按其估計可使用年期十年進行攤銷。無限期可使用年期的商標每年進行減值測試。

分銷網絡

作為企業合併一部分而獲得的分銷網絡按公平值估值並以直線法按其可使用年期十年進行攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 重大會計政策概要(續)

租賃

除法定權利外，資產擁有權絕大部分回報及風險已轉移予本集團之租賃，均列作融資租賃。於融資租賃開始日，租賃資產之成本以最低租賃付款現值撥充資本，並與有關責任(不包括利息因素)一同入賬，以反映其購買及融資活動。根據撥作資本之融資租賃持有之資產(包括融資租賃之預付土地租賃款項)計入物業、廠房及設備，於租期或資產估計可使用年期之較短期間內折舊。該等租賃之融資成本自損益表扣除，以確保租期內維持固定之定期利率。

通過具有融資性質之租賃合約收購之資產作為融資租賃處理，並按估計可使用年期折舊。

資產擁有權所附帶之絕大部份回報及風險仍屬出租人所有之租約入賬列為經營租約。如本集團為承租人，根據經營租約應付之租金經扣除出租人所提供之任何獎勵後以直線法按租期於損益表內扣除。

經營租約項下之預付土地租賃費用初步按成本列賬，其後則以直線法按租期確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

2.4 重大會計政策概要(續)

投資及其他金融資產(自2018年1月1日起適用於香港財務報告準則第9號項下的政策)

初步確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用並未就重大融資成分的影響作出調整的可行權宜方法的貿易應收款項外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項乃根據下文「收入確認」所載政策按香港財務報告準則第15號釐定的交易價格計量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

所有按常規方式購買及出售的金融資產於交易日(即本集團承諾購買或出售該項資產的日期)確認。常規方式購買或出售乃指購買或出售須在一般按規例或市場慣例確定的期間內交付資產的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Financial assets designated at fair value through other comprehensive income (equity investments)

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重大會計政策概要(續)

投資及其他金融資產(自2018年1月1日起適用於香港財務報告準則第9號項下的政策)(續)

後續計量

金融資產其後視乎以下分類作出計量：

按攤銷成本計量的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有金融資產。
- 金融資產的合約條款於特定日期產生純粹為支付本金及未償還本金利息的現金流量。

按攤銷成本計量的金融資產其後使用實際利率法計量，並受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

指定按公平值計入其他全面收益的金融資產(股本投資)

於初始確認時，本集團可選擇於股本投資符合香港會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公平值計入其他全面收益的股本投資。分類乃按個別工具基準釐定。

指定按公平值計入其他全面收益的金融資產(股本投資)

該等金融資產的收益及虧損概不會被重新計入損益表。當確立支付權及與股息相關的經濟利益可能流入本集團且股息金額能可靠計量時，股息於損益表中確認為其他收入，惟當本集團於作為收回金融資產一部份成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公平值計入其他全面收益的股本投資不受減值評估影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 重大會計政策概要(續)

投資及其他金融資產(於2018年1月1日前適用於香港會計準則第39號項下的政策)

初步確認及計量

金融資產於初步確認時分類為貸款及應收款項(倘適用)。於初步確認金融資產時，以公平值加收購金融資產產生的交易成本計量，惟按公平值計入損益之金融資產除外。

所有一般買賣之金融資產概於交易日，即本集團承諾購買或出售該資產之日期，予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

後續計量

金融資產的後續計量根據其分類進行，詳情如下：

貸款及應收款項

貸款及應收款項為非衍生金融資產，擁有固定或可釐定付款，且並無於活躍市場報價。於初步計量後，該等資產其後按以實際利率法計算的攤銷成本(扣除任何減值撥備)入賬。攤銷成本乃於計及收購的任何折讓或溢價而計算，並包括構成實際利率不可或缺部分的費用或成本。實際利率攤銷載於損益的其他收入及收益內。減值產生的虧損於損益的貸款融資成本與其他應收款項開支內確認。

可供出售金融投資

可供出售金融投資為上市及非上市股本投資及債務證券中的非衍生金融資產。分類為可供出售的股本投資為既未分類為持作交易亦未分類為指定以公平值計入損益的股本投資。該類別的債務證券為擬持有作無期限，且可視乎流動資金需求或市況變動時出售的債務證券。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Subsequent measurement (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 重大會計政策概要(續)

投資及其他金融資產(於2018年1月1日前適用於香港會計準則第39號項下的政策)(續)

後續計量(續)

於首次確認後，可供出售金融投資後續以公平值計量，而未變現收益或虧損則於可供出售投資重估儲備確認為其他全面收入，直至取消確認投資為止，在此情況下，累計收益或虧損於損益表確認為其他收入，或直至投資被評定為已減值為止，則在此情況下累計收益或虧損則從可供出售投資重估儲備重新分類至損益表的其他收益或虧損。根據下文「收入確認(於2018年1月1日前適用)」所載之政策，持有可供出售金融投資所賺取之利息及股息分別作為利息收入及股息收入入賬，並於損益表內確認為其他收入。

倘(a)由於合理估計的公平值波幅對該項投資而言屬重大或(b)在波幅範圍內不同估計不能得以合理地評估或使用作公平值估計，而使非上市股本投資公平值無法可靠計量，則該等投資以成本扣除任何減值虧損列賬。

本集團評估於短期內出售其可供出售金融資產之能力及意向是否仍然適合。倘在罕有情況下，因交投不活躍的市場而致使本集團無法買賣該等金融資產時，若管理層有能力並有意於可見未來持有資產或持至其到期日，則本集團可能選擇重新分類該等金融資產。

就自可供出售類別重新分類之金融資產而言，於重新分類日期公平值賬面值為新攤銷成本及已於股本確認的該資產的任何上述收益或虧損於投資的剩餘年期以實際利率於損益攤銷。新攤銷成本與到期金額的任何差額亦於資產的剩餘年期以實際利率攤銷。倘資產隨後被釐定為減值，則錄入股本之金額重新分類至損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策概要(續)

終止確認金融資產(自2018年1月1日起適用於香港財務報告準則第9號項下的政策及於2018年1月1日前適用於香港會計準則第39號項下的政策)

金融資產(或(如適用)金融資產的一部分或同類金融資產組別的一部分)主要在以下情況會終止確認(即自本集團綜合財務狀況表中移除):

- 自資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓其自資產收取現金流量的權利, 或已假定將根據「交付」安排在無重大延誤情況下向第三方全數支付已收現金流量; 及(a)本集團將資產的絕大部分風險及回報轉讓; 或(b)本集團並無將資產的絕大部分風險或回報轉讓或保留, 惟已轉讓資產的控制權。

當本集團已轉讓其自資產收取現金流量的權利或已訂立交付安排時, 本集團評估其是否已保留該資產所有權的風險及回報以及相關程度。當其並無轉讓或保留該資產的絕大部份風險及回報, 亦無轉讓該資產的控制權時, 本集團繼續確認已轉讓資產, 惟以本集團持續參與為限。於該情況下, 本集團亦確認一項關聯負債。已轉讓資產及該關聯負債根據反映本集團已保留的權利及義務的基準計量。

以所轉讓資產作擔保的形式存在的持續參與按該資產的初始賬面值與本集團可能須償還的最高代價兩者間的較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 重大會計政策概要(續)

金融資產減值(自2018年1月1日起適用於香港財務報告準則第9號項下的政策)

本集團確認對並非按公平值計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定、以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

普通法

預期信貸虧損分兩個階段進行確認。就自初始確認起信貸風險並無大幅增加的信貸敞口而言，會就未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計提預期信貸虧損。就自初始確認起信貸風險大幅增加的該等信貸敞口而言，不論何時發生違約，於敞口的餘下年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具信貸風險是否自初始確認起大幅增加。於進行評估時，本集團比較金融工具於報告日期發生違約的風險及金融工具於初始確認日期發生違約的風險，認為在無需付出過多成本或努力的情況下即可獲得合理可靠的資料(包括歷史及前瞻性資料)。

本集團會在合約付款逾期90日時考慮金融資產違約。然而，在若干情況下，當內部或外部資料顯示，在並無計及本集團持有的任何信貸提升措施情況時，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 重大會計政策概要(續)

金融資產減值(自2018年1月1日起適用於香港財務報告準則第9號項下的政策)(續)

簡化法

就並無重大融資成分的貿易應收款項及合約資產或本集團就任何重大融資成分應用不調整交易價格的可行權宜方法而言，本集團採用簡化法計算預期信貸虧損。根據簡化法，本集團並未追蹤信貸風險變動，轉而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境特定的前瞻性因素作出調整。

金融資產減值(於2018年1月1日前適用於香港會計準則第39號項下的政策)

本集團於各個報告期末評估有否客觀證據顯示個別或金融資產組別出現減值。倘於首次確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響能夠可靠地估計時，則存在減值。減值跡象可包括一名或一群債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目或與違約相關的經濟狀況變動。

以攤銷成本計值的金融資產

就以攤銷成本計值的金融資產而言，本集團首先會就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，單獨或共同評估是否分別存在減值。倘本集團認定按個別基準經評估的金融資產(無論重大與否)並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估是否減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost (Continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融資產減值(於2018年1月1日前適用於香港會計準則第39號項下的政策)(續)

以攤銷成本計值的金融資產(續)

已識別的減值虧損數額乃根據資產賬面值與估計未來現金流量現值(不包括尚未產生的未來信貸虧損)之間的差額計算。估計未來現金流量之現值以金融資產原來實際利率(即首次確認時計算的實際利率)貼現。

資產賬面值透過使用撥備賬下調，而虧損於損益確認入賬。利息收入於減少後的賬面值中採用計量減值虧損時用以貼現未來現金流量的利率持續累計。貸款及應收款項連同相關之撥備當日後並無實際可能收回時作出撇銷，而所有抵押品已變現或已轉撥至本集團。

倘於其後期間，經估計減值虧損數額由於確認減值後的事件增加或減少，之前確認的減值虧損則可透過調整撥備賬增加或下調。倘於其後收回撇清，該項收回將於損益計入其他開支。

可供出售金融投資

就可供出售金融投資而言，本集團於各個報告期末評估有否客觀證據顯示一項或一組投資出現減值。

倘可供出售金融資產出現減值，成本(扣除任何本金付款及攤銷)與其現時公平值的差額扣除之前已於損益表確認的減值虧損後的金額從其他全面收入移除並於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 重大會計政策概要(續)

金融資產減值(於2018年1月1日前適用於香港會計準則第39號項下的政策)(續)

可供出售金融投資(續)

就分類為可供出售的股本投資而言，客觀證據應包括投資之公平值大幅或持續下降至低於其成本。「大幅」乃與該項投資之原成本比較後評估，而「持續」則按公平值低於其原成本之時而評估。倘有減值跡象，按收購成本與現時公平值的差額計量的累計虧損(減往期就該項投資於損益表確認之減值虧損)於其他全面收入中移除，並於損益表確認。分類為可供出售股本工具的減值虧損不會透過損益表撥回。減值後公平值之增幅乃直接於其他全面收入中確認。

釐定「大幅」或「持續」的定義須作出判斷。在作出判斷時，本集團所衡量之因素包括投資之公平值跌至低於其成本所涉及的時間或程度。

按成本列賬的資產

倘有客觀證據顯示因未能可靠地計量公平值而不按公平值列賬的非上市股本工具或與此非上市股本工具掛鉤並須以其交收結算的衍生資產出現減值虧損，虧損金額按該項資產的賬面值與按類似金融資產目前市場回報率貼現估計未來現金流量的現值之間的差額計量。該等資產的減值虧損不會撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

2.4 重大會計政策概要(續)

金融負債(自2018年1月1日起適用於香港財務報告準則第9號項下的政策及於2018年1月1日前適用於香港會計準則第39號項下的政策)

首次確認及計量

金融負債於首次確認時分類為以公平值計入損益之金融負債、貸款及借貸或分類為指定作有效對沖的對沖工具的衍生工具(倘適用)。

所有金融負債初步按公平值確認，倘為貸款及借貸，則須扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項以及計息銀行及其他借貸。

後續計量

金融負債的後續計量根據其分類進行，詳情如下：

貸款及借貸

於首次確認後，金融負債隨後以實際利率法按攤銷成本計量，除非貼現影響微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率進行攤銷程序時，其收益及虧損於損益內確認。

攤銷成本於計算時已考慮收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本。實際利率攤銷計入綜合損益及其他全面收益表的融資成本內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 重大會計政策概要(續)

終止確認金融負債(自2018年1月1日起適用於香港財務報告準則第9號項下的政策及於2018年1月1日前適用於香港會計準則第39號項下的政策)

當負債項下的責任被解除或取消或到期時，則終止確認金融負債。

倘現有金融負債由同一貸方按條款迥異的其他負債取代，或現有金融負債的條款經重大修訂，則該等變更或修訂被視作終止確認原有負債並確認新負債，各賬面值的差額於損益確認。

抵銷金融工具(自2018年1月1日起適用於香港財務報告準則第9號項下的政策及於2018年1月1日前適用於香港會計準則第39號項下的政策)

倘現時存在一項可依法強制執行的權利可抵銷已確認金額，且有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨金額列入財務狀況表內。

