



# Sanai Health Industry Group Company Limited 三愛健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

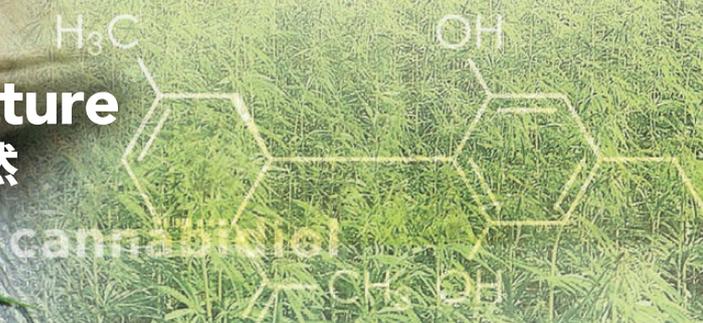
Stock Code 股份代號 : 1889



Love Life  
愛生命



Love Nature  
愛自然



Love Society  
愛社會

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## Corporate Information

### 公司資料

#### BOARD OF DIRECTORS

##### Executive Directors

Mr. Chen Chengqing (*Chairman*)  
Ms. Hung Hoi Lan  
Professor Zhang Rongqing

##### Non-executive Director

Mr. Xiu Yuan  
(appointed with effect from 5 November 2018)

##### Independent Non-executive Directors

Mr. Wang Zihao  
Mr. Tu Fangkui  
Mr. Long Jun  
Mr. Chan Chung Yin, Victor  
(appointed with effect from 5 October 2018)

#### COMPANY SECRETARY

Mr. Zhou Chen  
(appointed with effect from 11 January 2019)  
Mr. Lock Kwong Hang, Simon  
(resigned with effect from 11 January 2019)

#### AUTHORIZED REPRESENTATIVES

Mr. Chen Chengqing  
Mr. Zhou Chen  
(appointed with effect from 11 January 2019)  
Mr. Lock Kwong Hang, Simon  
(resigned with effect from 11 January 2019)

#### AUDIT COMMITTEE

Mr. Wang Zihao (*Chairman*)  
Mr. Long Jun  
Mr. Tu Fangkui

#### REMUNERATION COMMITTEE

Mr. Wang Zihao (*Chairman*)  
Mr. Chen Chengqing  
Mr. Long Jun  
Mr. Tu Fangkui  
Professor Zhang Rongqing

#### NOMINATION COMMITTEE

Mr. Chen Chengqing (*Chairman*)  
Mr. Long Jun  
Mr. Tu Fangkui  
Mr. Wang Zihao  
Professor Zhang Rongqing

#### AUDITOR

Crowe (HK) CPA Limited  
*Certified Public Accountants*

#### 董事會

##### 執行董事

陳成慶先生 (*主席*)  
洪海瀾女士  
張榮慶教授

##### 非執行董事

修遠先生  
(自二零一八年十一月五日起獲委任)

##### 獨立非執行董事

王子豪先生  
屠方魁先生  
隆軍先生  
陳仲然先生  
(自二零一八年十月五日起獲委任)

#### 公司秘書

周晨先生  
(自二零一九年一月十一日起獲委任)  
駱廣恒先生  
(自二零一九年一月十一日起辭任)

#### 法定代表

陳成慶先生  
周晨先生  
(自二零一九年一月十一日起獲委任)  
駱廣恒先生  
(自二零一九年一月十一日起辭任)

#### 審核委員會

王子豪先生 (*主席*)  
隆軍先生  
屠方魁先生

#### 薪酬委員會

王子豪先生 (*主席*)  
陳成慶先生  
隆軍先生  
屠方魁先生  
張榮慶教授

#### 提名委員會

陳成慶先生 (*主席*)  
隆軍先生  
屠方魁先生  
王子豪先生  
張榮慶教授

#### 核數師

國富浩華 (香港) 會計師事務所有限公司  
*執業會計師*

#### HONG KONG LEGAL ADVISOR

Raymond Siu & Lawyers  
Unit 1802, 18th Floor  
Ruttonjee House  
11 Duddell Street  
Central, Hong Kong

#### PRINCIPAL BANKER

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd.

#### REGISTERED OFFICE

Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
P.O. Box 31119  
KY1-1205  
Cayman Islands

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1309, 13/F, West Tower  
Shun Tak Centre  
Sheung Wan  
Hong Kong

#### SHARE REGISTRARS AND TRANSFER OFFICES

##### *Principal share registrar and transfer office*

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

##### *Hong Kong branch share registrar and transfer office*

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

#### STOCK CODE

1889

#### WEBSITE

[www.1889hk.com](http://www.1889hk.com)

#### 香港法律顧問

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香港中環  
都爹利街11號  
律敦治大廈  
18樓1802室

#### 主要往來銀行

中國銀行(香港)有限公司  
交通銀行股份有限公司

#### 註冊辦事處

Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
P.O. Box 31119  
KY1-1205  
Cayman Islands

#### 香港主要營業地點

香港  
上環  
信德中心  
西座13樓1309室

#### 股份過戶登記處

##### *股份過戶登記總處*

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

##### *股份過戶登記處香港分處*

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

#### 股份代號

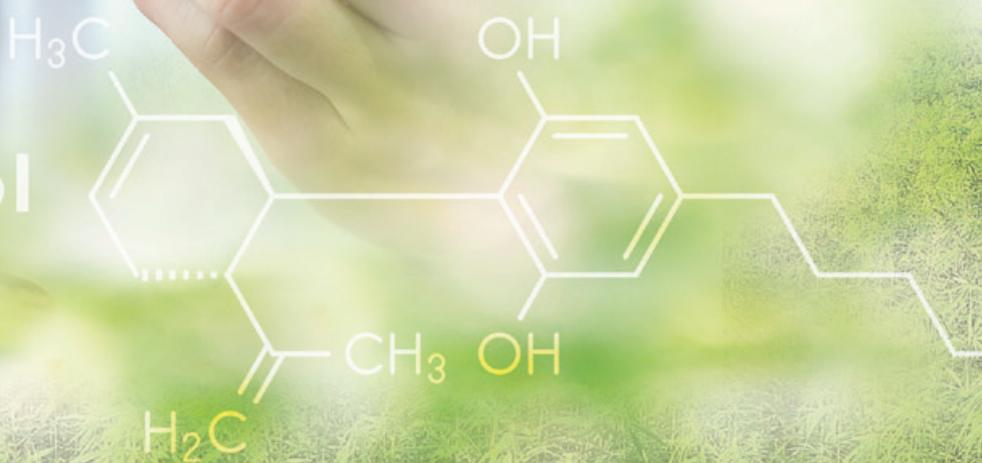
1889

#### 網址

[www.1889hk.com](http://www.1889hk.com)



**cannabidiol**



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL HIGHLIGHTS

- Revenue increased by 2.5% to RMB64.1 million
- Gross loss was RMB0.4 million
- Gross loss margin was 0.6%
- Loss for the year was RMB230 million
- Loss per share was RMB7.7 cents

### REVIEW OF RESULTS

The Group had recorded a loss of RMB229.76 million in 2018, which is approximately 80.05% less as compared with that of 2017 (loss of RMB1,151.74 million). This year's loss was mainly due to the continuous adverse impacts on the Group by the external policies and environment, and the impact of suspended production as plants were damaged by the natural disaster at the end of 2017 and the impact of a failure of smooth transfer and operation concepts within the Group arising from the process of handover of job duties between new and old management.

During the reporting period, the total revenue of the Company increased by 2.54% to RMB64.12 million. The total loss after tax was RMB229.76 million, among which, the one-off extraordinary loss was RMB189.65 million and the depreciation amount was RMB14.77 million.

### Pharmaceutical Products Business

During the year under review, the pharmaceutical products segment recorded a revenue of RMB6.10 million, accounting for approximately 9.53% of the Group's total revenue.

### Other General Trading Business

The Group commenced other general trading business in 2017. Any trading other than pharmaceutical products are included into this segment. During the year under review, other general trading segment recorded a revenue of RMB52.73 million, accounting for approximately 82.22% of the Group's total revenue. During the year ended 31 December 2018, the trading products mainly included electronic components, electric appliances, and fitness equipment.

### Finance Leasing Business

The Group commenced its finance leasing business in China in 2017. The Group targeted at industrial manufacturers, hospitals and health industry related entities as its customers to expand its finance leasing business. For the year ended 31 December 2018, revenue generated by this segment amounted to approximately RMB5.30 million, accounting for approximately 8.27% of the Group's total revenue. Short-term lease receivables and long-term lease receivables were RMB91.31 million and RMB9.03 million respectively.

### 財務摘要

- 收益增長2.5%至人民幣64.1百萬元
- 毛虧為人民幣0.4百萬元
- 毛損率為0.6%
- 年內虧損為人民幣230百萬元
- 每股虧損為人民幣7.7分

### 業績回顧

本集團於二零一八年錄得虧損人民幣229.76百萬元，較二零一七年（虧損人民幣1,151.74百萬元）下跌約80.05%。本年度之虧損主要由於外部政策及環境對本集團的持續不利影響、廠房於二零一七年年終受天災破壞而導致之停產影響及本集團內部新舊管理層交接工作之過程中未能順利轉交及經營理念不連續之影響所致。

報告期內，本公司總收益增加2.54%至人民幣64.12百萬元。除稅後總虧損為人民幣229.76百萬元，其中一次性非經常虧損為人民幣189.65百萬元及折舊金額為人民幣14.77百萬元。

### 醫藥產品業務

於回顧年度內，醫藥產品分類錄得收益人民幣6.10百萬元，佔本集團總收益約9.51%。

### 其他一般貿易業務

本集團於二零一七年開展其他一般貿易業務。除醫藥產品之外的任何貿易均包含於該分類中。於回顧年度內，其他一般貿易分類錄得收益人民幣52.73百萬元，佔本集團總收益約82.22%。於截至二零一八年十二月三十一日止年度，貿易產品主要包括電子組件、電器及健身設備。

### 融資租賃業務

本集團於二零一七年在中國開展融資租賃業務。本集團以工業製造商、醫院及健康產業相關實體為目標客戶拓展融資租賃業務。截至二零一八年十二月三十一日止年度，該分類產生收入約人民幣5.30百萬元，佔本集團總收益約8.27%。短期租賃應收款項和長期租賃應收款項分別為人民幣91.31百萬元和人民幣9.03百萬元。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS PROSPECTS

#### Pharmaceutical products business

Although the Company has disposed of Fuzhou Pharmaceutical Company\* (福州藥業有限公司) engaging in pharmaceutical production, in the meantime, all of the land assets, plants and most of the production equipment of another company – Fujian Sanai Pharmaceutical Co., Ltd.\* (福建三愛藥業有限公司) have been auctioned by the court, pharmaceutical products business is still the principal business of the Company and continues to develop. Fujian Yongchun Pharmaceutical Company Limited\* (福建永春製藥有限公司), is a high-tech enterprise in Fujian Province. Located in Yongchun County, Quanzhou City, Fujian Province, it occupies an area of 32,330 sq.m. with a gross floor area for the plants of approximately 8,311.58 square metres, in which the GMP workshop has an area of 3,581 square metres. Fujian Yongchun owns 5 drug registration series (藥品批准文號) and produces 5 types of oral medicine, including Yangpi San (養脾散), Sanqi panax notoginseng capsules (三七膠囊) and phentolamine mesylate tablets (甲磺酸酚妥拉明片). It will become the new base for pharmaceutical production of the Company which intends to transfer part of the production of oral pharmaceutical products of Fujian Sanai Pharmaceutical Co. Ltd.\* (福建三愛藥業有限公司) to Fujian Yongchun in order to expand the production scale of the oral pharmaceutical products of Fujian Yongchun.

Fujian Sanai Pharmaceutical Co. Ltd.\* (福建三愛藥業有限公司) currently retains 120 drug registration series (藥品批准文號) and part of the uncollateralized equipment. As Fujian Sanai Pharmaceutical Co. Ltd.\* still has huge bank liabilities, its major assets were auctioned by the court on 15 March 2019, resulting in a drastic change in operating foundation. The management of the Company is still in the course of discussion for various possibilities to deal with Fujian Sanai Pharmaceutical Co. Ltd.\* (福建三愛藥業), including but not limited to disposal, restructuring and liquidation.

On 29 March 2019, the Company obtained the Medical Operations Permit (Wholesale), Medical Operation Quality Management System Certifications (GSP) and Food Operations Permit through the acquisition of Fujian Zhixin Pharmaceutical Company Limited\* (福建至信醫藥有限公司) ("Fujian Zhixin"). In the future, the Company will act as a sales agent nationwide for the herbal medical materials, Chinese herbal medicine, Chinese patent medicine, chemical drug preparations, antibiotic preparations, biochemical pharmaceuticals, biological products, healthcare products and food products. The capacity of the Company on pharmaceutical sales will be stepped up by the acquisition of such pharmaceutical company. Not only can the Company sell our pharmaceuticals through the sales network of Fujian Zhixin\* (福建至信), but also act as a sales agent to sell pharmaceuticals and healthcare products from other pharmaceutical companies.

### 業務展望

#### 醫藥產品業務

儘管公司已經出售了從事藥品生產的福州藥業有限公司，同時期另一家福建三愛藥業有限公司的所有土地資產、廠房和大部分生產設備已經被法院拍賣，我們仍將醫藥保健品業務作為公司的主營業務，並持續發展。福建永春製藥有限公司位於福建省泉州市永春縣，是福建省的高新技術企業，永春公司佔地32,330平方米，廠房建築面積約8,311.58平方米，其中GMP車間3,581平方米。福建永春擁有5個藥品批准文號和生產5種口服藥品，包括養脾散、三七膠囊、甲磺酸酚妥拉明片等。福建永春將成為公司藥品生產的新基地，公司擬將福建三愛藥業有限公司的部分口服類藥品生產轉移到福建永春，擴大福建永春的口服類產品的生產規模。

福建三愛藥業有限公司目前仍保留120個藥品批准文號和部分未抵押的設備，由於福建三愛藥業有限公司仍然有巨大的銀行負債，福建三愛藥業的主要資產於二零一九年三月十五日由法院拍賣，福建三愛藥業經營基礎發生重大變化。公司管理層仍在討論處理福建三愛藥業有限公司各種可能性，包括但不限於出售、重組、清盤等。

公司於二零一九年三月二十九日，通過收購福建至信醫藥有限公司（「福建至信」），獲得藥品經營的批發許可證、醫療營運質量管理系統證書(GSP)及食品經營許可證。公司未來可以在全國範圍內代理銷售中藥材、中藥飲片、中成藥、化學藥製劑、抗生素制劑、生化藥品、生物製品、保健品、食品等。收購該醫藥公司將增強公司的藥品銷售能力，本公司的藥品可以透過福建至信的銷售網絡進行銷售，並作為代理銷售其他藥業公司的藥品和保健品。

# Management Discussion and Analysis

## 管理層討論及分析

Zhejiang Sanai Biotechnology Company Limited\* (浙江三愛生物科技股份有限公司), a wholly-owned subsidiary of the Company, launch a project on a plant factory at the end of 2018, in which an indoor plant cultivation factory with an area of approximately 2,000 square metres will be constructed, where it will adopt LED lighting and automatic water circulatory system to cultivate a high value-added medicinal herb called Taiwan anoectochilus (金線蓮藥材) on stereoscopic cultivation racks. The expected total investment of such project is about RMB30 million. The model of plant factory is an emerging planting method with an advantage of producing quality medicinal herbs in a stable output. Upon implementation of the project, the Company can provide high quality fresh herb of Taiwan anoectochilus as well as pharmaceuticals and food products containing Taiwan anoectochilus to the market in the future, which is expected to generate favourable economic benefits.