存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本以加權平均法釐定，製成品成本包括直接物料成本、直接勞工成本及適當比例的間接成本。可變現淨值按估計售價減完成及出售所需的任何估計成本釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金和活期存款以及可隨時兌換為已知數額現金的短期高流動性投資，價值波動風險不大，且一般自取得日期起計三個月內到期(不包括須於要求時償還的銀行透支)及屬本集團現金管理主要組成部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及用途不受限制之銀行存款(包括定期存款以及性質與現金類似的資產)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重大會計政策概要(續)

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務,則確認撥備,惟須可靠估計有關債務金額。

倘貼現的影響屬重大,則確認的撥備金額為預期需用作償還債務的未來支出於各報告期末的現值。因時間推移而產生的貼現現值增額,計入損益內的融資成本。

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認,不論是否於其他全面收入或直接於權益內確認。

即期稅項資產及負債,乃根據於報告期末已頒佈或實際上已頒佈的稅率(及稅法),並考慮本集團業務所在國家的現行詮釋及慣例,按預期自稅務機關退回或付予稅務當局的金額計算。

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提撥備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and the joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初步確認商譽或資產或負債而產生，並於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司及合營企業投資有關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，而該等暫時差額於可預見將來可能不會撥回。

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免及任何未動用稅務虧損的結轉而確認。遞延稅項資產以將有應課稅溢利以動用可扣稅暫時差額、未動用稅項抵免及未動用稅務虧損的結轉以作對銷為限確認，惟下列情況除外：

- 與可扣稅暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中初步確認資產或負債而產生，並於交易時並不影響會計溢利及應課稅溢利或虧損；及
- 就與於附屬公司及合營企業投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅溢利以動用暫時差額以作對銷的情況下，方予確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末審核，並沖減至不可能再有足夠應課稅溢利以致可動用全部或部分遞延稅項資產的水平。並未確認的遞延稅項資產將於各報告期末重新評估，並於可能將有足夠的應課稅溢利以致可收回全部或部分遞延稅項資產時予以確認。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助金

倘有合理保證將可獲得政府補助金，且符合所有附帶條件，則補助金可按公平值確認。倘補助金與開支項目有關，則在必須將補助金於擬補償的成本支出期間有系統地確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the services have been rendered and it is possible that economic benefits will flow to the Group and the relevant fee can be measured reliably;

2.4 重大會計政策概要(續)

收入確認(自2018年1月1日起適用)

來自客戶合約之收益

於貨品或服務的控制權按反映本集團預期就交換該等貨品或服務有權收取的代價的金額轉移予客戶時確認客戶合約收益。

當合約代價包含可變金額時，代價金額估計為本集團就向客戶轉讓貨品或服務而有權在交換中獲取的數額。可變代價於合約開始時估計並受到約束，直至其後關乎可變代價的不確定因素獲得解決時確認累計收益金額不大可能發生重大收益撥回。

其他收入

利息收入按應計基準使用實際利率法，透過採用將金融工具在預期可使用年期或較短期間(如適用)內的估計未來現金收入準確貼現至金融資產之賬面淨值的比率予以確認。

股息收入於股東收取款項之權利被確立時確認，與股利相關的經濟利益很可能流入本集團，且股利的金額能夠可靠計量。

收入確認(於2018年1月1日前適用)

收入會於本集團可能獲得有關經濟利益及收益能可靠計量時，按以下基準確認：

- (a) 銷售貨品之收入於擁有權之大部分風險及回報轉移至買家時入賬，惟本集團對所售貨品不再擁有通常與擁有權有關之管理權及實際控制權；
- (b) 提供服務收入，於提供服務及經濟利益可能流向本集團且相關費用能夠可靠計量時；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable before 1 January 2018) (continued)

- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

Contract liabilities (applicable from 1 January 2018)

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

Refund liabilities (applicable from 1 January 2018)

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.4 重大會計政策概要(續)

收入確認(於2018年1月1日前適用)(續)

- (c) 利息收入，按應計基準以實際利率法將金融工具在預計年期(或較短期間，如適用)內估計在日後收取的現金準確貼現至金融資產賬面淨值的利率確認；及
- (d) 股息收入，在股東的收款權利確立時予以確認。

合約負債(自2018年1月1日起適用)

合約負債乃就本集團已自客戶收取代價(或到期代價金額)而向客戶轉讓貨物或服務的責任。倘客戶在本集團向客戶轉讓貨物或服務前已支付代價，則會在付款或付款到期(以較早者為準)時確認合約責任。當本集團履行合約時，合約負債乃確認為收入。

退款負債(自2018年1月1日起適用)

退款負債為退還自客戶收取(或應收)之部分或全部代價的義務，並按本集團最終預期其須退回予客戶的金額計量。本集團於各報告期末更新其對退款負債之估計(及交易價格之相應變動)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain fixed percentages of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees of the Group's subsidiaries which operate in the Hong Kong SAR. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要(續)

其他僱員福利

退休金計劃

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府運作之中央退休金計劃。該等附屬公司須將薪金成本之若干固定百分比向中央退休金計劃供款。供款將根據中央退休金計劃規則於應付時從收益表中扣除。

本集團為其於香港特別行政區經營之附屬公司之僱員遵照強制性公積金計劃條例運營一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪酬之某一百分比計算，並根據強積金計劃規則在需要支付時自損益中扣除。強積金計劃資產與本集團之資產分開並由獨立管理基金持有。本集團按強積金計劃作出之供款利益全數歸屬於僱員。

借款成本

收購、建設或生產合資格資產(即必需於一段長時間方能達致其原定用途或出售)直接應佔之借款成本資本化為該等資產之部分成本。當資產大致上可作其原定用途或出售，則該等借款成本將會停止資本化。於有待用於合資格資產之特定借款作短期投資所賺取之投資收入乃從可資本化之借款成本中扣除。所有其他借款成本於產生期間支銷。借款成本包括實體因借入資金而產生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要(續)

股息

末期股息在股東大會上獲股東批准後確認為負債。

建議末期股息披露於財務報表附註。

中期股息於建議之同時宣派，因為本公司之組織章程大綱及細則授權董事宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司的功能貨幣人民幣呈列。本集團旗下各實體確定其本身功能貨幣，而各實體的財務報表內計入的項目以該功能貨幣計量。本集團旗下實體記錄的外幣交易最初以其各自於交易日期適用的功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按於報告期末適用的功能貨幣匯率換算。因結算或換算貨幣項目而產生的差額均於損益確認。

根據歷史成本以外幣計量的非貨幣項目以首次交易當日的匯率換算。按公平值以外幣計量的非貨幣項目按公平值釐定當日的匯率換算。因換算按公平值計量之非貨幣項目而產生的收益或虧損的處理方式與確認項目公平值變動收益或虧損的方式一致(即公平值損益於其他全面收入或損益內確認的項目的換算差額亦分別於其他全面收入或損益內確認)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries and joint ventures are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into Renminbi at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.4 重大會計政策概要(續)

外幣(續)

若干海外附屬公司及合營企業以人民幣以外的貨幣為功能貨幣。於報告期末，該等實體的資產及負債按於報告期末適用的匯率換算為人民幣，其損益則按年內加權平均匯率換算為人民幣。

所產生的匯兌差額於其他全面收入內確認，並累計至匯兌波動儲備。於出售海外業務時，其他全面收入內與該特定海外業務有關的組成部分於損益內確認。

因收購海外業務而產生的任何商譽以及因收購而導致的資產及負債賬面值的任何公平值調整作為海外業務的資產及負債處理，並按收市匯價換算。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的適用匯率換算為人民幣。海外附屬公司於整個年度產生的經常性現金流量則按年內的加權平均匯率換算為人民幣。

3. 重要會計估計

編製本集團的財務報表要求管理層作出影響所呈報收益、開支、資產及負債金額以及附隨的披露及或然負債披露的判斷、估計及假設。此等假設及估計的不確定因素可能會導致日後須對受影響的資產和負債的賬面值作出重大調整。

估計不確定因素

下文披露的主要假設涉及於報告期末估計不確定因素的日後及其他主要來源，當中會存在導致須對下一財政年度內的資產及負債的賬面值作出重大調整的重大風險。

3. SIGNIFICANT ACCOUNTING ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB77,269,000 (2017: RMB146,134,000). Further details are given in note 17.

Impairment of intangible assets with indefinite useful lives

The Group determines whether goodwill and intangible assets with indefinite useful lives is impaired at least on an annual basis. This requires an estimation of the value in use of the intangible assets with indefinite useful lives. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from intangible assets with indefinite useful lives and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of intangible assets with indefinite useful lives at 31 December 2018 was RMB45,098,000 (2017: RMB45,145,000). Further details are given in note 17.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at each reporting date. At 31 December 2018, the net carrying value of inventories was approximately RMB110,904,000 (2017: RMB163,329,000). Further details are contained in note 18 to the financial statements.

3. 重要會計估計(續)

估計不確定因素(續)

商譽減值

本集團最少每年釐定商譽是否有所減值。釐定時須估計獲分配商譽的現金產生單位的使用價值。估計使用價值時，本集團須估計現金產生單位所產生的預期日後現金流量，亦須選擇合適的折現率，以計算該等現金流量的現值。本集團於2018年12月31日之商譽賬面值為人民幣77,269,000元(2017年：人民幣146,134,000元)。進一步詳情載於附註17。

具有無限期使用壽命的無形資產減值

本集團至少每年確定一次商譽及具有無限期使用壽命的無形資產是否已減值，這要求就具有無限期使用壽命的無形資產的使用價值作出估計。估計使用價值乃要求本集團估計有關具有無限期使用壽命的無形資產可帶來之預期未來現金流量，並選取合適的貼現率以計算該等現金流量的現值。於2018年12月31日，具有無限期使用壽命的無形資產的賬面值為人民幣45,098,000元(2017年：人民幣45,145,000元)。有關進一步詳情於附註17內披露。

存貨可變現淨值

存貨的可變現淨值乃於日常業務過程中作出的估計售價減估計銷售開支。該等估計根據現時市況及出售性質類似產品的過往經驗作出，可能因市況變動而出現重大變動。管理層於各報告日期重新評估有關估計。於2018年12月31日，存貨的賬面淨值為約人民幣110,904,000元(2017年：人民幣163,329,000元)。進一步詳情載於財務報表附註18。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different. The net carrying value of deferred tax assets relating to recognised deductible temporary differences at 31 December 2018 was RMB34,871,000 (2017: RMB16,036,000). Further details are contained in note 26 to the financial statements.

4. OPERATING SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the manufacture and sale of nutritional supplements and the sale of packaged health food products in the PRC, Australia and New Zealand.

(b) Geographical information

Most of the group companies are domiciled in the PRC and the majority of the non-current assets are located in the PRC, New Zealand and Australia. The Group's revenue from external customers is primarily derived in the PRC, New Zealand and Australia.

3. 重要會計估計(續)

估計不確定因素(續)

遞延稅項資產

倘可能有應課稅利潤可用以抵銷該虧損及可扣稅暫時差額，則未動用的稅務虧損及可扣稅暫時差額確認為遞延稅項資產。管理層須根據未來應課稅利潤的大致時間及數額以及未來稅務計劃策略作出重大判斷，以釐定可確認的遞延稅項資產金額。實際應用結果可能有所不同。於2018年12月31日，與確認可扣稅暫時差額有關之遞延稅項資產的賬面值為人民幣34,871,000元(2017年：人民幣16,036,000元)。進一步詳情載於財務報表附註26。

4. 經營分部資料

(a) 可報告分部

本集團根據由主要經營決策人審核用於作出戰略決策的報告釐定其經營分部。就管理而言，本集團根據其產品經營單一業務單位，且有一個可呈報分部，即在中國、澳大利亞及紐西蘭製造及銷售營養膳食補充劑以及銷售預包裝保健食品。

(b) 地域資料

本集團旗下大部分公司的所屬地為中國且大部分非流動資產均位於中國、紐西蘭及澳大利亞。本集團來自外部客戶的收入主要在中國、紐西蘭及澳大利亞產生。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料(續)

(b) Geographical information (Continued)

The following is an analysis of the Group's revenue from its major markets:

(b) 地域資料(續)

以下為本集團來自主要市場的收入分析：

| | | 2018 | 2017 |
|-----------------|------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Mainland China | 中國大陸 | 310,110 | 303,968 |
| New Zealand | 紐西蘭 | 125,970 | 149,031 |
| Australia | 澳大利亞 | 7,386 | 7,071 |
| Vietnam | 越南 | 3,481 | 1,917 |
| Other countries | 其他國家 | 6,252 | 10,503 |
| | | 453,199 | 472,490 |

(c) Non-current assets

(c) 非流動資產

| | | 2018 | 2017 |
|----------------|------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Mainland China | 中國大陸 | 190,055 | 148,847 |
| New Zealand | 紐西蘭 | 29,965 | 33,399 |
| Australia | 澳大利亞 | 728 | 993 |
| | | 220,748 | 183,239 |

The non-current assets information above is based on the locations of the assets and excludes goodwill, an investment in a joint venture, deferred tax assets, pledged deposit and other non-current assets.