### Precision Medicine Business

**Genetic testing:** The Company has cooperated with Yangtze Delta Region Institute of Tsinghua University in Zhejiang for a precision medicine research and development centre. The Group is committed to developing in the realms of precision testing, genome editing, cell therapy, regenerative medicine and the research and development of targeted drugs to conduct research and product development, and provision of services. The Company recently acquired a biotechnology company which is primarily engaged in the provision of services including genetic testing and molecular diagnostic testing. The biotechnology company operates a laboratory with a legal business license in Hong Kong, providing services comprising non-invasive prenatal diagnosis (NIPD), tumor genetic screening, DNA testing and paternity testing. Genetic testing is a prerequisite for precision medicine. On this basis, the Company will further expand businesses in the field of precision medicine.

### General Trading Business

The Company will gradually reduce the sales of trading products in the future and will focus to deploy its capital mainly for business development of the pharmaceutical and precision medicine sectors.

### Finance leasing business

Since its establishment and development in 2017, Union Development Finance Lease (Shenzhen) Company Limited\* (聯合發展融資租賃(深圳)有限公司), an indirect wholly-owned subsidiary of the Company, has achieved initial results and continued to contribute operating profits to the Group. In the future, on the basis of a stabilized business platform, the Company will develop leasing services of medical devices and rehabilitation equipment which is complimentary to the Group's existing pharmaceutical products business.

## FINANCIAL REVIEW

For the year ended 31 December 2018, the Group achieved a total revenue of RMB64.12 million, representing an increase of 2.54% as compared to RMB62.53 million in 2017, and gross loss margin was 0.55% (2017: gross loss margin 90.79%). The Group recorded a loss attributable to owners of the Company of RMB229.76 million (2017: loss of RMB1,151.74 million). Loss for the year decreased due to significantly less amount of impairment loss on goodwill, property, plant and equipment, land use right and amount due from an associate as compared with 2017. The basic loss per share was RMB7.7 cents (2017: RMB47.8 cents).

本公司的全資附屬公司浙江三愛生物科技股份有限公司在二零一八年未推出一項植物工廠的項目，將建成一座佔地面積約2,000平方米的室內植物種植工廠，工廠採用LED照明和自動水循環系統，利用立體培植架種植培育高附加值的金線蓮藥材。該項目預計總投資約人民幣3,000萬元，植物工廠模式是一項新興的種植方式，優勢是可以穩定的產出高品質的藥材，該項目推進後，本公司在未來可以向市場提供高品質的金線蓮的鮮草，以及含金線蓮藥材成分的藥品和食品，預計該項目將產生良好的經濟效益。

### 精準醫學業務

**基因檢測:** 本公司與浙江清華長三角研究院合作有精準醫學研發中心，本集團致力於在精準檢測，基因編輯，細胞治療，再生醫學，靶向藥物研發等領域開展研究和產品開發，服務提供等。本公司於近期收購一家主要從事基因檢測，分子生物診斷檢測等服務的生物科技公司，該公司在香港運營一家持有合法經營執照的化驗所，提供唐氏篩查(NIPD)，腫瘤基因篩查，遺傳基因檢測，親子鑒定等服務。基因檢測是精準醫療的必要前提，本公司將以此為基礎，在精準醫療領域拓展更多的業務。

### 一般貿易業務

本公司未來將逐步減少銷售一般貿易產品，並將專注部署其資金以主要用於藥業板塊，精準醫療板塊的業務發展。

### 融資租賃業務

本公司之間接全資附屬公司的聯合發展融資租賃(深圳)有限公司自二零一七年組建和發展以來已經初見成效，並持續為本集團帶來經營利潤。於未來，在穩健的業務平台基礎上，本公司將發展醫療器械及康復設備之租賃服務，以配合本集團之現有醫藥產品業務。

### 財務回顧

截至二零一八年十二月三十一日止年度，本集團實現總收益人民幣64.12百萬元，較二零一七年的人民幣62.53百萬元增加2.54%，毛虧率為0.55%（二零一七年：毛虧率90.79%）。本集團錄得本公司擁有人應佔虧損人民幣229.76百萬元（二零一七年：虧損人民幣1,151.74百萬元）。商譽、物業、廠房及設備、土地使用權及應收一間聯營公司款項減值虧損較二零一七年大幅減少導致年內虧損減少。每股基本虧損為人民幣7.7分（二零一七年：人民幣47.8分）。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity, Financial Resources and Capital Structure

As at 31 December 2018, the Group had cash and cash equivalents of approximately RMB17.75 million (2017: approximately RMB61.73 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars. The decrease in cash and cash equivalents during the year under review was mainly due to the normal operating loss incurred by the Group.

As at 31 December 2018, the Group's secured bank loans which were secured by land use rights and property, plant and equipment amounted to approximately RMB233.79 million (2017: RMB281.94 million). The loans were denominated in Renminbi, carried interest at fixed rates ranging from 4.6% to 6.3% (2017: 4.6% to 6.3% respectively) per annum and are repayable within 1 year. During the year, the Group did not use any financial instruments for hedging purpose.

Pursuant to the Company's announcements dated 8 January 2019 and dated 22 March 2019, the certain pledged properties have been sold at the total price of RMB78,000,000 during an auction conducted by the People's Court of Jianyang District, Nanping City (南平市建陽區人民法院) on 15 March 2019, the proceeds of which, net of reasonable auction expenses to be charged by the People's Court of Jianyang District Nanping City, will be wholly used to settle part of the secured bank loans of RMB233.79 million as mentioned above.

The Group reviewed the capital structure by using gearing ratio. The gearing ratio represents the total debt, which includes trade and other payables and secured bank loans of the Group, divided by total equity of the Group. The gearing ratio of the Group was approximately 395% as at 31 December 2018 (2017: approximately 135%).

### Exposure to Fluctuation in Exchange Rates

For the year ended 31 December 2018, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. As at 31 December 2018, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

### Significant Acquisitions and Disposal of Investments

For the year ended 31 December 2018, the Company had no significant acquisition of investment.

On 27 December 2018, pursuant to the announcement on "disposal of shares of a subsidiary", the Company has disposed of 100% shareholding interests in "Hong Kong Sanai Health Care Products Company Limited" and its 100% owned PRC subsidiary "Fuzhou Sanai Pharmaceutical Company Limited" to an independent third party.

### 流動資金、財政資源及資本結構

於二零一八年十二月三十一日，本集團之現金及現金等價物約為人民幣17.75百萬元（二零一七年：約人民幣61.73百萬元）及大部分現金及現金等價物以人民幣及港元計值。現金及現金等價物於回顧年度下跌的主要原因是本集團產生之一般營運虧損。

於二零一八年十二月三十一日，本集團有抵押銀行貸款約人民幣233.79百萬元（二零一七年：人民幣281.94百萬元）由土地使用權以及物業、廠房及設備抵押。貸款均以人民幣計值，按介乎4.6%至6.3%的固定年利率（二零一七年：4.6%至6.3%）計息及須於一年內償還。於年內，本集團並無運用任何金融工具作對沖用途。

根據本公司日期為二零一九年一月八日及二零一九年三月二十二日之公告，在南平市建陽區人民法院於二零一九年三月十五日舉行之拍賣中，若干質押物業已以總價格人民幣78,000,000元出售，其所得款項（扣除南平市建陽區人民法院將予收取合理拍賣費用）將全數用於償付部分上述之有抵押銀行貸款人民幣233.79百萬元。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債（包括貿易應付款項及其他應付款項以及有擔保銀行貸款）除以本集團之總權益。本集團於二零一八年十二月三十一日之資產負債比率為約395%（二零一七年：約135%）。

### 匯率波動風險

於截至二零一八年十二月三十一日止年度，本集團之業務交易主要以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難，且其營運亦未因此承受負面影響。於二零一八年十二月三十一日，本集團並無任何外匯合約、利息或貨幣掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。

### 重要收購及出售投資

於截至二零一八年十二月三十一日止年度，本公司並無重大收購投資。

於二零一八年十二月二十七日，根據有關「出售一間附屬公司之股份」之公告，本公司已向一名獨立第三方出售「香港三愛保健品有限公司」之100%股權及其擁有100%權益之中國附屬公司「福州三愛藥業有限公司」。

# Management Discussion and Analysis

## 管理層討論及分析

### Number and Remuneration of Employees

For the year ended 31 December 2018, the Group employed approximately 230 employees (2017: 285 employees) with a staff cost of approximately RMB13.04 million (2017: approximately RMB17.02 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages, including performance bonuses and entitlements to share options, are reviewed on a regular basis.

### Capital Expenditure

For the year ended 31 December 2018, there was no significant capital expenditure of the Group for property, plant and equipment (2017: approximately RMB204.51 million).

### Assets pledged by the Group

At 31 December 2018, land use rights with a net book value of approximately RMB3,827,000 (2017: RMB6,040,000) and property, plant and equipment with a net book value of approximately RMB27,431,000 (2017: RMB28,547,000) were pledged to a bank as collateral against the bank loans of RMB 233,792,000 (2017: RMB281,942,000).

### Investment held by the Group

Please refer to notes 20 and 21 to the consolidated financial statements for details of the investments held by the Group.

### On-going Litigation

On 27 March, 2018, Fuzhou Sanai Pharmaceutical Company Limited\* (福州三愛藥業有限公司) ("Fuzhou Sanai"), an indirect wholly-owned subsidiary of the Company, filed a civil law suit (the "Litigation") with Mawei District People's Court in Fuzhou City, Fujian Province, China against Antu County Guanghui Chinese Medicine Technology Development Company Limited (安圖縣廣滙中藥材料科技發展有限公司) ("Antu Guanghui") in relation to a contract disputes for a claim amount of RMB94,815,000, together with related interests and costs. On 30 March 2018, the Litigation was accepted by the Intermediate People's Court of Fuzhou City, Fujian Province, China. For more details of the Litigation, please refer to the announcement of the Company dated 20 April 2018. This litigation was released from the Group upon the disposal of Fuzhou Sanai in 2018.

### Contingent Liabilities

Save and except for those disclosed herein, the Group had no material contingent liabilities as at 31 December 2018 (2017: Nil).

### Dividend

The Board does not recommend payment of any final dividend for the year ended 31 December 2018 (31 December 2017: Nil).

### 僱員人數及薪酬

於截至二零一八年十二月三十一日止年度，本集團聘用約230名僱員（二零一七年：285名僱員），員工成本約為人民幣13.04百萬元（二零一七年：約人民幣17.02百萬元）。本集團按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。

### 資本開支

於截至二零一八年十二月三十一日止年度，本集團並無物業、廠房及設備的重大資本開支（二零一七年：約人民幣204.51百萬元）。

### 本集團抵押之資產

於二零一八年十二月三十一日，賬面淨值約人民幣3,827,000元（二零一七年：人民幣6,040,000元）之土地使用權及賬面淨值約人民幣27,431,000元（二零一七年：人民幣28,547,000元）之物業、廠房及設備已抵押予銀行，作為為數人民幣233,792,000元（二零一七年：人民幣281,942,000元）之銀行貸款之抵押品。

### 本集團持有之投資

有關本集團所持投資之詳情，請參閱綜合財務報表附註20及21。

### 仍在進行之訴訟

於二零一八年三月二十七日，本公司間接全資附屬公司福州三愛藥業有限公司（「福州三愛」）向中國福建省福州市馬尾區人民法院對安圖縣廣滙中藥材料科技發展有限公司（「安圖廣滙」）提起民事訴訟（「該訴訟」），內容有關索賠金額為人民幣94,815,000元的合約糾紛，連同相關利息及費用。於二零一八年三月三十日，該訴訟已被中國福建省福州市中級人民法院受理。有關該訴訟的詳情，請參閱本公司日期為二零一八年四月二十日之公告。該訴訟於本集團在二零一八年出售福州三愛後解除。

### 或然負債

除本年報所披露者外，本集團於二零一八年十二月三十一日並無重大或然負債（二零一七年：無）。

### 股息

董事會並不建議就截至二零一八年十二月三十一日止年度派發任何末期股息（二零一七年十二月三十一日：無）。

# Corporate Governance Report

## 企業管治報告

The Company is committed to achieving a high standard of corporate governance practice, such that the interests of our shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

The Company's corporate governance structure includes the Board and three board committees under the Board, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"). The Board stipulates the terms of reference of all board committees and specifies therein clearly the powers and responsibilities of the board committees.

### CORPORATE GOVERNANCE PRACTICES

The Company has complied with the provisions as set out in the Corporate Governance Code (the "CG Code") during the year ended 31 December 2018 as contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for deviation from code provision A.2.1 of the CG Code in respect of the roles of chairman ("Chairman") and chief executive officer ("Chief Executive Officer") of the Company as further elaborated below.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. The Company has made specific enquiries of all Directors and each Director confirmed that during the year ended 31 December 2018, they fully complied with the required standards as set out in the Model Code.

### BOARD OF DIRECTORS

As at the date of this Annual Report, the Board consists of eight members, with three executive Directors, namely, Mr. Chen Chengqing, Ms. Hung Hoi Lan and Professor Zhang Rongqing, one non-executive director, namely Mr. Xiu Yuan and four independent non-executive Directors, namely, Mr. Tu Fangkui, Mr. Wang Zihao, Mr. Long Jun and Mr. Chan Chung Yin, Victor. All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are shown on the section headed "Directors and Senior Management" of this Annual Report. There is no relationship among the Directors.

The Board is responsible for planning and overseeing the overall development and management of the Group with the objective of enhancing shareholders' value. The Board, led by the Chairman, is responsible for the approval and monitoring of the overall strategies and policies of the Group, approval of annual budgets and business plans, evaluation of the Company's performance and oversight of the works of management.

The Board is accountable to the shareholders and report to them at general meetings. The day-to-day operations of the Group are delegated to the management.

本公司致力達至高度的企業管治常規，使股東、客戶、員工以及公司長遠發展的利益得以維護。

本公司的企業管治架構包括董事會及其轄下的三個董事會委員會，即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）。董事會以書面訂明所有董事會委員會的職權範圍，並清楚列明各董事會委員會的權力及職責。

### 企業管治常規

於截至二零一八年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）所載條文，惟本公司主席（「主席」）及行政總裁（「行政總裁」）的角色偏離企業管治守則條文第A.2.1條（於下文進一步闡述）除外。

### 董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之守則。本公司已向所有董事作出具體查詢，且各董事均確認截至二零一八年十二月三十一日止年度內彼等已全面遵守標準守則所規定標準。

### 董事會

於本年報日期，董事會由八名成員組成，其中三名為執行董事（即陳成慶先生、洪海瀾女士及張榮慶教授以及一名非執行董事修遠先生）及四名為獨立非執行董事（即屠方魁先生、王子豪先生、隆軍先生及陳仲然先生）。全體董事均在其專業領域有突出表現，展現高尚的個人及專業道德和誠信。各董事的履歷詳情載於本年報「董事及高級管理層」一節。董事之間概無任何關係。

董事會負責規劃及監察本集團整體發展及管理，以提升股東價值為目標。由主席領導之董事會負責審批及監管本集團的整體策略及政策、批准年度預算及業務計劃、評估本公司表現以及監督管理層之工作。

董事會對股東負責，並須於股東大會上向股東匯報工作。本集團的日常營運由管理層負責。

The Board meets regularly throughout the year to review the overall strategy and to monitor the operation as well as the financial performance of the Company. The Chairman focuses on the Company's strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered at Board meetings and abstain from voting as appropriate. Draft minutes of all Board meetings are circulated to Directors for comment within a reasonable time prior to confirmation. The Board meets at least 4 times a year, at approximately quarterly intervals, to review the financial performance, results of each period, material investments and other matters of the Company that require the resolution of the Board. Simultaneous conference call may be used to improve attendance when individual Director cannot attend the meeting in person. Opinions of the independent non-executive Directors are actively sought by the Company if they are unable to attend the meeting in person.

Minutes of Board meetings are kept by the company secretary of the Company ("Company Secretary"); all Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner; this enables the Board to make informed decision on matters placed before it.

In respect of the corporate governance functions, during the year under review, the Board formulated the terms of reference on the corporate governance duties and performed corporate governance duties in accordance with the terms of reference. To be specific, the Board mainly performed the following corporate governance duties during the year under review:

- To review the Company's policies and practices on corporate governance and make recommendations;
- To review and monitor the training and continuous professional development of Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct applicable to directors and employees; and
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

### BOARD ATTENDANCE

For the year ended 31 December 2018, the Board had convened 12 Board meetings and 1 general meeting.