以上非流動資產之資料乃基於資產所處位置及排除商譽、合營企業投資、遞延稅項資產、已抵押按金及其他非流動資產。

(d) Information about major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

(d) 主要客戶的資料

概無與單一外部客戶交易的收入佔本集團收入的10%或以上。

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5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

5. 收益、其他收入及盈利

收益指已售貨品經扣除退貨及貿易折扣後的發票淨值及年內所提供服務的價值。

收益、其他收入及盈利的分析如下：

| | | Note | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------|------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| Type of goods or services | 貨品或服務類別 | | | |
| Sale of goods | 銷售貨品 | | 453,165 | 472,244 |
| Rendering of services | 提供服務 | | 34 | 246 |
| | | | 453,199 | 472,490 |
| Timing of revenue recognition | 收益確認時間 | | | |
| Goods or services transferred at a point in time | 按轉讓貨品或服務時的時間點 | | 453,199 | 472,490 |
| Total revenue from contracts with customers | 來自客戶合約之收益總額 | | 453,199 | 472,490 |
| Other income | 其他收入 | | | |
| Bank interest income | 銀行利息收入 | 6 | 4,242 | 3,300 |
| Government grants* | 政府補助金* | 6 | 3,068 | 3,572 |
| Short term investment income | 短期投資收入 | | - | 9 |
| Foreign exchange differences, net | 外匯差額淨額 | | 1,486 | - |
| Others | 其他 | | 257 | 352 |
| | | | 9,053 | 7,233 |
| Gains | 盈利 | | | |
| Gain on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的盈利 | 6 | - | 19 |
| | | | 9,053 | 7,252 |

* Various government grants have been received for the Group's contribution to the development of local economy. There are no unfulfilled conditions or contingencies relating to these grants.

* 由於本集團對地方經濟發展的貢獻，已收到各種政府補助金。概無有關該等補助金尚未完成的條件或有事項。

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6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

6. 除稅前(虧損)/利潤

本集團除稅前(虧損)/利潤乃在扣除/(計入)以下各項後得出：

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|---------------------------|-----------------------------------|-----------------------------------|
| Cost of inventories sold | 已售存貨的成本 | 176,081 | 163,535 |
| Amortisation of prepaid land lease payments | 預付土地租賃款項攤銷 | 247 | 247 |
| Amortisation of intangible assets* | 無形資產攤銷* | 3,651 | 3,709 |
| Auditor's remuneration | 核數師薪酬 | 1,950 | 1,950 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 8,786 | 7,203 |
| Operating lease payments on properties and retail shops | 與物業及零售店舖有關的經營租賃付款 | 13,710 | 16,378 |
| Research and development expenses | 研發開支 | 2,551 | 3,039 |
| Employment benefit expense (excluding directors', supervisors' and chief executive's remuneration): | 員工福利開支(不包括董事、監事及行政總裁的薪酬): | | |
| Wages and salaries | 工資和薪金 | 88,222 | 94,662 |
| Pension scheme contributions | 退休金計劃供款 | 3,649 | 4,477 |
| Other benefits | 其他福利 | 14,571 | 10,780 |
| Foreign exchange differences, net | 匯兌差額，淨額 | (1,486) | 14,087 |
| Impairment of goodwill** | 商譽減值** | 70,050 | 346 |
| Impairment of an investment in a joint venture** | 於一間合營企業的投資減值** | - | 5,959 |
| Impairment of trade receivables | 貿易應收款項減值 | 4,201 | 790 |
| Write-down of inventories to net realisable value*** | 撇減存貨至可變現淨值*** | 28,227 | 336 |
| Bank interest income | 銀行利息收入 | (4,242) | (3,300) |
| Government grants | 政府補助金 | (3,068) | (3,572) |
| Loss/(gain) on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的虧損/(收益) | 163 | (19) |

* The amortisation of intangible assets for the year is included in "Selling and distribution expenses" and "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

* 年內無形資產攤銷計入綜合損益及其他全面收益表中的「銷售及分銷開支」及「行政開支」。

** The impairment of goodwill and an investment in a joint venture is included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

** 商譽及於一間合營企業的投資減值計入綜合損益及其他全面收益表中的「其他開支」。

*** The write-down of inventories to net realisable value for the year is included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

*** 年內，撇減存貨至可變現淨值計入綜合損益及其他全面收益表中的「銷售成本」。

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7. FINANCE COSTS

An analysis of finance costs is as follows:

| | | 2018 | 2017 |
|------------------------|--------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest on bank loans | 銀行貸款利息 | 3,363 | 1,815 |

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | | 2018 | 2017 |
|---|------------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Fees | 袍金 | 190 | 250 |
| Other emoluments: | 其他薪酬： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,848 | 1,575 |
| Performance related bonuses | 績效相關獎金 | 2,386 | 2,227 |
| Pension scheme contributions | 退休金計劃供款 | 231 | 231 |
| | | 4,465 | 4,033 |
| | | 4,655 | 4,283 |

7. 融資成本

融資成本分析如下：

8. 董事、監事及行政總裁薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)節以及公司(披露董事利益資料)規例第2部披露的董事及行政總裁薪酬如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事、監事及行政總裁薪酬(續)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事

於本年度向獨立非執行董事支付的袍金如下：

| | 2018 | 2017 |
|--|-----------------|----------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | (note i) | (note i) |
| | (附註 i) | (附註 i) |
| Mr. Jiang Fuxin (note ii) 蔣伏心先生(附註ii) | - | 60 |
| Ms. Feng Qing (note ii) 馮晴女士(附註ii) | 45 | 60 |
| Mr. Vincent Cheng (note ii) 鄭嘉福先生(附註ii) | 105 | 130 |
| Mr. Zhang Jitong (note iii) 張繼彤先生(附註iii) | 10 | - |
| Ms. Cai Tianchen (note iii) 蔡天晨女士(附註iii) | 20 | - |
| Mr. Wang Wei (note iii) 王瑋先生(附註iii) | 10 | - |
| | 190 | 250 |

Save as disclosed above, there were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

除上文所披露者外，於本年度，概無向獨立非執行董事支付任何其他薪酬(2017年：無)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事、監事及行政總裁薪酬(續)

(b) Executive directors and supervisors

(b) 執行董事及監事

| | | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions | Total remuneration | |
|---------------------|-------|--|-----------------------------------|------------------------------------|-----------------------|---------|
| | | Fees | | | | |
| | | 袍金 | 薪金、津貼及 實物福利 | 績效相關 獎金 | 退休金計劃 供款 | 薪酬總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 2018 | 2018年 | | | | | |
| Executive directors | 執行董事 | | | | | |
| Mr. Gui Ping Hu | 桂平湖先生 | - | 713 | - | 67 | 780 |
| Ms. Zhang Yuan | 張源女士 | - | 225 | 661 | 27 | 913 |
| Ms. Xu Li | 徐麗女士 | - | 203 | 639 | 27 | 869 |
| Ms. Zhu Feifei | 朱飛飛女士 | - | 201 | 390 | 22 | 613 |
| | | - | 1,342 | 1,690 | 143 | 3,175 |
| Supervisors | 監事 | | | | | |
| Ms. Yu Min | 余敏女士 | - | 189 | 328 | 24 | 541 |
| Ms. Wu Xuemei | 吳雪梅女士 | - | 110 | 232 | 22 | 364 |
| Ms. Lu Jiachun | 陸佳純女士 | - | 105 | 44 | 22 | 171 |
| Mr. Tao Xingrong | 陶興榮先生 | - | - | - | - | - |
| Ms. Chen Xiu | 陳秀女士 | - | 102 | 92 | 20 | 214 |
| | | - | 506 | 696 | 88 | 1,290 |

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財務報表附註

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8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事、監事及行政總裁薪酬(續)

(b) Executive directors and supervisors (Continued)

(b) 執行董事及監事(續)

| | | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions | Total remuneration |
|---------------------|-------|---------|---|-----------------------------|------------------------------|--------------------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 2017 | 2017年 | | | | | |
| Executive directors | 執行董事 | | | | | |
| Mr. Gui Ping Hu | 桂平湖先生 | - | 722 | 220 | 68 | 1,010 |
| Ms. Zhang Yuan | 張源女士 | - | 171 | 696 | 30 | 897 |
| Ms. Xu Li | 徐麗女士 | - | 155 | 398 | 27 | 580 |
| Ms. Zhu Feifei | 朱飛飛女士 | - | 137 | 283 | 21 | 441 |
| | | - | 1,185 | 1,597 | 146 | 2,928 |
| Supervisors | 監事 | | | | | |
| Ms. Yu Min | 余敏女士 | - | 127 | 245 | 23 | 395 |
| Ms. Wu Xuemei | 吳雪梅女士 | - | 93 | 224 | 21 | 338 |
| Ms. Lu Jiachun | 陸佳純女士 | - | 85 | 81 | 20 | 186 |
| Mr. Tao Xingrong | 陶興榮先生 | - | - | - | - | - |
| Ms. Chen Xiu | 陳秀女士 | - | 85 | 80 | 20 | 185 |
| | | - | 390 | 630 | 84 | 1,104 |

Notes:

- (i) The directors' fees for the forthcoming 12 months were paid to the directors on the date of appointment and will be payable on the same date of each year subsequently.
- (ii) Resigned as independent non-executive directors on 23 October 2018.
- (iii) Appointed as independent non-executive directors on 23 October 2018.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

附註：

- (i) 於未來十二個月的董事袍金於其委任日期已向董事支付，且將於其後每年同一日期支付。
- (ii) 於2018年10月23日辭任獨立非執行董事。
- (iii) 於2018年10月23日獲委任為獨立非執行董事。

於本年度，概無董事或行政總裁豁免或同意豁免任何薪酬的安排。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors and the chief executive (2017: two directors and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2017: two) highest paid employee who is neither a director nor chief executive of the Company are as follows:

| | | 2018 | 2017 |
|---|------------|---------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 189 | 1,029 |
| Performance related bonuses | 績效相關獎金 | 328 | 1,962 |
| Pension scheme contributions | 退休金計劃供款 | 24 | 182 |
| | | 541 | 3,173 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

| | | Number of employees | |
|---------------------|-----------------|---------------------|-------|
| | | 員工數目 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Nil to HKD1,000,000 | 零至 1,000,000 港元 | 1 | 2 |

9. 五名最高薪酬員工

於本年度五名最高薪酬員工包括三名董事及行政總裁(2017年：兩名董事及行政總裁)，其薪酬詳情載於前述附註8。於本年度，本公司餘下一名(2017年：兩名)非董事或行政總裁的最高薪酬員工的薪酬詳情如下：

薪酬屬以下範圍的非董事及非行政總裁最高薪酬員工的人數如下：

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財務報表附註

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10. INCOME TAX

- (a) The amounts of income tax (credit)/expense in the consolidated statement of profit or loss and other comprehensive income represent:

| | | 2018 | 2017 |
|--|----------------|-----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Current | 即期 | | |
| — PRC | — 中國 | 4,920 | 6,871 |
| — Over provision in the PRC in prior years | — 過往年度於中國超額撥備 | - | 148 |
| — New Zealand | — 紐西蘭 | - | 1,988 |
| | | 4,920 | 9,007 |
| Deferred (note 26) | 遞延(附註26) | (19,206) | (5,762) |
| Total tax (credit)/charge for the year | 本年度稅項(抵免)/支出總額 | (14,286) | 3,245 |

One of the Group's subsidiaries obtained the Certificate of High and New Technology Enterprise in 2016 and was approved by tax authorities to enjoy the preferential tax rate of 15%. Except for the aforementioned subsidiaries, the income tax of the Company and its subsidiaries established in the PRC are subject to the statutory rate of 25% of the assessable profits as determined in accordance with the relevant income tax rules and regulations of the PRC. New Zealand Income tax is calculated at 28% of the assessable profits of the subsidiaries operating in New Zealand. Australia Income tax is calculated at 30% of the assessable profits of the subsidiary operating in Australia.

- (b) A reconciliation of the tax (credit)/expense applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax (credit)/expense at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates are as follows:

10. 所得稅

- (a) 於綜合損益及其他全面收益表中的所得稅(抵免)/開支金額為：

本集團其中一間附屬公司於2016年取得高新技術企業認證證書，獲稅務機關批准享有15%的優惠稅率。除上述附屬公司外，本公司及其於中國成立的附屬公司的所得稅須按根據中國相關所得稅規則及規例釐定的應課稅利潤25%的法定稅率繳納。紐西蘭所得稅按於紐西蘭營運的附屬公司應課稅利潤的28%計算。澳大利亞所得稅按於澳大利亞營運的附屬公司應課稅利潤的30%計算。

- (b) 按本公司及其大部分附屬公司所在司法權區的法定稅率計算適用於除稅前(虧損)/利潤的稅項(抵免)/開支與按實際稅率計算的稅項(抵免)/開支的對賬及適用稅率與實際稅率的對賬如下：

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10. INCOME TAX (CONTINUED)

10. 所得稅

(b) (continued)
2018

(b) (續)
2018年

| | | Mainland China | | New Zealand | | Australia | | Total | |
|---|-----------------|----------------|--------|-------------|-------|-----------|------|-----------|--------|
| | | 中國大陸 | | 紐西蘭 | | 澳大利亞 | | 總計 | |
| | | RMB'000 | % | RMB'000 | % | RMB'000 | % | RMB'000 | % |
| | | 人民幣千元 | % | 人民幣千元 | % | 人民幣千元 | % | 人民幣千元 | % |
| Loss before tax | 除稅前虧損 | (63,324) | | (62,835) | | (964) | | (127,123) | |
| Tax at the statutory tax rates | 按法定稅率計算的稅項 | (15,831) | 25.0 | (17,594) | 28.0 | (289) | 30.0 | (33,714) | 26.5 |
| Lower tax rates enacted by local authority | 當地主管部門制定的較低稅率 | (947) | 1.5 | - | - | - | - | (947) | 0.7 |
| Additional deductible allowance for research and development expenses | 研發開支額外可扣稅免稅額 | (309) | 0.5 | - | - | - | - | (309) | 0.2 |
| Expenses not deductible for tax | 不可扣稅開支 | 13,450 | (21.2) | 4,882 | (7.8) | - | - | 18,332 | (14.4) |
| Tax losses not recognised | 未確認稅項虧損 | 2,169 | (3.4) | - | - | - | - | 2,169 | (1.7) |
| Tax losses utilised from prior years | 已動用來自過往年度的稅項虧損 | (1,022) | 1.6 | - | - | - | - | (1,022) | 0.8 |
| Others | 其他 | 611 | (1.0) | 594 | (0.9) | - | - | 1,205 | (0.9) |
| Tax credit at the Group's effective rate | 按本集團實際稅率計算的稅項抵免 | (1,879) | 3.0 | (12,118) | 19.3 | (289) | 30.0 | (14,286) | 11.2 |

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10. INCOME TAX (CONTINUED)

10. 所得稅(續)

(b) (continued) 2017

(b) (續) 2017年

| | | Mainland China | | New Zealand | | Australia | | Total | |
|---|-----------------|----------------|--------|-------------|------|-----------|------|---------|--------|
| | | 中國大陸 | | 紐西蘭 | | 澳大利亞 | | 總計 | |
| | | RMB'000 | % | RMB'000 | % | RMB'000 | % | RMB'000 | % |
| | | 人民幣千元 | % | 人民幣千元 | % | 人民幣千元 | % | 人民幣千元 | % |
| Profit before tax | 除稅前利潤 | 11,051 | | 2,584 | | 453 | | 14,088 | |
| Tax at the statutory tax rates | 按法定稅率計算的稅項 | 2,763 | 25.0 | 723 | 28.0 | 136 | 30.0 | 3,622 | 25.7 |
| Lower tax rates enacted by local authority | 當地主管部門制定的較低稅率 | (2,870) | (26.0) | - | - | - | - | (2,870) | (20.4) |
| Adjustments in respect of current tax of prior years | 就過往年度即期稅項作出調整 | 148 | 1.3 | - | - | - | - | 148 | 1.1 |
| Additional deductible allowance for research and development expenses | 研發開支額外可扣稅免稅額 | (135) | (1.2) | - | - | - | - | (135) | (1.0) |
| Expenses not deductible for tax | 不可扣稅開支 | 285 | 2.6 | 125 | 4.8 | - | - | 410 | 2.9 |
| Tax losses not recognised | 未確認稅項虧損 | 3,184 | 28.8 | - | - | - | - | 3,184 | 22.6 |
| Tax losses utilised from prior years | 已動用來自過往年度的稅項虧損 | (1,043) | (9.4) | - | - | - | - | (1,043) | (7.4) |
| Others | 其他 | (87) | (0.8) | 16 | 0.6 | - | - | (71) | (0.5) |
| Tax charge at the Group's effective rate | 按本集團實際稅率計算的稅項支出 | 2,245 | 20.3 | 864 | 33.4 | 136 | 30.0 | 3,245 | 23.0 |

11. DIVIDENDS

11. 股息

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------------------|---------|-----------------------------------|-----------------------------------|
| Dividends approved and paid | 已批准派付股息 | - | 100,024 |

The Board has resolved not to declare any final dividend for the year ended 31 December 2018 (2017: Nil).

董事會已議決不就截至2018年12月31日止年度宣派任何末期股息(2017年：零)。

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11. DIVIDENDS (CONTINUED)

No proposed dividend was declared by the Board for the year ended 31 December 2017. The proposed final dividend of RMB6.00 cents per share, amounting to RMB56,777,902 and a special dividend of RMB4.57 cents per share, amounting to RMB43,245,836 for the year ended 31 December 2016 was declared payable and approved by the shareholders at the annual general meeting of the Company on 5 June 2017.

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 946,298,370 (2017: 946,298,370) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

The calculation of basic (loss)/earnings per share is based on:

11. 股息(續)

董事會並無建議宣派截至2017年12月31日止年度之股息。於2017年6月5日舉行的本公司股東週年大會，股東宣派應付及批准截至2016年12月31日止年度之建議末期股息每股人民幣6.00分，達人民幣56,777,902元及特別股息每股人民幣4.57分，達人民幣43,245,836元。

12. 母公司普通權益持有人應佔每股(虧損)/盈利

每股基本(虧損)/盈利乃按母公司普通權益持有人應佔本年度(虧損)/利潤及本年度已發行普通股加權平均數946,298,370(2017年：946,298,370)股計算。

截至2018年及2017年12月31日止年度，本集團並無潛在攤薄已發行普通股。

每股基本(虧損)/盈利乃按以下數據計算：

| | | 2018 | 2017 |
|---|-------------------------------------|--------------------|-------------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| (Loss)/earnings | (虧損)/盈利 | | |
| (Loss)/profit attributable to ordinary equity holders of the parent used in the basic (loss)/earnings per share calculation | 用於每股基本(虧損)/盈利計算的母公司普通權益持有人應佔(虧損)/利潤 | (112,837) | 4,209 |
| <hr/> | | | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| <hr/> | | | |
| Shares | 股份 | | |
| Weighted average number of ordinary shares for the purpose of the basic (loss)/earnings per share calculation | 用於每股基本(虧損)/盈利計算的普通股加權平均數 | 946,298,370 | 946,298,370 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Buildings | Leasehold improvements | Plant and machinery | Furniture and fixtures | Motor vehicles | Construction in progress | Total |
|--|----------------------|-----------|------------------------|---------------------|------------------------|----------------|--------------------------|----------|
| | | 樓宇 | 租賃裝修 | 廠房及機器 | 傢俱及裝置 | 汽車 | 在建工程 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2018 | 2018年12月31日 | | | | | | | |
| At 1 January 2018: | 於2018年1月1日: | | | | | | | |
| Cost | 成本 | 24,564 | 4,166 | 15,923 | 17,113 | 8,997 | 63,429 | 134,192 |
| Accumulated depreciation | 累計折舊 | (12,099) | (2,520) | (8,170) | (7,207) | (5,057) | - | (35,053) |
| Net carrying amount | 賬面淨值 | 12,465 | 1,646 | 7,753 | 9,906 | 3,940 | 63,429 | 99,139 |
| At 1 January 2018, net of accumulated depreciation | 於2018年1月1日，已扣除累計折舊 | 12,465 | 1,646 | 7,753 | 9,906 | 3,940 | 63,429 | 99,139 |
| Additions | 增加 | - | 3,248 | 2,355 | 6,903 | 497 | 38,420 | 51,423 |
| Transfers | 轉入 | 31,025 | - | - | - | - | (31,025) | - |
| Depreciation provided during the year | 本年度計提折舊 | (1,433) | (1,324) | (1,618) | (2,913) | (1,498) | - | (8,786) |
| Disposals | 處置 | - | - | (121) | (692) | - | - | (813) |
| Exchange realignment | 匯兌調整 | - | (6) | (60) | (42) | (15) | (15) | (138) |
| At 31 December 2018, net of accumulated depreciation | 於2018年12月31日，已扣除累計折舊 | 42,057 | 3,564 | 8,309 | 13,162 | 2,924 | 70,809 | 140,825 |
| At 31 December 2018: | 於2018年12月31日: | | | | | | | |
| Cost | 成本 | 55,589 | 6,789 | 17,661 | 22,391 | 8,918 | 70,809 | 182,157 |
| Accumulated depreciation | 累計折舊 | (13,532) | (3,225) | (9,352) | (9,229) | (5,994) | - | (41,332) |
| Net carrying amount | 賬面淨值 | 42,057 | 3,564 | 8,309 | 13,162 | 2,924 | 70,809 | 140,825 |

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財務報表附註

31 December 2018 2018年12月31日

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

13. 物業、廠房及設備(續)

| | | Buildings | Leasehold improvements | Plant and machinery | Furniture and fixtures | Motor vehicles | Construction in progress | Total |
|---|--------------------------|-----------|---------------------------|------------------------|------------------------------|-------------------|-----------------------------|----------|
| | | 樓宇 | 租賃裝修 | 廠房及機器 | 傢俱及裝置 | 汽車 | 在建工程 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2017 | 2017年12月31日 | | | | | | | |
| At 1 January 2017: | 於2017年1月1日: | | | | | | | |
| Cost | 成本 | 24,564 | 3,918 | 14,737 | 15,080 | 10,182 | 31,943 | 100,424 |
| Accumulated depreciation | 累計折舊 | (10,925) | (2,005) | (7,084) | (5,423) | (4,292) | - | (29,729) |
| Net carrying amount | 賬面淨值 | 13,639 | 1,913 | 7,653 | 9,657 | 5,890 | 31,943 | 70,695 |
| At 1 January 2017, net of accumulated depreciation | 於2017年1月1日· 已扣除累計折舊 | 13,639 | 1,913 | 7,653 | 9,657 | 5,890 | 31,943 | 70,695 |
| Additions | 增加 | - | 298 | 1,790 | 2,715 | 137 | 31,520 | 36,460 |
| Depreciation provided during the year | 本年度計提折舊 | (1,174) | (533) | (1,382) | (2,369) | (1,745) | - | (7,203) |
| Disposals | 處置 | - | - | (9) | (36) | (341) | - | (386) |
| Exchange realignment | 匯兌調整 | - | (32) | (299) | (61) | (1) | (34) | (427) |
| At 31 December 2017, net of accumulated depreciation | 於2017年12月31日· 已扣除累計折舊 | 12,465 | 1,646 | 7,753 | 9,906 | 3,940 | 63,429 | 99,139 |
| At 31 December 2017: | 於2017年12月31日: | | | | | | | |
| Cost | 成本 | 24,564 | 4,166 | 15,923 | 17,113 | 8,997 | 63,429 | 134,192 |
| Accumulated depreciation | 累計折舊 | (12,099) | (2,520) | (8,170) | (7,207) | (5,057) | - | (35,053) |
| Net carrying amount | 賬面淨值 | 12,465 | 1,646 | 7,753 | 9,906 | 3,940 | 63,429 | 99,139 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

14. PREPAID LAND LEASE PAYMENTS

14. 預付土地租賃付款

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------|--|-----------------------------------|
| Carrying amount at 1 January 2018 | 於2018年1月1日的賬面值 | 10,710 | 10,957 |
| Amortisation recognised during the year | 年內確認攤銷 | (247) | (247) |
| Carrying amount at 31 December 2018 | 於2018年12月31日的賬面值 | 10,463 | 10,710 |
| Current portion included in prepayments, deposits, and other receivables | 計入預付款項、按金及其他應收款項的流動部分 | (247) | (247) |
| Non-current portion | 非流動部分 | 10,216 | 10,463 |

15. GOODWILL

15. 商譽

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------------|--|-----------------------------------|
| Cost at 1 January | 於1月1日的成本 | 146,134 | 153,387 |
| Acquisition of subsidiaries | 收購附屬公司 | - | 362 |
| Deduction of purchase consideration* | 扣除購買代價* | - | (1,217) |
| Impairment during the year | 年內減值 | (70,050) | (346) |
| Exchange realignment | 匯兌調整 | 1,185 | (6,052) |
| Cost at 31 December, net of accumulated impairment | 於12月31日的成本，扣除累計減值 | 77,269 | 146,134 |
| Cost at 31 December | 於12月31日的成本 | | |
| Cost | 成本 | 147,715 | 146,480 |
| Accumulated impairment | 累計減值 | (70,446) | (346) |
| Net carrying amount | 賬面淨值 | 77,269 | 146,134 |

* This represents the adjustment of purchase consideration according to terms of agreement.

• 這指根據協議條款調整購買代價。

Impairment testing of goodwill

Details of the impairment testing of goodwill have been set out in note 17 to these financial statements.