董事會於整個年度定期開會以檢討本公司整體策略及監察經營以及財務表現。主席專注於公司策略並負責領導及管理董事會之有效運作，並確保所有重大問題已獲董事會適時考慮。所有定期董事會會議之通告最少在會議前14天內發給所有董事，而董事可將其認為適宜及需要的任何事項載入議程。定期董事會會議之議程及隨附之會議文件將於會議開始前之合理時間內悉數派發予所有董事。董事必須聲明彼等將於董事會會議上考慮之任何建議或交易之直接或間接權益（如有），並於適合情況下放棄投票。所有董事會會議之會議記錄初稿將於確認前合理時間內發送予董事以供彼等提供意見。董事會每年至少舉行四次會議，約每季一次，以檢討本公司財務表現、每段期間之業績、重大投資以及需要董事會決議案之其他事宜。當個別董事未能親自出席會議，則可能會利用同步電話會議，以提高董事之出席率。倘獨立非執行董事未克親身出席會議，本公司仍會積極尋求彼等之意見。

本公司公司秘書（「公司秘書」）保存董事會會議記錄；所有董事均有權查閱董事會文件及相關材料，並會及時獲提供充分資料；此使董事會可就提呈之事項作出知情決定。

企業管治職能方面，董事會於回顧年度內就企業管治職責制訂了職權範圍，並按照職權範圍履行了企業管治職責。具體而言，董事會於回顧年度內主要履行了下列企業管治職責：

- 檢討本公司企業管治政策及常規，並提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察董事及僱員適用的操守守則；及
- 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露事項。

### 董事會出席率

於截至二零一八年十二月三十一日止年度，董事會已舉行12次董事會會議及1次股東大會。

# Corporate Governance Report

## 企業管治報告

Attendance records of the Directors are as follows:

董事之出席記錄如下：

Directors 董事		Number of attendance of Board meetings 董事會會議 出席次數	Number of attendance of general meetings 股東大會 出席次數
<b>Executive Directors</b> 執行董事			
Mr. Chen Chengqing ( <i>Chairman</i> )	陳成慶先生 (主席)	12/12	1/1
Ms. Hung Hoi Lan	洪海瀾女士	12/12	1/1
Professor Zhang Rongqing	張榮慶教授	12/12	1/1
<b>Non-executive Director</b> 非執行董事			
Mr. Xiu Yuan (appointed with effect from 5 November 2018)	修遠先生 (於二零一八年十一月五日起獲委任)	1/1 (Note 1) (附註1)	0/0 (Note 1) (附註1)
<b>Independent non-executive Directors</b> 獨立非執行董事			
Mr. Tu Fangkui	屠方魁先生	12/12	1/1
Mr. Wang Zihao	王子豪先生	12/12	1/1
Mr. Long Jun	隆軍先生	12/12	1/1
Mr. Chan Chung Yin, Victor (appointed with effect from 5 October 2018)	陳仲然先生 (自二零一八年十月五日起獲委任)	1/1 (Note 2) (附註2)	0/0 (Note 2) (附註2)

Notes:

- (1) Mr. Xiu Yuan was appointed with effect from 5 November 2018. Only 1 Board meeting was held and no general meeting was held during his appointment period.
- (2) Mr. Chan Chung Yin, Victor was appointed with effect from 5 October 2018. Only 1 Board meeting was held and no general meeting was held during his appointment period.
- (3) Pursuant to code provision A.6.7 of the CG Code, non-executive Directors and independent non-executive Directors should also attend general meeting. Mr. Xiu Yuan, the non-executive Director, and Mr. Chan Chung Yin, Victor, the independent non-executive Director, did not attend the general meeting of the Company because their appointment were effective after the general meeting.

附註：

- (1) 修遠先生由二零一八年十一月五日起獲委任，於彼任期內僅舉行一次董事會會議，而並無舉行股東會會議。
- (2) 陳仲然先生自二零一八年十月五日起獲委任，於彼任期內僅舉行一次董事會會議，而並無舉行股東會會議。
- (3) 根據企業管治守則之守則條文第A.6.7條，非執行董事及獨立非執行董事亦應出席股東大會。非執行董事修遠先生及獨立非執行董事陳仲然先生並未出席股東大會，原因為其委任於股東大會後生效。

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of Appendix 14 to the Listing Rules, the roles of Chairman and Chief Executive Officer of an issuer should be separate and should not be performed by the same person. The Company does not at present have the role of Chief Executive Officer. Mr. Chen Chengqing is the Chairman responsible for overseeing the operations of the Group. The Board considers that vesting the roles of the Chairman and Chief Executive Officer in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operations. On the other hand, there are four independent non-executive Directors on the Board, all of them possess adequate independence and therefore the Board considers the Company has provided sufficient protection to the balance between its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

### 主席及行政總裁

根據上市規則附錄十四守則條文第A.2.1條，發行人之主席及行政總裁之角色應予區分而不應由一人同時兼任。本公司目前並無行政總裁之角色。陳成慶先生出任主席，負責監察本集團之經營。董事會認為由一人出任主席及行政總裁，便於執行本公司之業務策略以及提升其經營之效率。此外，董事會有四名獨立非執行董事，彼等均擁有足夠的獨立性，故董事會認為本公司已就其權益以及其股東的權益取得平衡及提供足夠保障。董事會將不時檢討有關架構，並於適當情況下考慮作出適當調整。

### NON-EXECUTIVE DIRECTORS

In full compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, during the year ended 31 December 2018, the Company has appointed four independent non-executive Directors, at least one of whom has appropriate professional accounting qualifications or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

All non-executive Directors (including independent non-executive Directors) are appointed for a term between one and two years. The appointment contracts will be renewed every year and they are subject to retirement by rotation and re-election by shareholders in accordance with the articles of association of the Company. The responsibilities of the non-executive Directors include, without limitation: regular attendance at meetings of the Board and of board committees of which they are members; provision of independent opinions at meetings of the Board and other board committees; resolution of or taking the lead where there is potential conflict of interests; service on the audit committee ("Audit Committee"), remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") of the Company; and scrutinizing and monitoring the performance of the Company.

### BOARD DIVERSITY

The Board has adopted the Board Diversity Policy in August 2013 whereas such Policy states the method by which the board diversity can be reached.

To the knowledge of the Company, the fact that the Board has become gradually more and more diversified has helped the Company achieved its strategic objective and has provided support for the Company's sustainable development.

The Company aims to achieve Board diversity by taking into consideration of various factors including the age, culture and educational background, race, professional experience, knowledge and other qualifications. When the Company determines the best combination for the members of the Board, it will, from time to time, take into consideration of its own business mode and specific needs.

The Nomination Committee has designed measurable goals according to four major aspects (namely, the age, professional qualification, term of service and independence) for purposes of implementing the Board Diversity Policy and considered that these goals have been achieved satisfactorily during the year. The relevant goals will be reviewed from time to time so as to ensure its appropriateness and its progress for achieving such goals. The Nomination Committee will review the Board Diversity Policy from time to time (if appropriate) to ensure that such Policy continues to be effective.

### 非執行董事

為全面遵守上市規則第3.10(1)、3.10(2)及3.10A條，截至二零一八年十二月三十一日止年度，本公司已委任四名獨立非執行董事，其中至少一名具有適當的專業會計資格或相關財務管理專業知識。本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則第3.13條所載獨立性指引，本公司認為所有該等非執行董事均為獨立人士。

所有非執行董事（包括獨立非執行董事）的委任期為期一至兩年。委任合約每年重續，且非執行董事須根據本公司之公司章程細則輪席退任，並經股東重新選舉。非執行董事之責任包括（但不限於）：定期出席董事會及其出任成員的董事委員會會議；在董事會和其他董事委員會會議上提供獨立意見；在有潛在利益衝突時予以解決或起表率作用；出任本公司審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）成員；及檢查及監察本公司表現。

### 董事會成員多元化

董事會於二零一三年八月採納董事會成員多元化政策，該政策載列達致董事會成員多元化的方法。

本公司知悉董事會成員日益多元化已有助達成本公司策略目標及為本公司可持續發展提供支持。

本公司藉考慮多項因素，包括年齡、文化及教育背景、種族、專業經驗、知識以及其他資格，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時亦將不時考慮其本身業務模式及具體需要。

提名委員會已按四個重點範疇（年齡、專業資格、服務任期及獨立性）設定可計量目標，以執行董事會成員多元化政策，並認為於年內已圓滿達成該等目標。有關目標將不時審閱以確保其合適及確定達成該等目標的進度。提名委員會將不時（視適用情況而定）審閱董事會成員多元化政策，確保相關政策持續有效。

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director of a listed company to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, Companies Ordinance/Act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written training materials to develop and refresh their professional skills; during the year under review, the Company Secretary also organised and arranged seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the period from 1 January 2018 to 31 December 2018:

### 董事之入職及持續專業發展

各董事獲委任加入董事會時將收到全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為上市公司董事之一般、法定及監管責任，以確保其足夠瞭解其於上市規則及其他相關監管規定下之責任。

董事定期獲知會相關法例、規則及規例之修訂或最新版本簡報。此外，本公司一直鼓勵董事及高級行政人員報讀由香港專業團體、獨立核數師及／或商會舉辦的有關上市規則、公司條例／公司法及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高相關知識及技能。

董事將不時獲提供旨在發展及更新其專業技能之書面培訓材料；於回顧年度內，本公司之公司秘書亦會為董事舉辦及安排有關適用法例、規則及規例最新發展之講座，以協助彼等履行其職責。

根據本公司存置之記錄，為符合企業管治守則關於持續專業發展之規定，董事於二零一八年一月一日至二零一八年十二月三十一日止期間接受以下重點在於上市公司董事之角色、職能及職責之培訓：

	Corporate Governance/ Updates on Laws, Rules and regulations 企業管治／法例、規則 及規例之最新版本		Accounting/Financial/ Management or Other Professional Skills 會計／財務／管理 或其他專業技能	
	Read Materials	Attend Seminars/ Briefing 出席講座／ 簡報會	Read Materials	Attend Seminars/ Briefing 出席講座／ 簡報會
<b>Directors</b>				
<b>董事</b>				
<b>Executive Directors</b>				
Mr. Chen Chengqing (Chairman)		✓		
Ms. Hung Hoi Lan		✓	✓	
Professor Zhang Rongqing		✓	✓	
<b>Non-executive Director</b>				
Mr. Xiu Yuan				
<b>Independent non-executive Directors</b>				
Mr. Tu Fangkui		✓		
Mr. Wang Zihao		✓	✓	
Mr. Long Jun		✓		✓
Mr. Chan Chung Yin, Victor		✓		

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' AND OFFICERS' LIABILITY

The Company has renewed Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year 2018/2019. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

### BOARD COMMITTEES

The monitoring and assessment of certain governance matters are allocated to three committees which operate under defined terms of reference.

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the Listing Rules. The composition of the Audit Committee and their attendance records for the year ended 31 December 2018 were as follows:

#### Directors

#### 董事

#### Number of attendance of 出席次數

#### Independent non-executive Directors

Mr. Wang Zihao (*Chairman*)  
Mr. Tu Fangkui  
Mr. Long Jun  
Mr. Chan Chung Yin, Victor  
(appointed with effect from 5 October 2018)

#### 獨立非執行董事

王子豪先生 (*主席*)  
屠方魁先生  
隆軍先生  
陳仲然先生  
(自二零一八年十月五日起獲委任)

5/5  
5/5  
5/5  
0/0  
(Note) (附註)

Note: Mr. Chan Chung Yin, Victor was appointed with effect from 5 October 2018 and no Audit Committee meeting was held during his appointment record.

附註：陳仲然先生自二零一八年十月五日起獲委任，而於其任期內並無舉辦任何審核委員會會議。

Each member can bring to the committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Company as each of them possesses management experience in the accounting profession or commercial sectors.

由於彼等各自均於會計專業或商界擁有豐富的管理經驗，故每位成員可貢獻其寶貴經驗，審閱財務報表及評估本公司重大控制及財務事宜。

The principal duties of the Audit Committee include the review and supervision of the Company's financial reporting system, financial statements and internal control procedures. The Audit Committee also monitors the appointment of the Company's external independent auditor. The terms of reference of the Audit Committee are available for inspection on the Company's website at [www.1889hk.com](http://www.1889hk.com) and the website of the Stock Exchange.

審核委員會之主要責職包括審議及監察本公司之財務申報系統、財務報表及內部監控程序。審核委員會亦監督公司外聘獨立核數師的任用。審核委員會之職權範圍可於本公司網站 [www.1889hk.com](http://www.1889hk.com) 及聯交所網站查閱。

### 董事及高級職員責任

本公司已續保二零一八／二零一九年度本公司全體董事及高級管理層的董事及高級職員責任保險。有關保險為彼等承保企業活動所產生的成本、費用、開支及責任。

### 董事委員會

若干管治事宜之監察及評估工作已分配予三個董事委員會，彼等乃根據其界定之職權範圍運作。

### 審核委員會

本公司已根據上市規則成立審核委員會並書面確定其職權範圍。於截至二零一八年十二月三十一日止年度，審核委員會之組成及彼等的出席記錄如下：

# Corporate Governance Report

## 企業管治報告

The Audit Committee shall meet at least twice a year. During the year under review, five meetings were held. For the meeting held on 27 March 2018, the Audit Committee discussed and reviewed the issues relating to (1) profit warning for the year ended 31 December 2017, (2) delay in publication of annual results announcement for the year ended 31 December 2017 and (3) postponement of board meeting, and with recommendation to the Board for further approval. For the meeting held on 20 April 2018, the consolidated financial statements of the Company for the financial year ended 31 December 2017 and the Company's internal control system reports were reviewed, and with recommendation to the Board for further approval. For the meeting held on 31 August 2018, the Audit Committee reviewed the consolidated financial statement of the Company for the six months ended 30 June 2018 with recommendation to the Board for further approval. The annual results announcement and annual report of the Group and the reports on the Company's internal control and risk management systems for the year ended 31 December 2018 had also been reviewed by the Audit Committee in the meeting held on 31 March 2019, with no disagreement among all Audit Committee members, and with recommendation to the Board for approval.

### REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in compliance with the Listing Rules. The composition of the Remuneration Committee and their attendance records for the year ended 31 December 2018 were as follows:

#### Directors 董事

##### Executive Directors

Mr. Chen Chengqing  
Professor Zhang Rongqing

##### Independent non-executive Directors

Mr. Wang Zihao (*Chairman*)  
Mr. Tu Fangkui  
Mr. Long Jun

##### 執行董事

陳成慶先生  
張榮慶教授

##### 獨立非執行董事

王子豪先生 (主席)  
屠方魁先生  
隆軍先生

#### Number of attendance of 出席次數

3/3

3/3

3/3

3/3

3/3

審核委員會應每年至少舉行兩次會議。於回顧年內，本公司舉行了五次會議。於二零一八年三月二十七日舉行的會議上，審核委員會討論及審核以下有關事宜：(1)截至二零一七年十二月三十一日止年度之盈利預警，(2)延遲刊發截至二零一七年十二月三十一日年度之年度業績公佈；及(3)董事會會議延期，並向董事會推薦，以待其進一步批准。於二零一八年四月二十日舉行的會議上，審核委員會審閱了本公司截至二零一七年十二月三十一日止財政年度之綜合財務報表及本公司之內部監控系統報告並向董事會推薦，以待其進一步批准。於二零一八年八月三十一日舉行的會議上，審核委員會審閱本公司截至二零一八年六月三十日止六個月之綜合財務報表並向董事會推薦，以待其進一步批准。截至二零一八年十二月三十一日止年度之本集團年度業績公佈、年度報告及本公司之內部監控及風險管理系統報告亦已由審核委員會於二零一九年三月三十一日之會議上審閱，且審核委員會所有成員之間並無異議，並向董事會推薦，以待批准。

### 薪酬委員會

本公司已根據上市規則成立薪酬委員會並書面確定其職權範圍。截至二零一八年十二月三十一日止年度，薪酬委員會之組成及彼等的出席記錄如下：

The Board has delegated the authority to the Remuneration Committee to review and recommend to the Board the compensation scheme of the Directors as well as that of the senior management staff.