商譽減值測試

商譽減值測試的詳情載於該等財務報表附註17。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

16. OTHER INTANGIBLE ASSETS

16. 其他無形資產

| | | Trademarks | Distribution network | Licence and health food certificates | Customer relationships | Total |
|---|---------------------|------------|----------------------|--------------------------------------|------------------------|----------|
| | | 商標 | 分銷網絡 | 執照及保健 食品證書 | 客戶關係 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2018 | 於2018年12月31日 | | | | | |
| Cost at 1 January 2018, net of accumulated amortisation | 於2018年1月1日成本，扣減累計攤銷 | 57,310 | 2,614 | 1,772 | 11,490 | 73,186 |
| Addition | 增加 | - | - | 365 | - | 365 |
| Amortisation provided during the year | 於年內計提攤銷 | (1,768) | (348) | (221) | (1,314) | (3,651) |
| Exchange realignment | 匯兌調整 | (152) | (22) | (9) | (10) | (193) |
| At 31 December 2018 | 於2018年12月31日 | 55,390 | 2,244 | 1,907 | 10,166 | 69,707 |
| At 31 December 2018: | 於2018年12月31日： | | | | | |
| Cost | 成本 | 61,754 | 3,497 | 2,345 | 13,556 | 81,152 |
| Accumulated amortisation | 累計攤銷 | (6,364) | (1,253) | (438) | (3,390) | (11,445) |
| Net carrying amount | 賬面淨值 | 55,390 | 2,244 | 1,907 | 10,166 | 69,707 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

16. OTHER INTANGIBLE ASSETS (CONTINUED)

16. 其他無形資產(續)

| | | Trademarks | Distribution network | Licence and health food certificates 執照及保健食品證書 | Customer relationships | Total |
|---|---------------------|------------|----------------------|---|------------------------|---------|
| | | 商標 | 分銷網絡 | 食品證書 | 客戶關係 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2017 | 於2017年12月31日 | | | | | |
| Cost at 1 January 2017, net of accumulated amortisation | 於2017年1月1日成本，扣減累計攤銷 | 59,943 | 3,094 | 1,673 | 12,865 | 77,575 |
| Addition | 增加 | - | - | 315 | - | 315 |
| Amortisation provided during the year | 於年內計提攤銷 | (1,857) | (366) | (169) | (1,317) | (3,709) |
| Exchange realignment | 匯兌調整 | (776) | (114) | (47) | (58) | (995) |
| At 31 December 2017 | 於2017年12月31日 | 57,310 | 2,614 | 1,772 | 11,490 | 73,186 |
| At 31 December 2017: | 於2017年12月31日： | | | | | |
| Cost | 成本 | 61,935 | 3,525 | 1,989 | 13,569 | 81,018 |
| Accumulated amortisation | 累計攤銷 | (4,625) | (911) | (217) | (2,079) | (7,832) |
| Net carrying amount | 賬面淨值 | 57,310 | 2,614 | 1,772 | 11,490 | 73,186 |

Included in trademarks and the licence an amount of RMB45,098,000 (2017: RMB45,145,000) acquired as part of business combinations are regarded as having indefinite useful lives as they are expected to generate net cash inflows to the group indefinitely. As at 31 December 2018 and 2017, these intangible assets with indefinite useful lives were tested for impairment (note 17).

作為業務合併的一部分計入收購的商標及執照的金額人民幣45,098,000元(2017年：人民幣45,145,000元)被認為具有無限期的使用壽命，因為預計彼等將會無限期地為本集團產生淨現金流入。於2018年及2017年12月31日，該等具有無限期的使用壽命的無形資產已進行減值測試(附註17)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

17. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Goodwill and intangible assets with indefinite useful lives have been allocated to the following cash-generating units (the "CGUs") for impairment testing:

- GHP CGU
- Hejian CGU
- Living Nature ("LN") CGU
- Brandfolio CGU

The respective carrying amounts of goodwill and intangible assets with indefinite useful lives allocated to each of the cash-generating units are as follows:

17. 商譽及具有無限期使用壽命的無形資產的減值測試

商譽及具有無限期使用壽命的無形資產乃分配予以下現金產生單位(「現金產生單位」)以作減值測試：

- GHP 現金產生單位
- 禾健現金產生單位
- Living Nature (「LN」) 現金產生單位
- Brandfolio 現金產生單位

分配予各現金產生單位的商譽及具有無限期使用壽命的無形資產的賬面值如下：

| | | 2018 2018年 | | 2017 2017年 | |
|------------|------------|------------------------------------|---|------------------------------------|---|
| | | Goodwill 商譽 RMB'000 人民幣千元 | Intangible assets with indefinite useful lives 具有無限使用壽命的無形資產 RMB'000 人民幣千元 | Goodwill 商譽 RMB'000 人民幣千元 | Intangible assets with indefinite useful lives 具有無限使用壽命的無形資產 RMB'000 人民幣千元 |
| GHP CGU | GHP 現金產生單位 | 33,687 | - | 50,061 | - |
| Hejian CGU | 禾健現金產生單位 | 34,798 | 39,400 | 87,223 | 39,400 |
| LN CGU | LN 現金產生單位 | 8,784 | 5,698 | 8,850 | 5,745 |
| | | 77,269 | 45,098 | 146,134 | 45,145 |

The recoverable amount of each CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. Cash flows beyond the forecast period are extrapolated using the estimated growth rates stated below.

各現金產生單位的可收回金額根據使用以高級管理層批准的五年期財政預算為依據的現金流量預測計算的使用價值釐定。預測期以外的現金流量按下列預計增長率進行推算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

17. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (CONTINUED)

For each of the CGUs with a significant amount of goodwill, the key assumptions, long-term growth rates and discount rates used in the value-in-use calculation for 31 December 2018 and 31 December 2017 are as follows:

| | | GHP | | Hejian | | LN | | Brandfolio | |
|------------------------------|-------------|--------|--------|--------|--------|--------|--------|------------|---------|
| | | GHP | | 禾健 | | LN | | Brandfolio | |
| | | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | | 2018年 | 2017年 | 2018年 | 2017年 | 2018年 | 2017年 | 2018年 | 2017年 |
| Sales annual growth rate (%) | 銷售年增長率(%) | 2%-10% | 2%-10% | 0%-3% | 3%-29% | 2%-20% | 2%-32% | N/A | 2%-2.4% |
| Gross margin (% of revenue) | 毛利率(佔收益百分比) | 46% | 46% | 55% | 69% | 64% | 64% | N/A | 14% |
| Long-term growth rate | 長期增長率 | 2% | 2% | 3% | 3% | 2% | 2% | N/A | 2% |
| Pre-tax discount rate | 除稅前貼現率 | 19.3% | 20.0% | 23.1% | 23.0% | 21.2% | 21.7% | N/A | 17.2% |

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates

The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of the cash-generating units and discount rates are consistent with external information sources.

17. 商譽及具有無限期使用壽命的無形資產的減值測試(續)

對於商譽金額龐大的各現金產生單位，2018年12月31日及2017年12月31日使用價值計算法中採用的主要假設、長期增長率及貼現率如下：

以下描述管理層進行商譽減值測試的現金流量預測時所依據各重大假設：

預算毛利率

用於釐定分配予預算毛利率的價值所採用的基準為緊接預算年度前一年內所實現的平均毛利率，由於預期的效率提升及預期的市場發展而有所提升。

貼現率

所用貼現率未扣除稅項，並反映有關單位的特定風險。

有關現金產生單位市場動態及貼現率的主要假設所賦予的價值與外部信息來源一致。

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財務報表附註

31 December 2018 2018年12月31日

18. INVENTORIES

18. 存貨

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-------------------|-----|--|-----------------------------------|
| Raw materials | 原材料 | 25,655 | 21,572 |
| Work-in-progress | 在製品 | 756 | 1,723 |
| Finished goods | 製成品 | 61,920 | 84,255 |
| Goods merchandise | 採購品 | 22,573 | 55,779 |
| | | 110,904 | 163,329 |

19. TRADE RECEIVABLES

19. 貿易應收款項

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-------------------|--------|--|-----------------------------------|
| Trade receivables | 貿易應收款項 | 62,574 | 50,049 |
| Impairment | 減值 | (4,920) | (709) |
| | | 57,654 | 49,340 |

In general, the entities in the Group has no credit period granted to the retail customers, and invoices would be due once they have been issued. The credit period offered by the Group to its distributors is generally 30 to 90 days, and the credit terms granted to TV shopping platforms is 30 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

總體而言，本集團的實體不授予零售客戶信貸期，一經出具發票即須支付。本集團提供予分銷商的信貸期一般為30天至90天，及授予電視購物平台的信貸期為30天。高級管理層定期檢討逾期結餘。鑒於上文所述及本集團的貿易應收款項與多名分散客戶有關，本集團概無重大信貸集中風險。本集團並無就其貿易應收款項結餘持有任何抵押品或其他信貸增強。貿易應收款項為免息。

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19. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of trade receivables as at the end of reporting period, based on the invoice date and net of loss allowance, is as follows:

| | | 2018 | 2017 |
|----------------------------------|---------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 1 month | 1個月內 | 34,277 | 37,273 |
| Over 1 month but within 3 months | 1個月至3個月 | 15,584 | 10,230 |
| Over 3 months but within 1 year | 3個月至1年 | 6,875 | 1,813 |
| Over 1 year | 超過1年 | 918 | 24 |
| | | 57,654 | 49,340 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | | 2018 | 2017 |
|-------------------------------------|------------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At beginning of the year | 年初 | 709 | 581 |
| Impairment losses recognised | 已確認減值虧損 | 4,201 | 790 |
| Amount written off as uncollectible | 因不可收回撇銷之金額 | - | (662) |
| Exchange realignment | 匯兌調整 | 10 | - |
| | | 4,920 | 709 |

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

19. 貿易應收款項(續)

於報告期末按發票日期及扣除虧損撥備的貿易應收款項的賬齡分析如下：

| | 2018 | 2017 |
|----------------------------------|----------------|---------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| Within 1 month | 34,277 | 37,273 |
| Over 1 month but within 3 months | 15,584 | 10,230 |
| Over 3 months but within 1 year | 6,875 | 1,813 |
| Over 1 year | 918 | 24 |
| | 57,654 | 49,340 |

貿易應收款項的減值虧損撥備變動如下：

| | 2018 | 2017 |
|-------------------------------------|----------------|---------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| At beginning of the year | 709 | 581 |
| Impairment losses recognised | 4,201 | 790 |
| Amount written off as uncollectible | - | (662) |
| Exchange realignment | 10 | - |
| | 4,920 | 709 |

截至2018年12月31日止年度根據香港財務報告準則第9號計量的減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別(即地區、產品類別、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍)的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，貿易應收款項如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

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31 December 2018 2018年12月31日

19. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

| | | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|--|--|---------------------------|-----------------------|------------------------|
| | | 預期信貸虧損率 | 總賬面值 | 預期信貸虧損 |
| | | 0.3% | 36,546 | 110 |

Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under HKAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of RMB709,000 with a carrying amount before provision of RMB709,000.

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

| | | 2017 |
|-------------------------------|----------|---------|
| | | 2017年 |
| | | RMB'000 |
| | | 人民幣千元 |
| Neither past due nor impaired | 既無逾期亦未減值 | 37,166 |
| Less than 1 month past due | 逾期不超過1個月 | 7,885 |
| 1 to 3 months past due | 逾期1至3個月 | 1,628 |
| Over 3 months past due | 逾期3個月以上 | 2,661 |
| | | 49,340 |

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

19. 貿易應收款項(續)

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險敞口：

於2018年12月31日

| | Current 即期 | Past due 逾期 | | | Total 總計 |
|--|---------------|-------------------------------|---------------------------|---------------------------|-------------|
| | | Less than 1 month 1個月以內 | 1 to 3 months 1至3個月 | Over 3 months 3個月以上 | |
| | 0.3% | 5.2% | 10.4% | 41.9% | 7.9% |
| | 36,546 | 14,109 | 2,917 | 9,002 | 62,574 |
| | 110 | 734 | 303 | 3,773 | 4,920 |

截至2017年12月31止年度根據香港會計準則第39號計量的減值

於2017年12月31日，根據香港會計準則第39號項下已產生信貸虧損計量的上述貿易應收款項減值撥備包括就撥備前賬面值為人民幣709,000元的個別減值貿易應收款項人民幣709,000元所作的撥備。

於2017年12月31日，根據香港會計準則第39號計量的非個別或整體視為減值的貿易應收款項的賬齡分析如下：

| | 2017 |
|-------------------------------|---------|
| | 2017年 |
| | RMB'000 |
| | 人民幣千元 |
| Neither past due nor impaired | 37,166 |
| Less than 1 month past due | 7,885 |
| 1 to 3 months past due | 1,628 |
| Over 3 months past due | 2,661 |
| | 49,340 |

既未逾期亦未減值的應收款項與大量近期並無違約歷史的分散客戶有關。

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19. TRADE RECEIVABLES (CONTINUED)

Impairment under HKAS 39 for the year ended 31 December 2017(continued)

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, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

19. 貿易應收款項(續)

截至2017年12月31止年度根據香港會計準則第39號計量的減值(續)

已逾期但未減值的應收款項乃與本集團若干往績記錄良好的獨立客戶有關。根據過往經驗，本公司董事認為不必根據香港會計準則第39號就此等結餘作出減值撥備，此乃由於信貸質素概無重大變動及結餘仍被視為可悉數收回。

20. 預付款項、按金及其他應收款項

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--------------------------------|-----------|-----------------------------------|-----------------------------------|
| Prepayments | 預付款項 | 12,576 | 19,870 |
| Deposits and other receivables | 按金及其他應收款項 | 7,075 | 7,095 |
| Interest receivable | 應收利息 | 116 | 242 |
| Value-added tax recoverable | 可收回增值稅 | 4,367 | 7,419 |
| | | 24,134 | 34,626 |

概無前述資產逾期或減值。計入前述結餘的金融資產涉及並無近期違約記錄的應收款項。

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21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

| | | Note | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|----------------------------|-----------|------|-----------------------------------|-----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | | 92,678 | 118,462 |
| Time deposits | 定期存款 | | 110,337 | 152,733 |
| | | | 203,015 | 271,195 |
| Less: Pledged time deposit | 減：有抵押定期存款 | 31 | (434) | (1,603) |
| Pledged fixed term deposit | 有抵押固定期限存款 | 31 | (1,170) | - |
| Cash and cash equivalents | 現金及現金等價物 | | 201,411 | 269,592 |

| | | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--------------------|---------|--|-----------------------------------|-----------------------------------|
| Denominated in RMB | 以人民幣計值 | | 141,264 | 211,392 |
| Denominated in HKD | 以港元計值 | | 25,124 | 28,469 |
| Denominated in AUD | 以澳元計值 | | 73 | 1,837 |
| Denominated in NZD | 以紐西蘭元計值 | | 34,943 | 27,887 |
| Denominated in USD | 以美元計值 | | 1 | 1 |
| Denominated in EUR | 以歐元計值 | | 6 | 6 |
| Total | 總計 | | 201,411 | 269,592 |

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

人民幣並非可自由兌換作其他幣種。然而，根據中國大陸外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率計息。短期定期存款具有不同期限，包括一日至三個月，取決於本集團的即時現金需求，並按相關短期定期存款利率計息。銀行結餘及有抵押存款存置於具有信譽且近期並無違約紀錄的銀行。

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22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | | 2018 | 2017 |
|----------------------------------|---------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 1 month | 1個月內 | 9,021 | 7,421 |
| Over 1 month but within 3 months | 1個月至3個月 | 5,490 | 3,786 |
| Over 3 months but within 1 year | 3個月至1年 | 320 | 1,653 |
| Over 1 year | 超過1年 | 847 | 1,304 |
| | | 15,678 | 14,164 |

The trade payables are non-interest-bearing and are normally settled on terms between 30 and 40 days.