The main function of the Remuneration Committee is to assist the Board to oversee the Company's remuneration packages, bonus and other compensation payable to Directors and senior management and establish a transparent procedure for developing policy on such remuneration. The Board shall provide sufficient resources to the Remuneration Committee to enable it to discharge its duties.

During the year under review, the Remuneration Committee has conducted 3 meetings. The Remuneration Committee assisted the Board to review and made recommendations to the Board on the remuneration of newly appointed executive Directors and independent non-executive Directors. The terms of reference of the Remuneration Committee are available for inspection on the Company's website at [www.1889hk.com](http://www.1889hk.com) and the website of the Stock Exchange.

### NOMINATION COMMITTEE

The Company has established a nomination committee with written terms of reference. The composition of the Nomination Committee and their attendance records for the year ended 31 December 2018 were as follows:

#### Directors

##### 董事

#### Executive Director

Mr. Chen Chengqing (*Chairman*)

#### Independent non-executive Directors

Mr. Wang Zihao

Mr. Tu Fangkui

Professor Zhang Rongqing

Mr. Long Jun

#### 執行董事

陳成慶先生 (主席)

#### 獨立非執行董事

王子豪先生

屠方魁先生

張榮慶教授

隆軍先生

#### Number of attendance of

#### 出席次數

3/3

3/3

3/3

3/3

3/3

董事會授權薪酬委員會檢討董事及高級管理員工的薪酬計劃及就此向董事會提出建議。

薪酬委員會主要職能為協助董事會監察本公司支付董事及高級管理層之薪酬組合、獎金及其他補償以及訂立一套具透明度的程序，以製定有關該等酬金之政策。董事會須向薪酬委員會提供充足資源，以令其能夠履行其職責。

於回顧年度，薪酬委員會召開三次會議。薪酬委員會協助董事會就新委任執行董事及獨立非執行董事之薪酬作出審議及就此向董事會提出建議。薪酬委員會之職權範圍可於本公司網站[www.1889hk.com](http://www.1889hk.com)及聯交所網站查閱。

### 提名委員會

本公司已成立提名委員會並書面確定其職權範圍。截至二零一八年十二月三十一日止年度，提名委員會之組成及彼等的出席記錄如下：

# Corporate Governance Report

## 企業管治報告

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become members of the Board, and to assess the independence of the independent non-executive Directors. Having regard to the independence and quality of nominees, the Nomination Committee shall make recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning for Directors, in particular the chairman of the Board and the chief executive officer of the Company and reviewing the objectives set for implementing and reviewing the Board Diversity Policy as well as the composition and diversity of the Board. The Board shall provide sufficient resources to the Nomination Committee to enable it to discharge its duties.

Pursuant to the Company's articles of association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years. The retiring Directors are eligible to offer themselves for re-election.

During the year under review, the Nomination Committee has conducted 3 meetings in which the members of Nomination Committee performed appraisal of newly appointed executive Directors and independent non-executive Directors, recommended the Board to appoint them as Directors and some of them as members of Board committees and reviewed the independence of the independent non-executive Directors. During the year under review, the Nomination Committee also monitored the implementation of the Board Diversity Policy. The terms of reference of the Nomination Committee are available for inspection on the Company's website at [www.1889hk.com](http://www.1889hk.com) and the website of the Stock Exchange.

### NOMINATION POLICY

The Nomination Committee may invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate of director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

提名委員會之主要職能是審議董事會之架構、規模及組成、物色具適合資格之人士加入董事會以及評估獨立非執行董事之獨立性。經考慮提名人士之獨立性及質素後，提名委員會須向董事會提出推薦建議，以確保所有任命均屬公平及具透明度。提名委員會亦負責審議有關董事特別是董事會主席及本公司行政總裁之繼任計劃、審議董事會成員多元化政策執行的目標以及董事會的構成及多元化。董事會須向提名委員會提供充足資源，以令其能夠履行其職責。

根據本公司之公司章程細則，當時為數三分之一之董事（或如人數並非三之倍數，則為最接近但不少於三分之一之人數）須於本公司之每屆股東週年大會上輪席告退，惟每名董事須最少每三年輪席告退一次。將輪席告退之董事符合資格膺選連任。

於回顧年內，提名委員會已召開三次會議，提名委員會成員在會上對新委任執行董事及獨立非執行董事進行評估，建議董事會委任彼等為董事及委任彼等若干為董事會委員會成員，並審閱獨立非執行董事之獨立性。於回顧年度，提名委員會亦監控董事會成員多元化政策實施情況。提名委員會之職權範圍可於本公司網站[www.1889hk.com](http://www.1889hk.com)及聯交所網站查閱。

### 提名政策

提名委員會可邀請董事會成員提名之候選人供提名委員會考慮。提名委員會亦可推舉並非董事會成員提名之候選人。提名委員會於評估建議候選人是否合適董事職位時所參考的因素包括（其中包括）與本公司業務及公司策略相關的品格聲譽、專業資質、技能、知識及經驗、投入充分時間履行董事會成員職責之意願、董事會多元化及對本公司業務而言屬適當之其他因素。提名委員會應向董事會提出推薦意見供其審批。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance matters of the Company. The Board has established its terms of reference, pursuant to which the duties of the Board include, inter alia, (i) to develop, review and implement the policies and practices of the Company on corporate governance; (ii) to review, monitor and implement the policies and practices of the Company on compliance with legal and regulatory requirements; (iii) to review, monitor and implement the training and continuous professional development of the Directors and senior management of the Group; (iv) to develop, review, monitor and implement the code of conduct and compliance manual (if any) applicable to Directors and employees; and (v) to review and implement the compliance with the CG Code and disclosure in the Corporate Governance Report.

### SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration paid by the Group for the year ended 31 December 2018 falls within the following band:

		Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000 港元	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1

### AUDITOR'S REMUNERATION

The total remuneration paid or payable to the Company's external auditor, Crowe (HK) CPA Limited for the year ended 31 December 2018 was as follows:

		Fee paid and payable for the year ended 31 December 已付及應付費用 截至十二月三十一日止年度 2018 二零一八年 HK\$ 港元
Audit services	審核服務	1,950,000
Non-audit services	非審核服務	270,000
Total	總計	2,220,000

### 企業管治職能

董事會負責本公司企業管治事宜。董事會已制定其職權範圍。據此董事會的職責包括(其中包括)(i)制定、檢討及實施本公司的企業管治政策及常規;(ii)檢討、監察及實施本公司遵守法律及監管規定的政策及常規;(iii)檢討、監察及實施本集團董事及高級管理層的培訓及持續專業發展;(iv)制定、檢討、監察及實施適用於董事及僱員的操守準則及合規手冊(如有);及(v)檢討及實施本公司遵守企業管治守則的事宜並在企業管治報告內披露。

### 高級管理層酬金

本集團於截至二零一八年十二月三十一日止年度向高級管理層支付之酬金介乎以下範圍:

### 核數師酬金

截至二零一八年十二月三十一日止年度,已向或應向本公司外聘核數師國富浩華(香港)會計師事務所有限公司支付的酬金總額如下:

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Board acknowledges their responsibility for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2018, which give a true and fair view of the state of affairs of the Company and of the results and cash flows for that period. In preparing these consolidated financial statements, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable; and have prepared the consolidated financial statements on a going concern basis. The management is of the view that the Group will continue as a going concern for the reasons stated as set out in the paragraph "Multiple uncertainties relating to going concern" on page 40 of this report. The Directors are responsible for keeping proper accounting records which disclose the financial position of the Group with reasonable accuracy at any time.

Crowe (HK) CPA Limited, the auditor of the Company, has presented their responsibilities in the independent auditor's report as set out on pages 39 to 41.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board places great importance on risk management and internal control and has ultimate responsibilities for overseeing management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The Board is also committed to review the adequacy and effectiveness of the Group's risk management and internal control systems at least annually.

The Group established the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

In order to comply with the applicable code provisions set out in the CG Code, the Board has engaged an independent professional firm as an outsourced internal auditor to facilitate the Group's internal audit function to be equipped with adequate resources and to conduct reviews as required by the Stock Exchange and to assist the Audit Committee and the Board to perform review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2018 at least annually.

### 董事及核數師有關賬目之責任

董事會明白其須負責依照上市規則及其他法定規則的要求作出有關年報、中期報告、內幕資料公佈及其他財務披露的平衡、清晰及可以理解的評估。董事會明白其須負責編製本公司截至二零一八年十二月三十一日止年度之綜合財務報表，並真實公平地反映本公司於該期間之事務狀況以及業績與現金流量。於編製該等綜合財務報表時，董事會已選用合適之會計政策並貫徹應用該等會計政策；作出審慎、公正及合理之判斷及估計；及按持續經營基準編製綜合財務報表。管理層認為本集團將繼續為持續經營實體，原因載於本報告第40頁「多項有關持續經營之不確定因素」一段。董事須負責留存於任何時間均合理準確披露本集團財務狀況之適當會計記錄。

本公司核數師國富浩華（香港）會計師事務所有限公司已於第39至41頁之獨立核數師報告內載列其責任。

### 風險管理及內部監控

董事會高度重視風險管理及內部監控，對持續監督管理風險管理及內部監控系統的設計、實施及監察負有最終責任。董事會亦致力至少每年檢討本集團風險管理及內部監控系統的充分性及有效性。

本集團已建立風險管理及內部監控系統，旨在管理而非消除未能達成業務目標的風險，並就在決策過程中由判斷所引致的重大錯誤陳述或損失、人為錯誤、欺詐或其他違規行為提供合理且而非絕對之保證。

為遵守企業管治守則所載適用守則條文，董事會已委聘獨立專業事務所作為外聘內部審核師，以使本集團內部審核部門可配備充足資源及按聯交所的規定進行檢討，並協助審核委員會及董事會至少每年就本集團截至二零一八年十二月三十一日止年度之風險管理及內部監控系統的效能進行檢討。

The Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for each of the major business operations of the Group. Risk factors were analyzed and consolidated at the Group level. Based on the risk assessment results following a risk based methodology audit approach, an internal audit plan was devised which prioritized the risks identified into respective annual internal audit projects and manage the risks accordingly.

An annual review was performed by the independent professional internal auditor firm according to the internal audit plan with a view to assisting the Audit Committee and the Board to evaluate the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2018. The review also covered the compliance of code provisions as set out in the CG Code and all material controls, including financial, operational and compliance controls at entity and operational levels. The Company has taken further steps to enhance its risk management and internal control systems according to some control weaknesses that were found during risk assessment and examination of the internal control system and strengthened the implementation of all the risk management and internal control systems.

The Company has established procedures in handling and dissemination of inside information in an accurate and secure manner to avoid possible mishandling of inside information within the Group. Release of inside information is subject to the approval of the Board. Unless duly authorized, all staff members of the Company shall not communicate inside information to any external parties and shall not respond to market speculation and rumours. In addition, all external presentation materials or publications must be pre-vetted before release.

Based on the risk management and internal control systems established and maintained by the Group, and the work performed by the internal and external auditors, the Audit Committee and the Board performed an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2018 and are of the view that the Group has maintained effective and adequate risk management and internal control systems during the year ended 31 December 2018.

本集團已進行年度風險評估，可識別本集團各主要業務營運的相關策略風險、經營風險、財務風險及合規風險。風險因素乃於本集團水平進行分析及綜合。根據採納風險主導的審核方法後的風險評估結果，本集團已制定一個內部審核計劃，可據此將所識別之風險優先列入年度內部審核項目並進行管理。

獨立專業內部審核事務所根據內部審核計劃進行年度檢討，旨在協助審核委員會及董事會評估本集團於截至二零一八年十二月三十一日止年度風險管理及內部監控系統之效能。該檢討亦涵蓋企業管治守則所載守則條文的合規性及所有重大監控（包括財務、營運及於實體及營運水平的合規控制）。本公司已根據於風險評估及內部監控系統檢查期間所發現的若干監控弱點，採取進一步措施增強其風險管理及內部監控系統及加強實施所有風險管理及內部監控系統。

本公司已建立以準確及安全之方式處理及公佈內部資料之程序，以避免不當處理本集團內之內部資料。公佈內部資料須經董事會批准。除非獲正式授權，否則本公司所有員工均不得向任何外部人士交流內部資料，且不得回應市場猜測及傳言。此外，所有向外提呈之材料或公佈於刊發前均需預先審閱。

根據本集團建立及維持的風險管理及內部監控系統，及由內部及外部審核人員進行的有關工作，審核委員會及董事會對截至二零一八年十二月三十一日止年度本集團風險管理及內部監控系統之效能進行檢討，並認為本集團已於截至二零一八年十二月三十一日止年度維持有效及充分的風險管理及內部監控系統。

# Corporate Governance Report

## 企業管治報告

### COMPANY SECRETARY

Mr. Lock Kwong Hang, Simon, the company secretary of the Company during the year ended 31 December 2018, undertook not less than 15 hours of professional training during the year under review in accordance with Rule 3.29 of the Listing Rules.

### COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that shareholders' rights should be well respected and protected. The Company endeavours to maintain good communications with shareholders on its performance through interim reports, annual reports, general meetings and public disclosure on the Company's website ([www.1889hk.com](http://www.1889hk.com)) and the website of the Stock Exchange, so that they may make an informed assessment for their investments and exercise their rights as shareholders. The Company also encourages shareholders' participation through general meetings or other means. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary to the principal place of business in Hong Kong of the Company at Unit 1309, 13th Floor, West Tower, Shun Tak Centre, Sheung Wan, Hong Kong.

### SHAREHOLDERS' RIGHT

#### Procedures to convene an extraordinary general meeting and putting forward proposals at general meeting

Pursuant to the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an extraordinary general meeting or proposal to be put forward at the general meeting can be addressed to the principal place of business in Hong Kong of the Company at Unit 1309, 13th Floor, West Tower, Shun Tak Centre, Sheung Wan, Hong Kong. The requisitionists must state in their request(s) the objects of the extraordinary general meeting to be convened, and such request must be signed by all the requisitionists. Upon receipt, the Company will verify the requisitionists' particulars and if the request is in order, the Company will convene the extraordinary general meeting in accordance with its articles of association.

### CHANGE OF ARTICLES OF ASSOCIATION

During the year under review, there was no significant change to the articles of association of the Company.

### 公司秘書

本公司截至二零一八年十二月三十一日止年度之公司秘書駱廣恒先生於回顧年度內已按照上市規則第3.29條進行不少於十五小時的專業培訓。

### 與股東溝通

本公司相信股東之權利應得到充分尊重及保障。本公司致力於通過中期報告、年報、股東大會及於本公司網站([www.1889hk.com](http://www.1889hk.com))及聯交所網站之公開披露，就其表現與股東維持良好之溝通，以使彼等可就其投資作出知情評估及行使股東權利。本公司亦鼓勵股東通過股東大會或其他方式參與公司事務。股東之具體詢問及意見可以書面方式寄往本公司香港主要營業地點（位於香港上環信德中心西座13樓1309室）寄予董事會或公司秘書。

### 股東權利

#### 召開股東特別大會及於股東大會上提出提案的程序

根據本公司的公司章程細則，任何一位或一位以上於遞呈要求日期持有不少於本公司已繳足股本（附帶於本公司股東大會上投票權）十分之一的股東於任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

任何召開股東特別大會或在股東大會上提出提案的要求可發往本公司於香港的主要營業地點，地址為香港上環信德中心西座13樓1309室。遞呈要求人士必須陳述其召開股東特別大會的目的，該提呈並須由所有遞呈要求人士簽署。本公司於獲接該提呈後，將核實遞呈要求人士資料，而倘提呈符合規程，本公司將按其公司章程細則召開股東特別大會。

### 公司章程細則變更

於回顧年度內，本公司的公司章程細則並無作出任何重大變更。

## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Chen Chengqing**, aged 41, is a substantial shareholder of the Company and an entrepreneur with more than 20 years of experience in business management in the PRC. Mr. Chen is currently the chairman of Guizhou Changtong Cable Co., Ltd., the vice president of Pingba District Federation of Industry and Commerce, the executive vice president of Anshun Zhejiang Federation of Commerce, a member of Pingba District Committee of the Chinese People's Political Consultative Conference and the vice president of Guizhou Wenzhou Federation of Commerce. He was appointed as an executive Director with effect from 17 February 2017. He is interested or deemed to be interested in an aggregate of approximately 27.37% of the total number of issued shares in the Company as at 31 December 2018.

**Ms. Hung Hoi Lan**, aged 29, graduated from Sun Yat-Sen University with a bachelor's degree in marketing in 2011. She later obtained a master degree of science in hospitality with tourism management from University of Birmingham in 2013. She started operating wine business ran by her family during her studies in the United Kingdom and has joined the business development department of Hilton Beijing since 2013. She was appointed as an executive Director with effect from 17 February 2017.

**Professor Zhang Rongqing**, aged 62. He graduated from Suzhou Medical College in 1982 with a Bachelor degree of medicine and received PhD of animal physiology and biochemistry in Nanjing Agricultural University in 1993. Prof. Zhang has worked as professor in Tsinghua University since 1998, and he has been the associate dean of School of life Science in Tsinghua University. He is currently a director of the Institute of Biomedical Research in Yangtze Delta Region of Tsinghua University in Zhejiang, deputy director of the Teaching Guidance Committee of Biological Technology and Bio-engineering of the Ministry of Education, the member of the 3rd and 4th Advisory Group of Experts of the "973" Plan in the field of agriculture of the Ministry of Science and Technology. Prof. Zhang has received many awards and patents in science and technology. He is a well-known senior expert in the field of marine biochemistry & molecular biology, marine natural drug & gene engineering, and marine biological enzyme. Prof. Zhang has been an independent director of Shenzhen Hepalink Pharmaceutical Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002399), since May 2014. He is also an independent director of Shandong Oriental Ocean Sci-tech Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002086), since April 2017.

### NON-EXECUTIVE DIRECTOR

**Mr. Xiu Yuan**, aged 36, graduated from the Economic Management of Xian Political College of the Chinese People's Liberation Army. Now he is the general manager of XiuZheng Pharmaceutical Group Marketing Co., Ltd. At the same time, he served as the Member of the Young Entrepreneur Committee of the All-China Federation of Industry and Commerce, the director of the 11th China Youth Entrepreneurs Association, and the founding director of the China Youth Entrepreneur "00 School" club. Mr. Xiu was appointed as a non-executive Director with effect from 5 November 2018 for a term of two years.

### 執行董事

**陳成慶先生**，41歲，為本公司之主要股東及於中國具有超過20年企業經營管理經驗的資深企業家。陳先生現任貴州長通線纜有限公司董事長、平壩區工商聯合會副會長、安順浙江商會常務副會長、平壩區政協委員及貴州溫州商會副會長。彼由二零一七年二月十七日起獲委任為執行董事。彼於二零一八年十二月三十一日於本公司已發行股份總數中擁有或被視為擁有合共約27.37%權益。

**洪海瀾女士**，29歲，於二零一一年畢業於中山大學，獲頒發市場營銷學學士學位。彼隨後於二零一三年自伯明翰大學取得理學碩士（酒店及旅遊業管理）學位。彼於英國深造期間開始經營家族酒業，並自二零一三年加入北京希爾頓的商貿發展部。彼由二零一七年二月十七日起獲委任為執行董事。

**張榮慶教授**，62歲，一九八二年畢業於蘇州醫學院，獲醫學學士學位；一九九三年南京農業大學動物生理學動物生物化學專業博士畢業。一九九八年起在清華大學擔任教授，曾擔任清華大學生命科學學院副院長，現任浙江清華長三角研究院生物技術與醫藥研究所所長，教育部高等學校生物技術、生物工程類專業教學指導委員會副主任，國家重點基礎研究發展計劃「973」計劃第三、第四屆農業科學領域專家諮詢組成員。張教授曾多次獲頒科學技術獎項，且為多項專利的發明人，為海洋生物化學與分子生物學，海洋天然藥物與基因工程藥物，海洋生物酶學等領域的資深專家。張教授自二零一四年五月起為深圳市海普瑞藥業集團股份有限公司（於深圳證券交易所上市的公司，股份代號：002399）的獨立董事。彼亦自二零一七年四月起擔任山東東方海洋科技股份有限公司（於深圳證券交易所上市的公司，股份代號：002086）的獨立董事。

### 非執行董事

**修遠先生**，36歲，中國人民解放軍西安政治學院經濟管理本科畢業。現擔任修正藥業集團營銷有限公司總經理。同時擔任中華全國工商業聯合會青年企業家委員會委員、第十一屆中國青年企業家協會理事及中國青年企業家「00派」俱樂部創始理事。修先生自二零一八年十一月五日起獲委任為非執行董事，為期兩年。

## Directors and Senior Management

### 董事及高級管理層

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Tu Fangkui**, aged 56, is the chairman of Shenzhen Farad Electric Co., Ltd with more than 20 years of experience in business management. Mr. Tu obtained a master's degree in Business Administration from Shanghai Jiao Tong University. He is a member of the Shenzhen Chinese People's Political Consultative Conference, the vice president of Shenzhen General Chamber of Commerce and the vice president of Shenzhen Electric Trade Association. Mr. Tu was awarded as young science and technology experts of Shenzhen.

**Mr. Wang Zihao**, aged 35, a member of the Association of Chartered Certified Accountants (ACCA). Mr. Wang obtained a bachelor's degree in accounting from Queen's University of Belfast in United Kingdom in 2006 and obtained a Master of Laws in Corporate and Financial Law from University of Hong Kong in 2016. Mr. Wang served in KPMG Advisory (China) Limited for over 5 years, provided advisory services to various listed company and large-scaled state-owned enterprises. Mr. Wang has been working in Tencent Technology (Shenzhen) Company Limited since 2013. Mr. Wang was the account specialist member in China Emissions Exchange since 2015.

**Mr. Long Jun**, aged 45, graduated from Peking University Guanghua School of Management with an Executive Master of Business Administration degree in 2009. Mr. Long has served as the vice president and managing partner in Focus Media (China) Holding Co., Ltd. a subsidiary of Focus Media Information Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002027.SZ), since February 2014. He has more than 15 years of management experience in the media industry.

**Mr. Chan Chung Yin Victor**, aged 57, obtained his Bachelor of Arts degree from the University of Hong Kong in 1984. Mr. Chan has been admitted as a Solicitor of the High Court of Hong Kong since 1991 and has over 26 years of experience in commercial law, and civil and criminal litigations. He is now the principal of his own solicitors firm, Messrs. Victor Chan & Co. Mr. Chan has been appointed as an independent non-executive director of Teamway International Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1239), with effect from 28 September 2018 and On Real International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 8245), with effect from 16 January 2019. Mr. Chan was the independent non-executive director of Elegance Optical International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code:907) during the period between September 2018 and January 2019.

#### 獨立非執行董事

屠方魁先生，56歲，現任深圳市華力特電氣有限公司董事長，具備20多年的企業管理經驗。屠先生是上海交通大學高級管理人員工商管理碩士，現任深圳市政協委員，深圳總商會（工商聯）副會長，深圳電力行業協會副會長，曾榮獲深圳市青年科技專家稱號。

王子豪先生，35歲，特許公認會計師(ACCA)，於二零零六年畢業於英國貝爾法斯特女王大學，獲會計學理學學士學位，並於二零一六年畢業於香港大學獲企業與金融法法學碩士學位；曾於畢馬威企業諮詢(中國)有限公司工作逾五年，曾為多家上市公司和大型國企提供諮詢服務。自二零一三年至今在騰訊科技(深圳)有限公司任職。王先生自二零一五年至今擔任深圳排放權交易所會計專家委員。

隆軍先生，45歲，於二零零九年取得北京大學光華管理學院高級管理人員工商管理碩士學位。隆先生自二零一四年二月起擔任分眾傳媒信息技術股份有限公司(於深圳證券交易所上市的公司，股票代碼：002027.SZ)旗下子公司分眾(中國)資訊技術有限公司之副總裁及管理合伙人，並具備超過15年的傳媒行業管理經驗。

陳仲然先生，57歲，於一九八四年取得香港大學文學士學位。陳先生自一九九一年起獲認可為香港高等法院律師，於商業法以及民事及刑事訴訟方面擁有逾26年經驗。彼現為其獨資經營律師行陳仲然律師行之主事人。陳先生獲委任為Teamway International Group Holdings Limited(聯交所主板上市公司，股份代號：1239)之獨立非執行董事，自二零一八年九月二十八日起生效，並獲委任為安悅國際控股有限公司(聯交所主板上市公司，股份代號：8245)之獨立非執行董事，自二零一九年一月十六日起生效。陳先生於二零一八年九月至二零一九年一月期間擔任為高雅光學國際集團有限公司(聯交所主板上市公司，股份代號：907)之獨立非執行董事。

# Directors and Senior Management

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Zhu Shengqin**, aged 52, is the General Manager of Fujian Sanai. He had over 26 years of experience in the pharmaceutical industry. He joined the Group in 2002.

**Ms. Zhang Meifeng**, aged 58, is the Chairman of Fujian Sanai and Fuzhou Sanai. She had over 37 years of experience in the pharmaceutical industry. She joined the Group in 1981.

### COMPANY SECRETARY

**Mr. Zhou Chen**, aged 37, was appointed as the company secretary of the Company with effect from 11 January 2019. Mr. Zhou has extensive experience in auditing, accounting, financial management and corporate finance. Mr. Zhou was appointed as an executive director of China Graphene Group Limited (“China Graphene”) (Stock Code: 63), a company listed on the Main Board of the Stock Exchange, on 1 February 2018. He then was appointed as the company secretary of China Graphene on 1 March 2018. On 1 December 2017, Mr. Zhou was appointed as an independent non-executive director of Wuzhou International Holdings Limited (“Wuzhou International”) (stock code: 1369), a company listed on the Main Board of the Stock Exchange. He was subsequently re-designated as an executive director of Wuzhou International on 7 August 2018. Mr. Zhou is the Chief Financial Officer of Yamada Green Resources Limited, a company listed on the Singapore Exchange Securities Trading Limited (the “SGX”) since January 2018. He was also the Chief Financial Officer and the Company Secretary of Asia Fashion Holdings Limited, a company listed on the SGX from October 2015 to June 2016. Prior to that, Mr. Zhou was the General Manager of Investment and Corporate Finance of Bayon Airlines Holdings Limited, the Enterprise Risk Manager and Internal Control Manager of Tee International Limited which is listed on the SGX, and the Finance Manager of a Singapore private company where he was in charge of accounting and the initial public offering process. Between 2008 and 2013, Mr. Zhou worked at a local audit firm in Singapore and was responsible for, inter alia, the audit of Chinese companies listed on the SGX. Mr. Zhou is a member of The Association of Chartered Certified Accountants (ACCA) and the Institute of Singapore Chartered Accountants. He is also an associate member of the Hong Kong Institute of Directors. Mr. Zhou was awarded a bachelor’s degree of science in applied accounting by Oxford Brookes University in July 2008 and an advanced diploma in accountancy by Xiamen University in December 2016.

### 高級管理層

朱勝欽先生，52歲，為福建三愛總經理，他有逾26年醫藥及藥業經驗。他於二零零二年加入本集團。

張美鳳女士，58歲，為福建三愛及福州三愛董事長。她擁有逾37年藥業經驗。她於一九八一年加入本集團。

### 公司秘書

周晨先生，37歲，自二零一九年一月十一日獲委任為本公司之公司秘書。周先生在審計、會計、財務管理及企業融資方面經驗豐富。周先生於二零一八年二月一日獲委任為聯交所主板上市公司中國烯谷集團有限公司（「中國烯谷」）（股份代號：63）的執行董事。其後，彼於二零一八年三月一日獲委任為中國烯谷公司秘書。周先生於二零一七年十二月一日委任為聯交所主板上市公司五洲國際控股有限公司（「五洲國際」）（股份代號：1369）獨立非執行董事。其後於二零一八年八月七日調任為五洲國際執行董事。周先生自二零一八年一月起一直擔任新加坡證券交易所有限公司（「新交所」）上市公司Yamada Green Resources Limited的財務總監。自二零一五年十月至二零一六年六月期間，彼亦曾擔任新交所上市公司Asia Fashion Holdings Limited的財務總監及公司秘書。此前，周先生曾任Bayon Airlines Holdings Limited投資及企業融資總經理、新交所上市公司Tee International Limited企業風險管理師及內部監控經理，以及新加坡一家私營公司的財務經理，主管會計及首次公開發售程序。於二零零八年至二零一三年間，周先生效力新加坡當地一家審計事務所，專責（其中包括）對多家於新交所上市的中國公司進行審計工作。周先生為特許公認會計師公會（ACCA）會員，並為新加坡註冊會計師公會會員。彼亦為香港董事學會附屬會員。周先生於二零零八年七月獲Oxford Brookes University頒授應用會計學士學位，並於二零一六年十二月獲廈門大學頒授會計專業高等文憑。

# Directors' Report

## 董事會報告

The Directors would like to present their annual report together with the audited accounts of the Company for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its major subsidiaries are set out in note 20 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 42 to 43.

The Board of Directors do not suggest declaring any final dividend for the year ended 31 December 2018 (2017: Nil) to the shareholders.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 12 June 2019 to Monday, 17 June 2019 (both days inclusive). In order to be qualified for attending the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11 June 2019.

### RESERVES

As at 31 December 2018, the Company's reserves available for distribution amounted to RMB205,556,000 (2017: RMB155,870,000). Movements in the reserves of the Group and the Company during the year under review are set out in consolidated statement of changes in equity on page 45 and in note 31 to the consolidated financial statements respectively.

### PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year under review are set out in note 16 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2018 are set out in note 31 to the consolidated financial statements.

董事欣然呈列彼等的全年報告，連同本公司於截至二零一八年十二月三十一日止年度的經審核賬目。

### 主要業務

本公司為一間投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註20。

### 業績及分派

本集團截至二零一八年十二月三十一日止年度之業績載於第42至43頁之綜合損益表及綜合損益及其他全面收益表。

董事會並不建議就截至二零一八年十二月三十一日止年度向股東派發任何末期股息（二零一七年：無）。

### 暫停辦理股份過戶登記手續

本公司將於二零一九年六月十二日（星期三）起至二零一九年六月十七日（星期一）（包括首尾兩天）期間暫停辦理股份過戶登記手續。如欲符合資格出席股東週年大會，所有過戶文件連同有關股票必須於二零一九年六月十一日（星期二）下午四時三十分前送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

### 儲備

於二零一八年十二月三十一日，本公司可供分派的儲備為人民幣205,556,000元（二零一七年：人民幣155,870,000元）。本集團及本公司於回顧年度內之儲備變動分別載於第45頁之綜合權益變動表及綜合財務報表附註31內。

### 物業、廠房及設備

本集團於回顧年度內物業、廠房及設備的變動載於綜合財務報表附註16。

### 股本

有關截至二零一八年十二月三十一日止年度本公司之股本變動詳情載於綜合財務報表附註31。

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of associations or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the shares in the Company.

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

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

### DIRECTORS

The Directors of the Company during the year under review and up to the date of this Annual Report were:

#### Executive Directors

Mr. Chen Chengqing (Chairman)  
Ms. Hung Hoi Lan  
Professor Zhang Rongqing

#### Non-executive Director

Mr. Xiu Yuan (appointed with effect from 5 November 2018)

#### Independent non-executive Directors

Mr. Tu Fangkui  
Mr. Wang Zihao  
Mr. Long Jun  
Mr. Chan Chung Yin, Victor (appointed with effect from 5 October 2018)

Mr. Xiu Yuan will retire from office in accordance with Article 86(3) of the Articles of Association of the Company and, being eligible, has offered himself for re-election at the forthcoming annual general meeting.