於報告期末的貿易應付款項(按發票日期)的賬齡分析如下：

貿易應付款項為免息及一般按30天至40天的期限結算。

23. OTHER PAYABLES AND ACCRUALS

| | | 2018 | 2017 |
|-------------------------|---------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Deferred income | 遞延收入 | - | 385 |
| Advances from customers | 客戶預付款項 | - | 15,196 |
| Contract liabilities | 合約負債 | 7,957 | - |
| Refund liabilities | 退款負債 | 17,509 | - |
| Other payables* | 其他應付款項* | 22,364 | 6,860 |
| Accrued payroll | 應計薪酬 | 19,771 | 19,312 |
| Other tax payables | 其他應付稅項 | 5,569 | 3,195 |
| Interest payable | 應付利息 | 41 | 157 |
| | | 73,211 | 45,105 |

* Other payables are non-interest-bearing.

* 其他應付款項並無計息。

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24. INTEREST-BEARING BANK BORROWINGS

24. 計息銀行借款

| | | 2018 2018年 | | | 2017 2017年 | | |
|---|--------------------------|---|----------------|------------------|---|----------------|------------------|
| | | Effective interest rate(%) 實際利率 (%) | Maturity 到期 | RMB'000 人民幣千元 | Effective interest rate(%) 實際利率 (%) | Maturity 到期 | RMB'000 人民幣千元 |
| Current | 即期 | | | | | | |
| Bank loans — unsecured | 銀行貸款 — 無抵押 | - | - | - | 5.00-5.39 | 2018 | 39,500 |
| Current portion of long term bank loans — secured | 長期銀行貸款的 即期部份 — 有抵押 | 5.70 | 2019 | 20,000 | 5.70 | 2018 | 10,000 |
| | | | | 20,000 | | | 49,500 |
| Non-current | 非即期 | | | | | | |
| Bank loans — secured | 銀行貸款 — 有抵押 | 5.70 | 2020 | 7,500 | 5.70 | 2020 | 27,500 |

| | | 2018 2018年 RMB'000 人民幣千元 | | 2017 2017年 RMB'000 人民幣千元 | |
|--|-----------------|-----------------------------------|--|-----------------------------------|--------|
| Analysed into: | 分析為： | | | | |
| Bank loans repayable: | 應償還銀行貸款： | | | | |
| Within one year or on demand | 一年內或按要求 | 20,000 | | | 49,500 |
| In the second year | 第二年 | 7,500 | | | 20,000 |
| In the third to fifth years, inclusive | 第三年至第五年(包括首尾兩年) | - | | | 7,500 |
| | | 27,500 | | | 77,000 |

The Group's bank loan is secured by the mortgages over the Group's 100% equity interests of Shanghai Weiyi Investment & Management Limited Company* (上海惟翊投資管理有限公司), a subsidiary of the Group.

本集團的銀行貸款以本集團於其附屬公司上海惟翊投資管理有限公司100%股權的按揭作抵押。

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25. PROVISION

25. 撥備

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|--------------|--|-----------------------------------|
| At 1 January | 於1月1日 | 678 | 707 |
| Increase in discounted amounts arising from the passage of time | 隨時間過去而增加之貼現額 | 41 | – |
| Exchange realignment | 匯兌調整 | (5) | (29) |
| At 31 December | 於12月31日 | 714 | 678 |

GHP, a subsidiary of the Group, has a restoration obligation under a property lease agreement.

本集團一間附屬公司GHP根據物業租賃協議有復原責任。

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財務報表附註

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26. DEFERRED TAX

- (a) Details of the deferred tax assets recognised in the consolidated statement of financial position and movements during the year are as follows:

| | | Unrealised profit arising from Taxable loss | intra-group transactions | Write-down of inventories | Impairment of trade receivables | Accrued expense | Impairment of an available-for-sale investment | Total |
|---|---------------------|---|--------------------------|---------------------------|---------------------------------|-----------------|--|---------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2018 | 於2018年12月31日 | | | | | | | |
| At 1 January 2018 | 於2018年1月1日 | 7,918 | 5,545 | 237 | 198 | 1,638 | 500 | 16,036 |
| Deferred tax credited/(charged) to profit or loss during the year | 於年內損益計入/(扣除)遞延稅項 | 10,786 | (1,344) | 7,060 | 1,176 | 1,195 | - | 18,873 |
| Exchange realignment | 匯兌調整 | (39) | - | - | 3 | (2) | - | (38) |
| Gross deferred tax at 31 December 2018 | 於2018年12月31日的遞延稅項總額 | 18,665 | 4,201 | 7,297 | 1,377 | 2,831 | 500 | 34,871 |

26. 遞延稅項

- (a) 於年內，在綜合財務狀況表確認的遞延稅項資產以及變動詳情如下：

| | | Unrealised profit arising from Taxable loss | intra-group transactions | Write-down of inventories | Impairment of trade receivables | Accrued expense | Impairment of an available-for-sale investment | Total |
|---|---------------------|---|--------------------------|---------------------------|---------------------------------|-----------------|--|---------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2017 | 於2017年12月31日 | | | | | | | |
| At 1 January 2017 | 於2017年1月1日 | 3,594 | 3,239 | 598 | 164 | 4,990 | 500 | 13,085 |
| Deferred tax credited/(charged) to profit or loss during the year | 於年內損益計入/(扣除)遞延稅項 | 4,345 | 2,306 | (349) | 42 | (3,336) | - | 3,008 |
| Exchange realignment | 匯兌調整 | (21) | - | (12) | (8) | (16) | - | (57) |
| Gross deferred tax at 31 December 2017 | 於2017年12月31日的遞延稅項總額 | 7,918 | 5,545 | 237 | 198 | 1,638 | 500 | 16,036 |

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26. DEFERRED TAX (CONTINUED)

- (b) Details of the deferred tax liabilities recognised in the consolidated statement of financial position and movements during the year are as follows:

26. 遞延稅項(續)

- (b) 於年內，在綜合財務狀況表確認的遞延稅項負債及變動詳情如下：

| | | Fair value adjustments arising from acquisition of a subsidiary 收購一間附屬公司產生的公平值調整 RMB'000 人民幣千元 |
|---|-----------------------|---|
| At 1 January 2018 | 於2018年1月1日 | 14,345 |
| Deferred tax credited to profit or loss during the year | 於年內計入損益的遞延稅項 | (333) |
| Exchange realignment | 匯兌調整 | 9 |
| Gross deferred tax liabilities at 31 December 2018 | 於2018年12月31日的遞延稅項負債總額 | 14,021 |
| | | Fair value adjustments arising from acquisition of a subsidiary 收購一間附屬公司產生的公平值調整 RMB'000 人民幣千元 |
| At 1 January 2017 | 於2017年1月1日 | 17,244 |
| Deferred tax credited to profit or loss during the year | 於年內計入損益的遞延稅項 | (2,754) |
| Exchange realignment | 匯兌調整 | (145) |
| Gross deferred tax liabilities at 31 December 2017 | 於2017年12月31日的遞延稅項負債總額 | 14,345 |

The Group has tax losses arising in Mainland China of RMB43,403,000 (2017: RMB35,577,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the losses of RMB5,656,000 (2017: RMB3,487,000) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團於中國大陸稅務虧損為人民幣43,403,000元(2017年：人民幣35,577,000元)，且將於一至五年內到期，以抵銷未來應課稅溢利。並無確認虧損人民幣5,656,000元(2017年：人民幣3,487,000元)所涉及遞延稅項資產，乃因其來自於一段時間內錄得虧損的附屬公司，且並無認為可能將有應課稅溢利用於抵銷稅務虧損。

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27. SHARE CAPITAL

Shares

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Issued and fully paid: | 已發行及悉數繳足： | | |
| 946,298,370 (2017: 946,298,370) | 946,298,370 股 (2017年： | | |
| ordinary shares | 946,298,370 股) 普通股 | 94,630 | 94,630 |

27. 股本

股份

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 128 to 129 of the financial statements.

(i) Statutory surplus reserve

In accordance with the PRC regulations, certain companies in the PRC are required to transfer part of their profits after tax determined under the PRC accounting standards to the statutory surplus reserve fund, before profit distributions are made. The statutory surplus reserve fund is non-distributable and may be used either to offset losses, or for capitalisation issues by way of paid-up capital.

(ii) Capital reserve

The amounts represented the balance of the credit amount arising from the excess of the par value of the shares from the paid-in capital contribution. These arose from (i) the share issue in 2012 when the Company was reformed into a stock limited company, (ii) the share issue in 2014 under the initial public offering, (iii) the share issue in 2016 for the acquisition of a subsidiary and (iv) the H share issue in 2016.

(iii) Merger reserve

On 24 December 2012, the Group acquired the entire equity interest in Australia Cobayer Health Food Co Pty Ltd. ("Australia Cobayer") from Gui Pinghu (桂平湖) ("Mr. Gui"). This transaction has been accounted for using the principles of merger accounting as a result of common control transaction. The excess of consideration paid over the carrying amounts of the net assets acquired was directly debited into the merger reserve.

28. 儲備

本集團於本年度及過往年度的儲備金額及其變動於財務報表第128至129頁的綜合權益變動表呈報。

(i) 法定盈餘儲備

根據中國法規，中國境內若干公司須在作出利潤分派前，將其部分根據中國會計準則釐定的除稅後利潤轉撥至法定盈餘儲備金。法定盈餘儲備金不可分派，可用於抵銷虧損或以實繳股本形式作出資本化發行。

(ii) 資本儲備

相關金額指實繳股本供款超出股份面值的進賬金額結餘。該等金額來自(i)2012年的股份發行(當時本公司正改革為股份制公司)；(ii)2014年根據首次公開發售進行的股份發行；(iii)就收購一間附屬公司於2016年的股份發行及(iv)於2016年的H股發行。

(iii) 合併儲備

於2012年12月24日，本集團向桂平湖(「桂先生」)收購Australia Cobayer Health Food Co Pty Ltd. (「Australia Cobayer」)的全部股權。因共同控制交易所致，此項交易已按合併會計法原則入賬。所支付的代價超出所收購資產淨值賬面值部分直接計入合併儲備。

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28. RESERVES (CONTINUED)

(iv) Exchange fluctuation reserve

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(v) Other reserve

On 2 August 2017, the Company acquired the 40% equity interest in Shanghai Weiyi from the non-controlling shareholder. The excess of consideration paid over the company amounts of the equity interest acquired was debited into the other reserve.

29. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Pursuant to the agreement entered into between the Company, Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)* (上海復星惟翊一期股權投資基金合夥企業(有限合夥)) ("Fosun Partnership") and Fosun Weishi (Hong Kong) Limited (復星惟翊(香港)有限公司) ("Fosun HK") on 21 July 2016 and the supplemental agreement on 31 March 2017, the Company acquired the remaining 40% equity of GHP from Fosun Partnership at a consideration of RMB65.68 million. The acquisition was completed on 2 August 2017.

Summarised consolidated financial information in relation to the non-controlling interest of Shanghai Weiyi and its subsidiary GHP, before intra-group eliminations, is presented below:

| | | 2018 | 1 January to 2 August 2017 2017年1月1日 至8月2日 RMB'000 人民幣千元 |
|---|-----------|--------------|---|
| | | 2018年 | RMB'000 人民幣千元 |
| Revenue | 收入 | - | 136,745 |
| Cost | 成本 | - | (75,094) |
| Total expenses | 總開支 | - | (39,394) |
| Profit for the year | 年內溢利 | - | 16,586 |
| Total comprehensive income for the year | 年內的全面收入總額 | - | 15,193 |

28. 儲備(續)

(iv) 換算波動儲備

該儲備包括所有換算海外業務財務報表產生的匯兌差額。

(v) 其他儲備

於2017年8月2日，本公司向非控股股東收購上海惟翊40%股權。所支付的代價超出所收購股權的公司款項計入其他儲備。

29. 具有重大非控股權益的部分擁有權附屬公司

根據本公司、上海復星惟翊一期股權投資基金合夥企業(有限合夥)(「復星合夥企業」)與復星惟翊(香港)有限公司(「復星香港」)於2016年7月21日訂立的協議及日期為2017年3月31日之補充協議，本公司以代價人民幣65,680,000元自復星合夥企業收購GHP餘下40%股權。該收購事項已於2017年8月2日完成。

上海惟翊及其附屬公司GHP的非控股權益相關綜合財務資料概述(於集團內撇銷前)呈報如下：

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30. BUSINESS COMBINATIONS

Acquisition of Brandfolio

On 1 August 2017, GHP, a subsidiary of the Group, purchased the remaining 64% equity of Brandfolio from the other shareholders of Brandfolio. As a result, Brandfolio became a wholly-owned subsidiary from a joint venture of the Group. Brandfolio is a limited liability company incorporated in New Zealand that specialises in the consignment services of health food products. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the financial results of Brandfolio for the five-month period from the acquisition date.

The fair values of the identifiable assets and liabilities of Brandfolio as at the date of acquisition were as follows:

30. 業務合併

收購 Brandfolio

於2017年8月1日，本集團附屬公司GHP向Brandfolio其他股東購買Brandfolio餘下64%股權。因此，Brandfolio成為本集團合營企業的全資附屬公司。Brandfolio為一間於紐西蘭註冊成立的有限公司，專門從事保健食品寄售服務。該收購事項已採用收購法入賬。綜合財務報表包括Brandfolio自收購日起五個月期間的財務業績。

Brandfolio的可識別資產及負債於收購日期的公平值如下：

| | | Fair value recognised on acquisition 就收購事項確認 的公平值 RMB'000 人民幣千元 |
|--|------------------------|--|
| Assets | 資產 | |
| Property, plant and equipment | 物業、廠房及設備 | 122 |
| Cash | 現金 | 975 |
| Trade receivables | 貿易應收款項 | 1,106 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 129 |
| | | 2,332 |
| Liabilities | 負債 | |
| Trade payables | 貿易應付款項 | (447) |
| Accruals and other payables | 應計費用及其他應付款項 | (617) |
| Income tax payable | 應付所得稅 | (52) |
| | | (1,116) |
| Total identifiable net assets at fair value | 按公平值列賬的可識別淨資產總額 | 1,216 |
| Goodwill arising from acquisition | 收購產生的商譽 | 362 |
| Satisfied by shares and cash at fair value | 以按公平值列賬的股份及現金支付 | 1,578 |

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30. BUSINESS COMBINATIONS (CONTINUED)

30. 業務合併(續)

Acquisition of Brandfolio (continued)

收購 Brandfolio (續)

**Fair value
recognised on
acquisition**
就收購事項確認
的公平值
RMB'000
人民幣千元

| | | |
|---|-------------------------------|---------|
| <i>Analysis of cash flows on acquisition:</i> | <i>收購現金流量分析：</i> | |
| Net cash acquired with the subsidiary | 向附屬公司收購的現金淨額 | 975 |
| Cash paid in the current year | 本年度支付的現金 | (1,010) |
| Net cash outflow on acquisition (included in cash flows from investing activities) | 收購事項現金流出淨額(計入投資 活動產生的現金流量) | (35) |

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Brandfolio with those of the Group. The goodwill is not deductible for income tax purposes.

已確認商譽主要歸因於將Brandfolio的資產及業務與本集團的資產及業務合併所產生的預期協同效應及其他效益。就所得稅而言，商譽乃屬不可扣除。

The Group incurred transaction costs of RMB240,135 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

本集團就該收購事項產生交易成本人民幣240,135元。該等交易成本已支出並計入綜合損益及其他全面收益表中損益的行政開支。

Since the acquisition, Brandfolio had no contribution to the Group's revenue because of the inter-company transactions, but caused net losses of RMB2,127,356 to the consolidated profit before tax for the year ended 31 December 2017. Had the combination taken place at the beginning of the year 2017, the revenue of the Group and the profit before tax of the Group for the year 2017 would have been RMB476,960,100 and RMB11,119,377, respectively.

自收購事項以來，Brandfolio由於公司間交易對本集團收入並無貢獻，惟導致截至2017年12月31日止年度綜合除稅前溢利錄得人民幣2,127,356元的虧損淨額。倘合併於2017年初發生，則本集團收入及本集團2017年的除稅前溢利分別為人民幣476,960,100元及人民幣11,119,377元。

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31. PLEDGED DEPOSIT

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Pledged deposit in non-current assets* | 非流動資產內的有抵押存款* | 1,170 | – |
| Pledged deposit in current assets | 流動資產內的有抵押存款 | 434 | 1,603 |
| | | 1,604 | 1,603 |

* During the year of 2018, a subsidiary of the Group entered into a lease arrangement as the lessee. Pursuant to the lease agreement, a bank deposit equivalent to RMB1,170,000 (AUD242,000) (2017: RMB1,235,000 (AUD242,000)), included in Pledged deposit in current assets) was pledged for four years and will be due on June 15, 2022.

31. 有抵押存款

* 於2018年，本集團的一間附屬公司以承租人身份訂立租賃安排。根據租賃協議，相當於人民幣1,170,000元(242,000澳元)(2017年：人民幣1,235,000元(242,000澳元))(計入流動資產內的有抵押存款)的銀行存款已作抵押，為期四年並將於2022年6月15日到期。

32. OTHER NON-CURRENT ASSETS

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Long-term deposits for leased properties | 用於租賃物業的長期存款 | 522 | 416 |
| Prepayment for acquisition of health food certificates | 收購保健食品證書的預付款項 | 6,212 | 5,728 |
| | | 6,734 | 6,144 |

32. 其他非流動資產

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33. 綜合現金流量表附註

Changes in liabilities arising from financing activities

融資活動負債變動

| | | Bank borrowings 銀行借款 | |
|-----------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| At 1 January | 於1月1日 | 77,000 | - |
| Changes from financing cash flows | 融資現金流量變動 | (49,500) | 77,000 |
| At 31 December | 於12月31日 | 27,500 | 77,000 |

34. OPERATING LEASE ARRANGEMENTS

34. 經營租賃安排

As lessee

The Group leases the majority of its shops and office properties under operating lease arrangements. The terms of property leases range from one to five years and more.

The total future minimum lease payments under non-cancellable operating leases are due as follows:

作為承租人

本集團根據經營租賃安排租賃其大部分門店及辦公室物業。物業租期介乎1至5年及以上年度。

不可撤銷經營租約項下的未來最低租金總額到期情況如下：

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年以內 | 11,751 | 13,450 |
| In the second to fifth years, inclusive | 兩年至五年(包括首尾兩年) | 17,912 | 22,011 |
| After five years | 五年以後 | 932 | 4,723 |
| | | 30,595 | 40,184 |

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35. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------------------------|-----------|--|-----------------------------------|
| Contracted, but not provided for: | 已訂約但尚未撥備： | | |
| Land and buildings | 土地及樓宇 | 38,844 | 48,651 |

35. 承擔

本集團於報告期末擁有以下資本承擔：

36. RELATED PARTY DISCLOSURES

Details of the Group's principal related party are as follows:

| Name 名稱 | Relationship 關係 |
|-------------------|--|
| Brandfolio | A joint venture of the Group before 1 August 2017 於2017年8月1日之前為本集團的合營企業 |

36. 關聯方披露

本集團主要關聯方詳情如下：

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related party during the year:

(a) 除財務報表其他部分詳盡載述的交易外，本集團於本年度與關聯方訂有以下交易：

| | | 2018 2018年 RMB'000 人民幣千元 | Period from 1 January To 1 August 2017 2017年1月1日 至8月1日期間 RMB'000 人民幣千元 |
|---------------------------------------|---------------------|--|--|
| Commission paid to Brandfolio | 向Brandfolio支付佣金 | - | 2,915 |
| Management fee income from Brandfolio | 來自Brandfolio的管理費用收入 | - | 246 |

(b) Compensation of key management personnel of the Group:

(b) 本集團主要管理層人員的薪酬：

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------------------------|------------|--|-----------------------------------|
| Basic salaries and bonus | 基本薪資及花紅 | 1,036 | 1,750 |
| Social insurance and housing fund | 社會保險及住房公積金 | 229 | 326 |
| | | 1,265 | 2,076 |

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37. FINANCIAL INSTRUMENTS BY CATEGORY

37. 按類別劃分的金融工具

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

於報告期末的各類別金融工具賬面值如下：

2018

Financial assets

2018年

金融資產

| | | Financial assets at amortised cost 按攤銷成本計的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-----------------------|---|---|
| Trade receivables | 貿易應收款項 | 57,654 | 57,654 |
| Financial assets included in prepayments, deposits and other receivables | 計入預付款項、按金及其他應收款項的金融資產 | 7,191 | 7,191 |
| Cash and cash equivalents | 現金及現金等價物 | 201,411 | 201,411 |
| Pledged deposits | 有抵押存款 | 1,604 | 1,604 |
| Deposits included in other non-current assets | 計入其他非流動資產的存款 | 522 | 522 |
| | | 268,382 | 268,382 |

Financial liabilities

金融負債

| | | Financial liabilities at amortised cost 按攤銷成本計的金融負債 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--------------------|--|---|
| Trade payables | 貿易應付款項 | 15,678 | 15,678 |
| Interest-bearing bank borrowings | 計息銀行借款 | 27,500 | 27,500 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用的金融負債 | 22,405 | 22,405 |
| | | 65,583 | 65,583 |

NOTES TO THE FINANCIAL STATEMENTS

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37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

37. 按類別劃分的金融工具(續)

2017

Financial assets

2017年

金融資產

| | | Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|---------------------------|---|---------------------------------|
| Trade receivables | 貿易應收款項 | 49,340 | 49,340 |
| Financial assets included in prepayments, deposits and other receivables | 計入預付款項、按金及其他 應收款項的金融資產 | 7,337 | 7,337 |
| Cash and cash equivalents | 現金及現金等價物 | 269,592 | 269,592 |
| Pledged deposits | 有抵押存款 | 1,603 | 1,603 |
| Deposits included in other non-current assets | 計入其他非流動資產的存款 | 416 | 416 |
| | | 328,288 | 328,288 |

Financial liabilities

金融負債

| | | Financial liabilities at amortised cost 按攤銷成本計 的金融負債 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|------------------------|--|---------------------------------|
| Trade payables | 貿易應付款項 | 14,164 | 14,164 |
| Interest-bearing bank borrowings | 計息銀行借款 | 77,000 | 77,000 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用 的金融負債 | 7,017 | 7,017 |
| | | 98,181 | 98,181 |

38. FINANCIAL RISK MANAGEMENT

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including credit risk, liquidity risk, foreign currency risk and interest rate risk. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as follows:

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit rates assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk. Trade receivables consist of a number of customers which had no recent history of default.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 19.

38. 金融風險管理

本集團並無訂明書面風險管理政策及指引。然而，董事會定期舉行會議，分析及制訂措施以管理本集團所面對的市場風險，包括信貸風險、流動資金風險、外幣風險及利率風險。由於本公司董事認為本集團所面對的市場風險維持於最低水平，本集團並無應用任何衍生或其他工具以作對沖用途。本集團的風險管理目標及政策主要側重於透過密切監控以下獨立風險，降低此等風險對本集團的潛在不利影響：

(a) 信貸風險

本集團的信貸風險主要來自其貿易及其他應收款項。為儘量降低信貸風險，本集團管理層持續監控風險水平，以確保採取後續行動收回逾期債務。此外，本集團在各報告期末會檢討各獨立債務可收回金額，以確保對不可收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅下降。

現金及銀行結餘的信貸風險有限，原因為交易對手為獲國際信貸評級機構給予高信貸評級的銀行。

本集團並無重大集中的信貸風險。貿易應收款項包括少量近期並無違約記錄的客戶。

有關本集團貿易應收款項所產生的信貸風險的進一步定量披露載於附註19。

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturities for its 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. The maturity dates for financial liabilities are based on the agreed repayment dates.