Ms. Hung Hoi Lan and Mr. Wang Zihao will retire from office by rotation in accordance with Article 87(1) of the Articles of Association of the Company and, being eligible, have offered themselves for re-election at the forthcoming annual general meeting.

### 優先購置權

根據本公司的公司章程細則或開曼群島法律，概無優先購置權的條文致使本公司按比例向現有股東提呈發售新股份。

### 稅務寬免

本公司並不知悉本公司股東可由於持有本公司股份而享有任何稅務寬免。

### 購買、出售或贖回本公司上市證券

本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

### 董事

於回顧年度內及直至本年度報告日期，本公司董事為：

#### 執行董事

陳成慶先生 (主席)  
洪海瀾女士  
張榮慶教授

#### 非執行董事

修遠先生 (自二零一八年十一月五日起獲委任)

#### 獨立非執行董事

屠方魁先生  
王子豪先生  
隆軍先生  
陳仲然先生 (自二零一八年十月五日起獲委任)

修遠先生將根據本公司組織章程細則第86(3)條於應屆股東週年大會上輪席退任，並將合資格及願意膺選連任。

洪海瀾女士及王子豪先生將根據本公司組織章程細則第87(1)條於應屆股東週年大會上輪席退任，並將合資格及願意膺選連任。

# Directors' Report

## 董事會報告

### ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are set out on pages 23 to 25 of this Annual Report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors (including Directors standing for re-election in the forthcoming annual general meeting) has entered into any contract of service, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any of its subsidiaries.

### EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the executive directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The remuneration of the non-executive directors (including the independent non-executive directors) of the Company are recommended by the Remuneration Committee. The details of emoluments of the directors are set out in note 11 to the consolidated financial statements.

### PERMITTED INDEMNITY PROVISION

The Company has renewed the Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year 2018/2019. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

### MANAGEMENT CONTRACTS

Save for the contracts of service entered into with respective Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

### 獨立性之年度確認

本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則第3.13條所載獨立性指引，本公司認為所有獨立非執行董事均為獨立。

### 董事及高級管理層簡歷

董事及高級管理層簡歷載於本年報第23至25頁。

### 董事服務合同

概無董事（包括於應屆股東週年大會膺選連任的董事）與本公司或其任何附屬公司訂有不可由僱主於一年內終止而毋須作出賠償（法定賠償除外）的服務合同。

### 薪酬政策

本集團的薪酬政策由董事會根據彼等的表現、資歷及能力釐定。

本公司之薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據後決定執行董事薪酬。本公司非執行董事（包括獨立非執行董事）的酬金乃由薪酬委員會建議。有關董事薪酬之詳情載於綜合財務報表附註11。

### 獲准許的彌償條文

本公司已續保二零一八／二零一九年度本公司全體董事及高級管理層之董事及行政人員之責任保險。保險覆蓋他們於企業活動中產生的成本、費用、開支及責任。

### 管理合同

除與各董事簽訂的服務合同外，於回顧年度內概無就有關本公司全部或任何主要業務訂立或存在管理及行政合同。

### RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme is set out in note 35 to the consolidated financial statements.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests or short positions of each of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO: or were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are deemed or taken to have under such provisions of the SFO): and were required pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Name of director 董事姓名	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Number of shares options held 所持購股權數目	Total Interest 總權益	Approximate percentage of shareholding (Note 3) 概約股權 百分比 (附註3)
Chen Chengqing 陳成慶	Interest of controlled corporation (Note 2) 受控法團權益 (附註2)	836,753,000 (L)	2,800,000	839,553,000	27.37%

Notes:

- (1) The letters "L" denotes long position in the shares.
- (2) These shares are registered in the name of Cyber Success Global Investments Limited, which is wholly owned by Mr. Chen Chengqing. Mr. Chen Chengqing is deemed to be interested in all the shares in which Cyber Success Global Investments Limited is interested by virtue of the SFO.
- (3) The percentage of shareholding is calculated on the basis of 3,067,222,500 issued shares of the Company as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, none of the Company's Directors and chief executives had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

### 退休福利計劃

有關退休福利計劃的詳情載於綜合財務報表附註35。

### 董事及主要行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一八年十二月三十一日，董事及最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益或淡倉，或根據證券及期貨條例第XV部第7及第8分類，須通知本公司及聯交所之權益或淡倉（包括根據證券及期貨條例的該等條文，彼等被當作或視作擁有的權益或淡倉），及根據標準守則規定，須通知本公司及聯交所之權益及淡倉如下：

附註：

- (1) 「L」指於股份中之好倉。
- (2) 該等股份以陳成慶先生全資擁有之公司科成環球投資有限公司之名義登記。根據證券及期貨條例，陳成慶先生被視為於科成環球投資有限公司擁有權益之全部股份中擁有權益。
- (3) 股權百分比乃根據於二零一八年十二月三十一日本公司已發行股份3,067,222,500股計算。

除上文披露者外，於二零一八年十二月三十一日，本公司董事或高級行政人員概無於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有標準守則須知會本公司及聯交所或須紀錄於根據證券及期貨條例第352條規定存置之登記冊內之權益或淡倉。

# Directors' Report

## 董事會報告

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the Old Share Option Scheme (as defined below) and the New Share Option Scheme (as defined below), at no time during the year ended 31 December 2018 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY

As at 31 December 2018, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder 股東名稱／ 姓名	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding (Note 2) 概約股權 百分比 (附註2)
Cyber Success Global Investments Limited 科成環球投資有限公司	Beneficial owner 實益擁有人	836,753,000 (L)	27.28%

Notes:

- (1) The letter "L" denotes long position in the shares.
- (2) The percentage of shareholding is calculated on the basis of 3,067,222,500 issued shares of the Company as at 31 December 2018.

Save for the disclosed above, the Company was not aware of any person who had an interest or a short position in the shares or underlying shares in the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO as at 31 December 2018.

### 董事收購股份或債權證的權利

除舊購股權計劃(定義見下文)及新購股權計劃(定義見下文)外,於截至二零一八年十二月三十一日止年度內任何時間,本公司或其任何之附屬公司概無訂立任何安排以使董事可藉由收購本公司或任何其他法人團體的股份或債權證而獲得利益。

### 主要股東於本公司之股份及相關股份的權益及淡倉

於二零一八年十二月三十一日,以下人士(董事或本公司主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司存置的股東名冊的權益或淡倉如下:

附註:

- (1) 「L」指於股份中之好倉。
- (2) 股權百分比乃根據於二零一八年十二月三十一日本公司已發行股份3,067,222,500股計算。

除上文所披露者外,於二零一八年十二月三十一日,本公司並不知悉任何人士於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第336條記錄於本公司須存置的登記冊。

## EQUITY-LINKED AGREEMENTS

### Share Option Scheme

The Company has adopted a share option scheme (the "Old Share Option Scheme") for, among others, the senior management and employees on 8 January 2007, which serves as incentives or rewards to attract, retain and motivate staff. Details of the Old Share Option Scheme are set out in note 32 to the consolidated financial statements.

Pursuant to the ordinary resolution passed on 16 June 2017, the Company adopted another share option scheme (the "New Share Option Scheme") for, among others, the senior management and employees, which serves as incentives or rewards to attract, retain and motivate staff. The New Share Option Scheme will remain valid for a period of 10 years commencing on 21 June 2017 (save that the Company, by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme). Under the New Share Option Scheme, the Board may grant options to all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

The total number of shares in respect of which options may be granted under the New Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of adoption of the New Share Option Scheme (namely, 233,877,250 shares, representing approximately 7.63% of the Company's issued shares as at the date of this annual report), without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme or any other share option scheme of the Company shall not in aggregate exceed 30% of the shares of the Company in issue from time to time. No option may be granted under the New Share Option Scheme if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and to be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at the date of grant, without prior approval from the Company's shareholders. The grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates requires the approval of the independent non-executive Directors (excluding an independent non-executive Director who is the grantee of the share options). Options granted in any 12-month period to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates representing in aggregate more than 0.1% of the Company's shares in issue at the date of grant or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

### 股票掛鈎協議

#### 購股權計劃

本公司已於二零零七年一月八日為(其中包括)高級管理層及僱員採納購股權計劃(「舊購股權計劃」)·作為吸引·挽留及激勵員工的獎勵或回報。舊購股權計劃的詳情載於綜合財務報表附註32。

根據於二零一七年六月十六日通過之普通決議案·本公司為(其中包括)高級管理層及僱員採納另一購股權計劃(「新購股權計劃」)·作為吸引·挽留及激勵員工的獎勵或回報。新購股權計劃將自二零一七年六月二十一日起十年期間維持有效·除非本公司於股東大會上藉普通決議案或董事會可隨時終止新購股權計劃的運作。根據新購股權計劃·董事會可全權酌情將購股權授予其認為對本集團有貢獻之全職僱員·董事(包括獨立非執行董事)及每週工作小時為10小時及以上之兼職僱員·本集團各成員公司之主要股東·本集團任何成員公司董事及主要股東之聯繫人·董事會預先批准任何信託之信託人·以及任何本集團之顧問(專業或其他)或專家顧問·分銷商·供應商·代理人·客戶·合營企業合夥人·服務供應商。

在未經本公司股東事先批准前·根據新購股權計劃可授出之購股權所涉及之股份總數·不得超過本公司採納新購股權計劃之日已發行股份10%(即233,877,250股·於本年報日期約佔本公司已發行股份數的7.63%)。行使根據新購股權計劃及本公司任何其他購股權計劃已授出但有待行使的所有尚未行使購股權時可予發行的股份數目上限總數合共不得超過於任何時間本公司已發行股份30%。倘超出該限額者·將不會按新購股權計劃授出購股權。在未經本公司股東事先批准前·於任何12個月期間內向任何個別人士授出或將予授出之購股權所涉及之已發行或將發行股份數目·不得超過本公司於授出日期已發行股份1%。向董事·最高行政人員或主要股東或彼等各自的任何聯繫人授出購股權必須獲獨立非執行董事(不包括身為購股權承授人的獨立非執行董事)批准。倘於任何12個月期間內授予主要股東或獨立非執行董事或彼等各自的任何聯繫人之購股權所涉及之股份數目超過本公司於授出日期已發行股份0.1%或總值超過5,000,000港元·必須獲本公司股東事先批准。

## Directors' Report

### 董事會報告

Upon acceptance of the share option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. A share option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, provided that such period of time shall not be more than ten years from the date of grant. The New Share Option Scheme does not specify a minimum period for which a share option must be held nor a performance target which must be achieved before a share option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of a share option. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the offer date which must be a business day, (ii) the average closing price of the Company's shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

On 24 May 2018 and 30 May 2018, 115,400,000 and 118,000,000 share options (the "Share Options") were granted pursuant to the New Share Option Scheme to grantees respectively. On 7 June, 8 June, 14 June and 19 June 2018, an aggregate of 195,100,000 Share Options were exercised by grantees under the New Share Option Scheme. The following table discloses movements in the Share Options during the year:

在接納購股權後，承授人將須支付1.00港元予本公司作為授出代價。購股權可於由董事會釐定並通知各承授人之有關期限內根據新購股權計劃的條款隨時行使，惟該等期限不得遲於授出日期後十年。新購股權計劃並無規定於購股權可獲行使前必須持有購股權的最低期限或必須達成之業績目標。然而，董事會可能會全權酌情釐定有關條款，並為授出購股權設定其他限制。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i)於要約日期（須為營業日）本公司股份之收市價；(ii)緊接要約日期前五個交易日之本公司股份平均收市價；及(iii)本公司股份面值。

於二零一八年五月二十四日及二零一八年五月三十日，115,400,000份及118,000,000份購股權（「購股權」）已根據新購股權計劃分別授予承授人。於二零一八年六月七日、六月八日、六月十四日及六月十九日，承授人已根據新購股權計劃行使合共195,100,000份購股權。下表披露於年內購股權之變動：

Category of participant 參與人士類別	Number of share options 購股權數目					Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價 (HK\$) (港元)	Closing price of the shares immediately before the date of grant 緊接授出日期前 股份收市價 (HK\$) (港元)
	At 1 January 2018 於二零一八年一月一日	Granted during the year 年內授出	Cancelled or lapsed during the year 年內註銷或失效	Exercised during the year 年內行使	At 31 December 2018 於二零一八年十二月三十一日				
Employees in aggregate 僱員總數	-	227,400,000	-	(191,100,000)	36,300,000	24 May and 30 May 2018 二零一八年五月二十四日及五月三十日	24 May 2018 to 29 May 2023 (Note) 二零一八年五月二十四日至二零二三年五月二十九日 (附註)	0.32 and 0.335	0.32 and 0.335
Non-employees in aggregate 非僱員總數	-	6,000,000	-	(4,000,000)	2,000,000	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 (Note) 二零一八年五月三十日至二零二三年五月二十九日 (附註)	0.335	0.335
	-	233,400,000	-	(195,100,000)	38,300,000				

Note: The Share Options are not subject to any vesting period.

附註：購股權並不受任何歸屬期所限。

### DIRECTORS' AND MANAGEMENT EMOLUMENTS

Particulars of the directors' emoluments on an individual and named basis and the five highest paid individuals in the Group are set out in notes 11 and 12 respectively to the consolidated financial statements. The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload, contributions and years of service in the Group and with reference to the goals and objectives of the Group;
- The non-monetary benefits are determined by the Board (or by the relevant management after consultation with the Board) and may be provided in the remuneration package of the Directors or the employees; and
- No person participates in the deliberation or approval of his own remuneration package.

The Company's policies concerning remuneration of the Directors are as follows:-

- (i) the amount of remuneration is determined on a case by case basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board and in accordance with the requirements under the Listing Rules, with share options under the share option scheme adopted by the Company, as part of their remuneration package.

### MAJOR CUSTOMERS AND SUPPLIERS

The information of revenue and purchases attributable to the major customers and suppliers of the Company for the year under review is as follows:

<b>Revenue from sales of goods or rendering of services</b>	銷售貨品或提供服務所得收益		
The largest customer	最大客戶	<b>25.6</b>	36.5
Five largest customers in aggregate	五大客戶合共	<b>75.9</b>	51.0
<b>Purchases</b>	<b>購買額</b>		
The largest supplier	最大供應商	<b>34.3</b>	75.7
Five largest suppliers in aggregate	五大供應商合共	<b>89.0</b>	81.8

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

### 董事及高級管理層之酬金

各董事酬金以及本集團獲最高薪酬之五位人士之資料詳情分別載列於綜合財務報表附註11及12。本集團之薪酬政策如下：

- 薪酬數額根據董事或僱員的相關經驗、責任、工作量、貢獻及在集團服務年期等以及參考本集團目標及目的而確定；
- 非現金福利由董事會（或於諮詢董事會後由相關管理層）決定，及可於董事或僱員的薪酬待遇中提供；及
- 概無人士參與其自身薪酬待遇的商討或批准。

本公司有關董事薪酬的政策如下：-

- (i) 薪酬金額按個別情況就有關董事的經驗、職責、工作量及貢獻給本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會決定及根據上市規則的要求，董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等部分的薪酬待遇。

### 主要客戶及供應商

於回顧年度內，本公司主要客戶及供應商佔營業額及購買額之資料如下：

<b>2018</b>	2017
二零一八年	二零一七年
%	%

概無董事、彼等的緊密聯繫人或任何股東（就董事所知擁有本公司股本5%以上權益者）於主要供應商及主要客戶中擁有任何權益。

# Directors' Report

## 董事會報告

### CORPORATE GOVERNANCE

Report for the corporate governance principles and practices adopted by the Company is set out on pages 10 to 22 of this Annual Report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, during the year ended 31 December 2018 and up to the date of this Annual Report, the Company has maintained sufficient public float as required under the Listing Rules.

### DONATIONS

During this year, the Group did not make any charitable donations (2017: Nil).

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry made with all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by this Annual Report.

### DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors or any of their connected entities had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party to or involved in at the end of the year under review or at any time during the year under review.

### CONTRACTS OF SIGNIFICANCE

No contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year under review or at any time during the year under review, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year under review or at any time during the year under review.

### COMPETING INTERESTS

None of the Directors had an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the year under review.

### AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Board has established an audit committee on 8 January 2007, with written terms of reference. The primary duties of the audit committee are to review the financial reporting procedures and internal control and risk management systems and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors.

The Audit Committee has reviewed the accounting principles and practice adopted by the Company as well as the audited financial statements of the Company for the year ended 31 December 2018 before recommending to the Board for approval.

### 企業管治

有關本公司採納的企業管理原則及常規的報告載於本年報第10至22頁。

### 足夠公眾持股量

根據本公司公開資料並就董事所知，截至二零一八年十二月三十一日止年度及直至本年報日期，根據上市規則的要求，本公司維持足夠公眾持股量。

### 捐款

年內本集團並無作出任何慈善捐款（二零一七年：無）。

### 證券交易標準守則

本公司已採用標準守則作為董事買賣本公司證券的操守守則。根據向全體董事作出的特定查詢，董事於本年報所涵蓋的整個會計期間一直遵守標準守則所規定標準。

### 董事於合約之權益

於回顧年度結束時或於回顧年度內任何時間，概無董事或任何彼等之關連實體於本公司或任何其附屬公司所訂立或所牽涉的對本集團業務而言屬重大的任何交易、安排或合約中擁有（不論直接或間接）重大權益。

### 重大合約

於回顧年度結束時或於回顧年度內任何時間，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司之間概無重大合約存續，亦概無本公司控股股東或其任何附屬公司訂立以向本公司或其任何附屬公司提供服務的重大合約存續。

### 競爭權益

於回顧年度內，概無董事於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。

### 審核委員會

為遵守上市規則第3.21條，董事會已於二零零七年一月八日成立審核委員會，並書面釐定其職權範圍。審核委員會主要職責為審閱財務申報程序及內部監控及風險管理系統，並就此提供指引。審核委員會由三名獨立非執行董事組成。

審核委員會已審閱本公司所採納的會計政策及常規，並在建議董事會批准前已審閱本公司截至二零一八年十二月三十一日止年度的經審核財務報表。

### AUDITOR

The financial statements of the Company for the year ended 31 December 2018 have been audited by Crowe (HK) CPA Limited. A resolution will be submitted at the annual general meeting of the Company to re-appoint Crowe (HK) CPA Limited as auditor of the Company.

There was no change of the Company's auditor for the past three years.

### BUSINESS REVIEW

#### Business Performance and Future Development

The discussion on the Group's business performance and future development, being part of the Directors' Report, is set out in the paragraphs headed "Review of Results", "Financial Review" and "Business Prospects" of the section headed "Management Discussion and Analysis" of this Annual Report.

#### Key Financial Performance Indicators

The analysis of the Group's key financial performance indicators, being part of the Directors' Report, is set out in the paragraph headed "Financial Review" of the section headed "Management Discussion and Analysis".

### RISKS RELATING TO OUR BUSINESS

#### Our newly launched products may not be well received by the market.

The success of a pharmaceutical company depends, to a large extent, on whether the products it introduces to the market are well received by the market. The primary factors which may affect the acceptance of our products by the market include efficacy, quality and price. In particular, the introduction of new products requires substantial investment of capital resources and research and development efforts. If any of our new drugs is not well received by the market because its efficacy is not as good as expected, it is too expensive compared to other substitutes, or for any other reason, we may not be able to recoup the investment we have made in developing such new drug, in which case our financial condition and results of operations may be materially and adversely affected.

#### Our Group rely on third parties, such as hospitals, clinics and pharmacies, in selling our prescription and over-the-counter products.

We rely on different channels in selling our products in China. Our over-the-counter pharmaceutical products are sold mainly to consumers through pharmacies. Our prescription pharmaceutical products are sold mainly to hospitals and clinics for consumption by their patients. There is no assurance that pharmacies and hospitals and clinics will continue to stock and prescribe our products over those of our competitors, there are no contractual restrictions preventing our sales channels from selling our competitors' products. If our sales channels treat our competitors' products more favorably or stop selling our products, and we are unable to find appropriate substitutes, our business and results of operations may be materially and adversely affected.

### 核數師

本公司截至二零一八年十二月三十一日止年度之財務報表已由國富浩華(香港)會計師事務所有限公司審核。本公司將於股東週年大會上提呈一項決議案，續聘國富浩華(香港)會計師事務所有限公司為本公司之核數師。

於過去三年內，本公司概無更換核數師。

### 業務審視

#### 業務表現和未來發展

本集團的業務表現和未來發展的討論載於本年報「管理層討論與分析」之「業務回顧」、「財務回顧」及「未來展望」部份，該等討論為董事會報告的一部份。

#### 財務關鍵表現指標

本集團的財務關鍵表現指標的分析載於「管理層討論與分析」之「財務回顧」部份，該等討論為董事會報告的一部份。

#### 與本公司業務有關的風險

本公司的新產品未必受到市場歡迎。

醫藥公司成功與否，很大程度上取決於其產品是否受到市場歡迎，而影響市場對本公司產品接納程度的主要因素，則包括療效、質量與價格。其中，推介新產品尤其需要投入大量資本資源和研發力度。若因療效未如預期般理想、與其他替代品相比價格過於昂貴、或任何其他原因，以致本公司任何新藥未受到市場歡迎，則本公司未必能夠收回開發該等新藥的投資，如此可能會對本公司的財務狀況及經營業績造成實質性不利影響。

#### 本集團依賴第三方(例如醫院、診所及藥房)銷售本公司的處方藥及非處方藥。

本公司依賴不同渠道於中國銷售本公司產品。本公司主要通過藥房向消費者銷售非處方藥品，而處方藥品則主要向醫院及診所銷售，供其病人使用。無法保證藥房及醫院及診所將繼續積存及以本公司的產品開方，而非本公司競爭對手的產品。此外，並無合同限制禁止本公司的銷售渠道銷售本公司競爭對手的產品。倘本公司的銷售渠道優待本公司競爭對手的產品，或停止銷售本公司產品，而本公司無法覓得合適替代者，則本公司的業務及經營業績或會受到實質性不利影響。

# Directors' Report

## 董事會報告

### RISKS RELATING TO OUR INDUSTRY

#### The pharmaceutical industry is extremely competitive.

Our business is subject to competition from other pharmaceutical manufacturers. Chinese and international pharmaceutical manufacturers engaged in the manufacture and sale of substitute or similar products to ours in China may have more capital resources, better research and development capabilities and more experience in manufacturing and marketing. Many of our competitors, including large pharmaceutical companies and other generic drug manufacturers, have employed various strategies intended to maximize their market share for previously-patented products. Competition is likely to intensify if (i) the number of manufacturers or distributors of substitute or similar products increases due to increased market demand or increased prices; (ii) competitors drastically reduce prices due to oversupply of products; or (iii) competitors develop new products or substitute products having comparable medicinal applications or therapeutic effects that may be used as direct substitutes for our products which are more effective with prices comparable to or lower than our products.

#### Our Company is subject to environmental regulations and may be exposed to liability and potential costs for environmental compliance.

We are subject to the PRC laws and regulations concerning the discharge of effluent water and solid waste during our manufacturing processes. We are required to obtain certain clearances and authorizations from governmental authorities for the treatment and disposal of such discharge. Any violation of these regulations may result in substantial fines, criminal sanctions, revocation of operating permits, shutdown of our facilities and obligation to take corrective measures. Our cost of complying with current and future environmental protection laws and regulations, and liabilities which may potentially arise from the discharge of effluent water and solid waste, may adversely affect our business, financial condition and results of operations.

The government may take steps towards the adoption of more stringent environmental regulations and there is no assurance that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to install, replace, upgrade or supplement our pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with new environmental protection laws and regulations. If such costs become prohibitively expensive, we may be forced to modify, curtail or cease certain of our business operations.

### 與行業有關的風險

#### 藥業的激烈競爭。

本公司的業務需面對其他製藥生產商的競爭。於中國從事生產或銷售本公司產品的代替產品或類似產品的中國或國際製造商或擁有更多的資金來源、更優勝的研究及發展能力、及於生產及市場推廣上有更豐富的經驗。眾多的競爭者包括大型的製藥公司及其他仿製藥製造商，均運用了不同的策略以擴大已獲得專利權產品的市場佔有率。假如(i)生產及分銷代替產品或類似產品的製造商或分銷商的數目因市場需求上升或價格上升而增加；(ii)競爭者因產品供應過剩而大幅降價；或(iii)競爭者所發展的產品或代替產品擁有相近的醫藥用途或醫療功效，並可直接代替本公司的產品，並且更為有效，而價格與本公司的產品相若或更便宜，則本公司所面對的競爭將更加激烈。

#### 本公司須遵守環境法規及為達致環境標準承擔責任及潛在成本。

本公司需遵守有關生產過程中排放污水及固體廢物的中國法律及法規。本公司需為該等排放的處理及棄置從政府機關取得若干許可證及批准。違反這些法規可能引致大額罰款、刑事制裁、撤銷經營許可證、關閉設備及負責執行矯正措施。遵守現時及未來環境保護法律及法規的成本，以及排放污水及固體廢物所潛在產生的責任或會對本公司的業務、財務狀況及經營業績造成不利影響。

政府將逐步採取更嚴厲的環境法規，概不保證本公司將於所有時間均全面遵守這些法規要求。由於出現不可預知的法規及其他發展的可能性，未來環保開支的金額及時間計算可能與目前所估計的出現重大差異。假如環境法規出現任何不可預知的轉變，本公司將需作出重大的資本開支以安裝、更換、提升或補充本公司的污染控制器材或作出營運模式的轉變，藉此限制任何不利影響或對環境的潛在不利影響，以遵守新的環境保護法律及法規。假如該等成本高昂得無法負擔，本公司將被迫變更、縮減或停止本公司若干的業務營運。

### ENVIRONMENTAL POLICY AND PERFORMANCE

The Group understands the importance of environmental protection to the sustained stable development of enterprises. Striving to strike the best balance between cost control and environmental protection, the Group consistently executes the measures of clean production, energy saving, reducing consumption, etc. The Group also carries out regular reviews on various environmental protection measures and routine jobs, to ensure that all environmental protection permission and approval required by the regulatory authorities of the PRC will be granted.

In the meantime, the Group endeavours to create an environmentally-friendly work environment to promote the environmental awareness to employees by encouraging them to use less electricity and paper, and recycle office supplies and other materials.

The Company shall issue the Environmental, Social and Governance Report separately in accordance with the requirements under the Listing Rules.

### LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON THE COMPANY

The principal activities of the Group are manufacturing, marketing and selling of branded prescription and non-prescription drugs as well as Chinese pharmaceutical products in the PRC. The production of all pharmaceutical products must comply with the current Good Manufacturing Practice standard of the PRC, and be approved by the China Food and Drug Administration. The Group also needs to comply with the Production Safety Law, Law on Employment Contracts and Company Law of the PRC. As the Company is listed on the Main Board of the Stock Exchange, the Company is also required to comply with the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance.

For the year ended 31 December 2018, the Group is not aware of any occurrence of material breach of laws or regulations that have significant impact on the Group.

The Group acknowledges that as the PRC is in the midst of the critical period for healthcare system reform, laws, regulations and policies regarding the healthcare and pharmaceutical industry will be updated frequently. Hence, it will pay close attention to the updates and timely implement the measures required by the relevant laws and regulations so as to ensure the business and operation are free from adverse effects.

### 環境政策及表現

本集團瞭解環境保護對企業持續穩定發展的重要性，並貫徹執行清潔生產、節能減耗及減少用量等措施，力求在成本控制及環保之間取得最佳平衡。本集團亦定期就各項環保措施及常規工作進行檢討，確保獲得所有中國監管機構所需的環保許可及批文。

本集團同時致力營造一個環保型的工作環境，向員工推廣環保意識，鼓勵節約用電、減少用紙、回收辦公用品及其他材料等。

本公司將按照上市規則的要求另行刊發《環境、社會及管治報告》。

### 對本公司有重大影響的法律法規

本集團的業務主要是在中國製造、營銷和銷售品牌處方、非處方西藥和中成藥產品，所有藥品的生產均需符合中國現行生產質量管理規範標準，並通過國家食品藥品監督管理局的認證。本集團同時需要遵守中國的安全生產法、勞動合同法、公司法等。由於本公司在聯交所主板上市，因此本公司亦需要遵守上市規則和香港公司條例的披露規定。

截至二零一八年十二月三十一日止年度，本集團並無知悉有重大違反對其有重大影響的法律及法規的情況。

本集團明白，中國正處於醫療體制改革關鍵時期，醫療保健及製藥業的法律、法規和政策經常更新，故將密切關注，以適時執行相關法律及法規所要求的工作，確保業務及營運免受不利影響。

# Directors' Report

## 董事會報告

### IMPORTANT RELATIONS WITH STAKEHOLDERS

#### Employees

The Group endeavours to develop and maintain good working relationship with the employees. The Group provides its directors and senior management with continuous professional training, including seminars and workshops, such that the latest changes of regulatory requirements and corporate governance practices can be introduced. Aiming to raise the operational efficiency, the Group also organises various pre-employment and on-the-job trainings to deepen the employees' understanding of its business objectives and operation. In the aspect of safeguarding the occupational safety and health of employees, the Group spares no effort to provide employees with a safe work environment and enhance their health and safety awareness. In addition, the Group provides competitive remuneration, rewards program, retirement and medical benefits to attract and incentivise employees.

#### Suppliers

The Group selects the suppliers prudently and requires them to satisfy certain evaluation criteria, including track records, experience, financial strength, reputation, ability to manufacture high-quality products, etc. The Group has developed long-term collaborative relationship with various suppliers and endeavours to make sure that they comply with the Group's commitment to quality and ethics.

#### Sales Agents and Distributors

The Group sells pharmaceutical products to hospitals, clinics and drug stores through sales agents and distributors. The Group requires the sales agents and distributors to comply with the relevant laws and regulations and the Group's marketing policies. The Group also collaborates with the distributors by providing training for their frontline salespersons to ensure that they provide high-quality sales services.

#### Hospitals and Doctors

The pharmaceutical products of the Group are mainly sold to various key provinces, cities and autonomous regions in the PRC. The Group continues to organise and participate in promotional activities such as seminars and pharmaceutical product launch events. The Group also keeps in touch with, explains and illustrates the clinical application of the Group's pharmaceutical products to doctors within the sales network through sales agents and distributors.