38. 金融風險管理(續)

(b) 流動資金風險

本集團的政策為定期監控即期及預期流動資金需求，以及遵守借貸契諾的情況，以確保維持充裕的現金儲備及取得主要金融機構足夠的承諾信貸融資，以應付長短期流動資金需求。

下表詳列本集團金融負債餘下合同的到期情況。下表乃根據金融負債的未折現現金流量編製，該等金融負債乃根據本集團可能須付款的最早日期分類。金融負債的到期日乃按協定還款日期釐定。

| | | Carrying amount | Total contractual undiscounted cash flows | On demand or within one year | Over one year |
|----------------------------------|---------------------|-----------------|---|------------------------------|---------------|
| | | 賬面值 | 總合同未折現金金流量 | 於要求時或1年內 | 一年以上 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| As at 31 December 2018 | 於2018年12月31日 | | | | |
| Trade payables | 貿易應付款項 | 15,678 | 15,678 | 15,678 | - |
| Other payables | 其他應付款項 | 22,405 | 22,405 | 22,405 | - |
| Interest-bearing bank borrowings | 計息銀行借款 | 27,500 | 29,001 | 21,268 | 7,733 |
| | | 65,583 | 67,084 | 59,351 | 7,733 |
| As at 31 December 2017 | 於2017年12月31日 | | | | |
| Trade payables | 貿易應付款項 | 14,164 | 14,164 | 14,164 | - |
| Other payables | 其他應付款項 | 7,017 | 7,017 | 7,017 | - |
| Interest-bearing bank borrowings | 計息銀行借款 | 77,000 | 82,137 | 53,136 | 29,001 |
| | | 98,181 | 103,318 | 74,317 | 29,001 |

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

38. 金融風險管理(續)

(c) Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

(c) 金融工具公平值及公平值等級

本集團金融工具(賬面值與公平值合理相若者除外)的賬面值及公平值如下:

| | | Carrying amounts 賬面值 | | Fair value 公平值 | |
|---|--------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Financial assets | 金融資產 | | | | |
| Pledged deposits | 有抵押存款 | 1,604 | 1,603 | 1,604 | 1,603 |
| Deposits included in other non-current assets | 計入其他非流動資產之存款 | 522 | 416 | 522 | 416 |
| | | 2,126 | 2,019 | 2,126 | 2,019 |

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals. The differences are immaterial since the fair values are mainly equal to their carrying amounts.

管理層評估現金及現金等價物、貿易應收款項、貿易應付款項、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項及應計費用的金融負債的公平值。由於公平值大致上等於其賬面值，故差額並不重大。

(d) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 17% (2017: 12%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 14% (2017: 18%) of costs were denominated in the units' functional currencies. The Group also has certain bank balances denominated in NZD, USD and HKD.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rates against NZD, USD and HKD, with all other variables held constant, of the Group's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities).

(d) 外匯風險

本集團承受交易帶來的外匯風險。相關風險因以經營單位功能貨幣以外的幣值買賣而產生。本集團銷售額中約17%(2017年:12%)以作出銷售經營單位功能貨幣以外的幣值呈列，而約14%(2017年:18%)的成本以相關單位功能貨幣呈列。本集團亦擁有若干以紐西蘭元、美元及港元計值的銀行結餘。

下表載列在所有其他變量保持不變的情況下，於報告期末人民幣兌紐西蘭元、美元及港元的匯率合理可能變動對本集團除稅前溢利及權益的敏感度(由於金融資產及負債公平值變動)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

38. 金融風險管理(續)

(d) Foreign currency risk (continued)

(d) 外匯風險(續)

| | | Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下降) % | Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元 | Increase/ (decrease) in in equity* 權益增加/ (減少)* RMB'000 人民幣千元 |
|--------------------------------|--------------|---|--|--|
| 2018 | 2018年 | | | |
| If NZD weakens against RMB | 倘紐西蘭元兌人民幣貶值 | (1%) | (349) | (1,418) |
| If NZD strengthens against RMB | 倘紐西蘭元兌人民幣升值 | 1% | 349 | 1,418 |
| If USD weakens against RMB | 倘美元兌人民幣貶值 | (1%) | - | - |
| If USD strengthens against RMB | 倘美元兌人民幣升值 | 1% | - | - |
| If HKD weakens against RMB | 倘港元兌人民幣貶值 | (1%) | (251) | - |
| If HKD strengthens against RMB | 倘港元兌人民幣升值 | 1% | 251 | - |
| 2017 | 2017年 | | | |
| If NZD weakens against RMB | 倘紐西蘭元兌人民幣貶值 | (1%) | (279) | (7,449) |
| If NZD strengthens against RMB | 倘紐西蘭元兌人民幣升值 | 1% | 279 | 7,449 |
| If USD weakens against RMB | 倘美元兌人民幣貶值 | (1%) | - | - |
| If USD strengthens against RMB | 倘美元兌人民幣升值 | 1% | - | - |
| If HKD weakens against RMB | 倘港元兌人民幣貶值 | (1%) | (285) | - |
| If HKD strengthens against RMB | 倘港元兌人民幣升值 | 1% | 285 | - |
| * Excluding retained profits | | | * 不包括保留利潤 | |

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (note 24). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (note 24). Management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

The Group is also exposed to cash flow interest rate risk relating to pledged bank deposits and bank balances carried at prevailing market rates. However, such exposure is minimal to the Group as these bank balances are all short-term in nature.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

The sensitivity analysis has been determined based on the exposure to interest rates for variable-rate bank borrowings, which is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

For variable-rate bank borrowings, if the interest rates had been 30 basis points higher and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2018 would have decreased by approximately RMB97,500 (2017: RMB112,000).

38. 金融風險管理(續)

(e) 利率風險

本集團面臨固定利率銀行借款的公平價值利率風險(附註24)。本集團亦面臨與浮息銀行借款有關的現金流量利率風險(附註24)。管理層監控利率風險並於有需要時將考慮對沖重大利率風險。

本集團亦面對有關按當前市場利率計息之已抵押銀行存款及銀行結餘之現金流量利率風險。然而，由於該等銀行結餘均屬短期性質，該風險對本集團而言屬輕微。

本集團之現金流量利率風險主要集中來自本集團之人民幣借款按中國人民銀行訂明之利率波動。

以下敏感度分析乃基於就浮息銀行借款而言之利率風險而釐定。所呈列分析假設於報告期末未償還負債金額於整個年度內一直尚未償還。

就浮息銀行借款而言，倘利率上升30個基點，而所有其他變數維持不變，本集團於截至2018年12月31日止年度之除稅後溢利將減少約人民幣97,500元(2017年：人民幣112,000元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

39. EVENTS AFTER THE REPORTING PERIOD

Other than the transactions detailed elsewhere in the financial statements, there has been no material subsequent event undertaken by the Company or the Group after the reporting period.

40. COMPARATIVE AMOUNTS

Certain comparative figures have been re-presented to conform to the current year's presentation.

38. 金融風險管理(續)

資本管理

本集團資本管理之基本目標為保障本集團之持續經營能力及維持穩健資本比率支持業務發展並實現股東價值最大化。

本集團管理其資本架構，並根據經濟環境變化及相關資產風險性質作出調整。為維持或調整資本架構，本集團可能調整向股東派息、向股東退還股本或發行新股。本集團不受任何外部施加的資本要求規限。截至2018年12月31日及2017年12月31日止年度，資本管理的目標、政策或程序概無變動。

39. 報告期後事項

除財務報表另行詳述的交易外，於報告期後本公司或本集團並無重大期後事項。

40. 比較金額

若干比較數字已重列，以符合本年度的呈列方式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of the financial position of the Company at the end of the reporting period is as follows:

41. 本公司財務狀況表

於報告期末，有關本公司財務狀況表的資料如下：

| | | 2018 | 2017 |
|--|-----------------|----------------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 10,158 | 12,173 |
| Investment properties | 投資物業 | 2,606 | 2,790 |
| Investments in subsidiaries | 於附屬公司投資 | 342,404 | 360,637 |
| Other non-current assets | 其他非流動資產 | - | 345 |
| Deferred tax assets | 遞延稅項資產 | 11,045 | 1,006 |
| Total non-current assets | 非流動資產總值 | 366,213 | 376,951 |
| CURRENT ASSETS | 流動資產 | | |
| Inventories | 存貨 | 50,940 | 113,183 |
| Trade receivables | 貿易應收款項 | 14,224 | 6,712 |
| Due from subsidiaries | 應收附屬公司款項 | 241,704 | 147,498 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 8,947 | 18,250 |
| Cash and cash equivalents | 現金及現金等價物 | 147,775 | 201,481 |
| Total current assets | 流動資產總值 | 463,590 | 487,124 |
| CURRENT LIABILITIES | 流動負債 | | |
| Trade payables | 貿易應付款項 | 39 | 117 |
| Interest-bearing bank borrowings | 計息銀行借款 | 20,000 | 49,500 |
| Due to subsidiaries | 應付附屬公司款項 | 72,304 | 45,534 |
| Other payables and accruals | 其他應付款項及應計費用 | 16,728 | 9,019 |
| Total current liabilities | 流動負債總額 | 109,071 | 104,170 |
| NET CURRENT ASSETS | 流動資產淨值 | 354,519 | 382,954 |
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Interest-bearing bank borrowings | 計息銀行借款 | 7,500 | 27,500 |
| Total non-current liabilities | 非流動負債總額 | 7,500 | 27,500 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 720,732 | 759,905 |
| NET ASSETS | 資產淨值 | 713,232 | 732,405 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 94,630 | 94,630 |
| Other reserves (note) | 其他儲備(附註) | 618,602 | 637,775 |
| Total equity | 權益總額 | 713,232 | 732,405 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018年12月31日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

| | | Capital reserve | Statutory surplus reserve | Retained profits | Total |
|---|------------------|----------------------------|--|-----------------------------|-----------------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2017 | 於2017年1月1日 | 544,223 | 44,544 | 118,556 | 707,323 |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | 30,476 | 30,476 |
| Final 2016 dividends declared and paid | 已宣派及支付的2016年末期股息 | - | - | (100,024) | (100,024) |
| Transfer from retained profits | 轉撥自保留利潤 | - | 2,771 | (2,771) | - |
| At 31 December 2017 | 於2017年12月31日 | 544,223 | 47,315 | 46,237 | 637,775 |
| At 1 January 2018 | 於2018年1月1日 | 544,223 | 47,315 | 46,237 | 637,775 |
| Total comprehensive loss for the year | 年內全面收入總額 | - | - | (19,173) | (19,173) |
| At 31 December 2018 | 於2018年12月31日 | 544,223 | 47,315 | 27,064 | 618,602 |

41. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2019.

42. 批准綜合財務報表

綜合財務報表由董事會於2019年3月29日批准及授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and re-presented as appropriate, is set out below.

摘錄自己刊發經審核財務報表並經重列(倘適用)的本集團最近五個財政年度之業績、資產、負債及非控股權益概要載列如下。

| | | Year ended 31 December 截至12月31日止年度 | | | | |
|-------------------------------------|------------|---------------------------------------|----------|-----------|-----------|------------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| | | 2014年 | 2015年 | 2016年 | 2017年 | 2018年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| RESULTS | 業績 | | | | | |
| REVENUE | 收益 | 252,449 | 397,064 | 466,241 | 472,490 | 453,199 |
| Cost of sales | 銷售成本 | (23,099) | (77,138) | (139,549) | (166,893) | (204,229) |
| Gross profit | 毛利 | 229,350 | 319,926 | 326,692 | 305,597 | 248,970 |
| Other income and gains | 其他收入及收益 | 15,785 | 15,008 | 13,407 | 7,252 | 9,053 |
| Selling and distribution expenses | 銷售及分銷開支 | (62,911) | (90,054) | (131,905) | (190,761) | (225,550) |
| Administrative expenses | 行政開支 | (38,743) | (59,488) | (85,385) | (83,090) | (79,768) |
| Other expenses | 其他開支 | (3,923) | (1,212) | (3,719) | (23,319) | (76,465) |
| Finance costs | 融資成本 | - | - | - | (1,815) | (3,363) |
| Share of profits of a joint venture | 分佔一間合營企業利潤 | - | 327 | 426 | 224 | - |
| PROFIT/(LOSS) BEFORE TAX | 除稅前利潤/(虧損) | 139,558 | 184,507 | 119,516 | 14,088 | (127,123) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | (31,688) | (45,557) | (28,870) | (3,245) | 14,286 |
| PROFIT/(LOSS) FOR THE YEAR | 本年度利潤/(虧損) | 107,870 | 138,950 | 90,646 | 10,843 | (112,837) |
| Attributable to: | 歸屬於: | | | | | |
| Owners of the parent | 母公司擁有人 | 107,873 | 136,233 | 87,232 | 4,209 | (112,837) |
| Non-controlling interests | 非控股權益 | (3) | 2,717 | 3,414 | 6,634 | - |
| | | 107,870 | 138,950 | 90,646 | 10,843 | (112,837) |

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

| | | As at 31 December | | | | |
|---------------------------|-------|-------------------|----------|-----------|-----------|------------------|
| | | 於 12 月 31 日 | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| | | 2014年 | 2015年 | 2016年 | 2017年 | 2018年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| TOTAL ASSETS | 總資產 | 664,903 | 779,759 | 983,664 | 874,968 | 740,981 |
| TOTAL LIABILITIES | 總負債 | (31,950) | (64,046) | (102,855) | (159,940) | (137,427) |
| NON-CONTROLLING INTERESTS | 非控股權益 | (4,997) | (51,193) | (57,585) | - | - |
| TOTAL | 總計 | 627,956 | 664,520 | 823,224 | 715,028 | 603,554 |



南京中生聯合股份有限公司
NANJING SINOLIFE UNITED COMPANY LIMITED*