By order of the Board

**CHEN CHENGQING**  
*Chairman*

Hong Kong, 31 March 2019

### 與權益人之重要關係

#### 僱員

本集團致力與僱員建立及維繫良好的工作關係。本集團向董事及高級管理層提供持續專業培訓，包括舉辦講座及工作坊，以介紹監管要求及企業管治常規的最新動態。本集團亦舉辦各項職前及在職培訓，加深員工對業務目標及營運的認識，以提升本集團的營運效率。在保障員工的職業安全與健康方面，本集團亦不遺餘力，致力為員工提供安全的工作環境，增強其健康安全意識。另外，本集團提供具競爭性的薪酬待遇、獎勵計劃、退休和醫療福利，以吸引及激勵僱員。

#### 供貨商

本集團審慎挑選供貨商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、生產高質素產品的能力等。本集團已與多家供貨商建立長期的合作關係，並盡力確保他們遵守本集團對質素及道德的承諾。

#### 銷售代理及經銷商

本集團透過銷售代理及經銷商向醫院、診所及藥店銷售藥品。本集團要求銷售代理及經銷商遵守相關法例、法規及本集團的銷售推廣政策。本集團亦與經銷商合作，提供培訓予其前線銷售人員，確保他們提供優質的銷售服務。

#### 醫院及醫生

本集團的藥品主要銷往中國多個重點省、市、自治區。本集團持續舉辦及參與研討會及藥品推介會等推廣活動，並透過銷售代理及經銷商與銷售網絡內的醫生保持聯繫，及向他們講解及說明本集團藥品的臨床應用。

承董事會命

**陳成慶**  
*主席*

香港，二零一九年三月三十一日



國富浩華(香港)會計師事務所有限公司  
Crowe (HK) CPA Limited  
香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SANAI HEALTH INDUSTRY GROUP COMPANY LIMITED  
(Incorporated in the Cayman Islands with limited liability)

致三愛健康產業集團有限公司  
股東的獨立核數師報告  
(於開曼群島註冊成立的有限公司)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Sanai Health Industry Group Company Limited (the "Company"), and its subsidiaries (together the "Group") set out on pages 42 to 171, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

1. Scope limitation – Recoverability of trade and other receivables

Included in trade and other receivables as at 31 December 2018 were trade receivables of RMB22,902,000 and other receivables of RMB14,270,000 from several debtors. The outstanding receivables were past due or remained outstanding up to the date of this report. The directors of the Company considered that no impairment provision should be made upon their assessment of the recoverability of the individual debtor balances based on the information available and current circumstances. However, we were unable to obtain satisfactory evidence to ascertain if the information available to the directors of the Company are appropriate for their assessment or that the current circumstances referred to by the directors of the Company are relevant to their assessment of impairment provision on trade and other receivables. Consequently, we were unable to satisfy ourselves regarding the valuation of the receivable balances as at 31 December 2018, and to determine whether any adjustment on allowance for credit loss against these receivables was necessary. Any adjustments to the conclusion on the recoverability of these receivables would affect the net assets of the Group as at 31 December 2018 and the Group's net loss for the year ended 31 December 2018, and the related disclosures in the consolidated financial statements.

不發表意見

吾等獲聘審核三愛健康產業集團有限公司(「貴公司」)連同其附屬公司(統稱「貴集團」)載於第42至171頁之綜合財務報表,其中包括二零一八年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註,包括主要會計政策概要。

吾等並不就 貴集團之綜合財務報表發表意見。基於吾等之報告中不發表意見之基礎一節所述事宜之重要性,吾等未能取得充分及恰當之審核憑證,以就該等綜合財務報表發表審核意見。於所有其他方面,吾等認為綜合財務報表已遵照香港公司條例之披露規定妥為編製。

不發表意見之基礎

1. 範圍限制—貿易應收款項及其他應收款項之可收回性

於二零一八年十二月三十一日之貿易應收款項及其他應收款項包括若干債務人之貿易應收款項人民幣22,902,000元及其他應收款項人民幣14,270,000元。未償還應收款項已逾期或直至本報告日期仍尚未償還。於根據可得資料及目標情況評估單獨債務人結餘之可收回性後, 貴公司董事認為毋須作減值撥備。然而,吾等無法取得令吾等信納之證據以確定 貴公司董事所得資料是否合適進行評估或 貴公司董事所提述之目前情況是否與評估貿易應收款項及其他應收款項減值撥備有關。因此,吾等無法信納有關於二零一八年十二月三十一日之應收款項結餘之估值,亦無法判斷是否有需要對該等應收款項之信貸虧損撥備作出任何調整。對該等應收款項之可收回性之結論作出之任何調整將影響本集團於二零一八年十二月三十一日之資產淨值、 貴集團於截至二零一八年十二月三十一日止年度之淨虧損以及 貴集團截至二零一八年十二月三十一日止年度之淨虧損以及綜合財務報表中之相關披露。

# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION (Continued)

#### 2. Scope limitation – Multiple uncertainties relating to going concern

As described in note 2(b) to the consolidated financial statements, the Group reported a net loss attributable to the owners of the Company of RMB229,755,000 during the year ended 31 December 2018. As at the same date, the Group's current liabilities exceeded its current assets by RMB48,670,000. In addition, the Group's total current bank borrowings amounted to RMB233,792,000 whereas its cash and cash equivalents amounted to RMB17,745,000 only. Moreover, during the year, loan principal repayments and related interests payments of RMB248,311,000 were not made in accordance with the repayment schedules pursuant to the bank facilities agreements and, as a result, the Group has defaulted in complying with the bank facilities covenants and the banks therefore have the right to demand immediate repayment of the entire outstanding balances together with outstanding interests and any penalties stipulated in the bank facilities agreement. One of the banks had disposed of the assets pledged by the Group as security for its facilities under a mandatory auction. These conditions, together with other matters described in note 2(b) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors have been undertaking certain measures as set out in note 2(b) to the consolidated financial statements to improve the Group's liquidity and financial position. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) whether the ongoing external facilities will continue to be available to the Group and (ii) whether the Group is able to generate adequate cash flows from its operations, the achievability of which depends on the market environment. Since there are no satisfying evidence for us to verify the availability of such future financing and the viability of the Group's business operations, we disclaim our opinion in this respect. If the ongoing external facilities were no longer available and the internally generated cash flows were not forthcoming, the Group would be unable to meet its financial obligations as and when they fall due, and it would then be unable to continue as a going concern.

### 不發表意見之基礎 (續)

#### 2. 範圍限制—多項有關持續經營之不確定因素

誠如綜合財務報表附註2(b)所述，貴集團於截至二零一八年十二月三十一日止年度已呈報 貴公司擁有人應佔虧損淨額人民幣229,755,000元。於同日，貴集團之流動負債已超出流動資產人民幣48,670,000元。此外，貴集團之流動銀行借貸總額為人民幣233,792,000元，而其現金及現金等價物僅為人民幣17,745,000元。此外，於本年度並無根據借貸協議按還款時間償還貸款本金及相關利息人民幣248,311,000元，因此，貴集團已違反銀行融資契諾，因此，銀行有權要求即時償還全部未償還結餘連同未償還利息以及銀行融資協議所訂明之任何罰金。其中一間銀行已根據強制拍賣出售 貴集團就其融資抵押之資產。該等狀況連同綜合財務報表附註2(b)所述之其他事宜表明存在重大不確定因素，其可能對 貴集團之持續經營能力造成重大疑問。

董事已進行若干措施（如綜合財務報表附註2(b)所載），以改善 貴集團之流動資金及財務狀況。綜合財務報表已按持續經營基準編製，其有效性取決於該等措施之成效，而其視乎多項不確定因素而定，包括(i) 貴集團能否持續取得外部融資及(ii) 貴集團能否從其營運中產生足夠現金流量，而達成之可能性取決於市場環境而定。由於概無令吾等信納之證據證明可取得有關未來融資及 貴集團業務營運之存續，故吾等就此不發表意見。倘無法持續取得外部融資及日後內部並無產生現金流量，貴集團將無法於到期時履行其財務責任，屆時將無法持續經營。

# Independent Auditor's Report

## 獨立核數師報告

### 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors 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 responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liabilities to any other person for the contents of this report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

**Crowe (HK) CPA Limited**  
Certified Public Accountants  
Hong Kong, 31 March 2019

**Chan Wai Dune, Charles**  
Practising Certificate Number P00712

### 董事就綜合財務報表須承擔的責任

董事須負責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及香港《公司條例》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公允的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），且除非董事有意將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用持續經營會計基準。

董事在審核委員會的協助下履行其職責，監督貴集團的財務報告流程。

### 核數師就審核綜合財務報表須承擔的責任

吾等的責任為根據香港會計師公會頒佈的香港審核準則對貴集團之綜合財務報表進行審核，並出具核數師報告。本報告僅向全體股東報告，除此之外別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。然而，由於吾等之報告中「不發表意見之基準」一段所述事項，吾等未能獲得充分適當之審核憑證以就該等綜合財務報表提供審核意見基準。

根據香港會計師公會頒佈的《職業會計師道德守則》（「守則」），吾等獨立於貴集團，且吾等已遵循守則其他道德責任。

**國富浩華（香港）會計師事務所有限公司**  
執業會計師  
香港，二零一九年三月三十一日

**陳維端**  
執業證書號碼P00712

## Consolidated Statement of Profit or Loss

### 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	8	64,123	62,534
Cost of sales and services rendered	銷售及提供服務成本		(64,475)	(119,311)
Gross loss	毛虧		(352)	(56,777)
Other income	其他收入	9	43,413	1,057
Gain on disposal of subsidiaries	出售附屬公司收益	37	196,613	746
Distribution costs	分銷費用		(799)	(4,739)
Administrative expenses	行政費用		(58,896)	(39,528)
Finance costs	融資成本	10(a)	(15,975)	(12,695)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	16	(146,001)	(683,326)
Impairment loss on land use rights	土地使用權減值虧損	17	(1,197)	(27,558)
Impairment loss on investment in an associate	於一間聯營公司投資 減值虧損	21	-	(4,795)
Impairment loss on amounts due from an associate	應收一間聯營公司款項 減值虧損	23	-	(89,915)
Impairment loss on goodwill	商譽減值虧損	19	-	(107,055)
Impairment loss on intangible assets	無形資產減值虧損	18	-	(3,121)
Written off of property, plant and equipment	物業、廠房及設備撇銷	16	-	(66)
Written off of inventories	存貨撇銷	22	(9,877)	(4,544)
Impairment loss on other receivables	其他應收款項減值虧損	23	(189,649)	(2,540)
Impairment loss on trade receivables	貿易應收款項減值虧損	23	(972)	-
Loss before taxation	除稅前虧損	10	(183,692)	(1,034,856)
Income tax	所得稅	13	(46,063)	(116,888)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年內虧損		(229,755)	(1,151,744)
Loss per share - Basic and diluted	每股虧損 - 基本及攤薄	15	RMB(7.7) cents 人民幣(7.7)分	RMB(47.8) cents 人民幣(47.8)分

The notes on pages 48 to 171 form part of these financial statements.

第48至171頁的附註構成本財務報表之一部分。

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss for the year	年內虧損	(229,755)	(1,151,744)
Other comprehensive income/(loss) for the year, net of income tax	年內其他全面收益／（虧損）， 扣除所得稅		
Items that may be reclassified subsequently to profit or loss:	其後或會重新分類為損益之項目：		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	267	(530)
Total comprehensive loss for the year attributable to owners of the Company	本公司擁有人應佔年內 全面虧損總額	(229,488)	(1,152,274)

The notes on pages 48 to 171 form part of these financial statements.

第48至171頁的附註構成本財務報表之一部分。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	30,489	191,263
Land use rights	土地使用權	17	3,827	7,714
Goodwill	商譽	19	-	-
Deposits for acquisition of non-current assets	收購非流動資產之按金	23	59,100	-
Intangible assets	無形資產	18	28,507	-
Interests in an associate	於聯營公司的權益	21	-	-
Finance lease receivables	融資租賃應收款項	24	9,027	29,878
Deferred tax assets	遞延稅項資產	30(b)	-	49,740
			<b>130,950</b>	<b>278,595</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	22	10,914	39,369
Trade and other receivables	貿易應收款項及其他應收款項	23	108,127	83,079
Tax recoverable	可收回稅項	30(a)	302	302
Finance lease receivables	融資租賃應收款項	24	91,305	42,982
Financial assets at fair value through profit or loss	按公平價值計入損益之金融資產	26	6,387	-
Loan receivables	貸款應收款項	25	-	25,000
Cash and cash equivalents	現金及現金等價物	27(a)	17,745	61,725
			<b>234,780</b>	<b>252,457</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易應付款項及其他應付款項	28	48,437	13,916
Secured bank loans	有抵押銀行貸款	29	233,792	281,942
Current taxation	當期稅項	30(a)	1,221	1,435
			<b>283,450</b>	<b>297,293</b>
<b>Net current liabilities</b>	<b>淨流動負債</b>		<b>(48,670)</b>	<b>(44,836)</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>82,280</b>	<b>233,759</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deposit received	已收按金	28	5,722	4,640
Deferred tax liabilities	遞延稅項負債	30(b)	5,031	9,894
			<b>10,753</b>	<b>14,534</b>
<b>Net assets</b>	<b>淨資產</b>		<b>71,527</b>	<b>219,225</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	31(b)	28,601	27,009
Reserves	儲備		42,926	192,216
<b>Total equity attributable to owners of the Company</b>	<b>本公司擁有人應佔總權益</b>		<b>71,527</b>	<b>219,225</b>

Approved and authorised for issue by the board of directors on 31 March 2019 and signed on its behalf by:

**Chen Chengqing**  
陳成慶  
Chairman  
主席

The notes on pages 48 to 171 form part of these financial statements.

已於二零一九年三月三十一日經董事會批准及授權刊發，並由以下人士代表簽署：

**Hung Hoi Lan**  
洪海瀾  
Executive Director  
執行董事

第48至171頁的附註構成本財務報表之一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

Attributable to owners of the Company  
本公司擁有人應佔

		Share capital	Share premium	Share option reserve	Special reserve	Capital reserve	Statutory surplus reserve	Translation reserve	Non-distributable reserve	Retained profits/(accumulated losses)	Total equity
		股本	股份溢價	購股權儲備	特別儲備	資本儲備	法定盈餘儲備	匯兌儲備	不可分派儲備	保留溢利/(累計虧損)	總權益
		(note 31(b))	(note 31(c)(i))	(note 31(c)(vi))	(note 31(c)(ii))	(note 31(c)(iii))	(note 31(c)(iv))	(note 31(c)(vii))	(note 31(c)(v))		
		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
At 1 January 2017	於二零一七年一月一日	21,762	1,047,038	19,916	(124,106)	53,000	264,197	-	23,752	(67,142)	1,238,417
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(1,151,744)	(1,151,744)
Other comprehensive loss	其他全面虧損	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	-	(530)	-	-	(530)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(530)	-	(1,151,744)	(1,152,274)
Shares issued under placement (note 31(b)(iii))	根據配售發行之股份 (附註31(b)(iii))	3,832	84,878	-	-	-	-	-	-	-	88,710
Shares issued upon exercise of share option (note 31(b)(ii))	於行使購股權後發行之股份 (附註31(b)(ii))	1,415	63,659	(19,916)	-	-	-	-	-	-	45,158
Disposal of a subsidiary (note 37)	出售一間附屬公司 (附註37)	-	-	-	-	-	(786)	-	-	-	(786)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	27,009	1,195,575	-	(124,106)	53,000	263,411	(530)	23,752	(1,218,886)	219,225
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(229,755)	(229,755)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	267	-	-	267
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	-	267	-	-	267
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	267	-	(229,755)	(229,488)
Transfer to statutory surplus reserve	轉移至法定盈餘儲備	-	-	-	-	-	363	-	-	(363)	-
Equity settled share-based payment transactions (note 32)	以權益結算以股份為基礎之交易 (附註32)	-	-	10,481	-	-	-	-	-	-	10,481
Shares issued upon exercise of share option (note 31(b)(ii))	於行使購股權後發行之股份 (附註31(b)(ii))	1,592	59,379	(8,767)	-	-	-	-	-	-	52,204
Disposal of a subsidiary (note 37)	出售一間附屬公司 (附註37)	-	-	-	45,850	-	(26,745)	-	-	-	19,105
At 31 December 2018	於二零一八年十二月三十一日	28,601	1,254,954	1,714	(78,256)	53,000	237,029	(263)	23,752	(1,449,004)	71,527

The notes on pages 48 to 171 form part of these financial statements.

第48至171頁的附註構成本財務報表之一部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Loss before tax	除稅前虧損	(183,692)	(1,034,856)
Adjustments for:	為下列各項調整：		
Interest income	利息收入	(1,161)	(1,037)
Finance cost	融資成本	15,975	12,695
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(32,458)	-
Gain on disposal of subsidiaries	出售附屬公司之收益	(196,613)	(746)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,765	80,225
Amortisation of intangible assets	無形資產攤銷	-	797
Amortisation of land use rights	土地使用權攤銷	2,256	865
Written off of property, plant and equipment	物業、廠房及設備撇銷	-	66
Write off of inventories	存貨撇銷	9,877	4,544
Dividend income	股息收入	(9)	-
Equity-settled share-based payment expenses	以權益結算以股份為基礎的支出	10,481	-
Exchange gain, net	匯兌收益淨額	-	(466)
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之虧損	1,677	2,111
Changes in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	1,790	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	146,001	683,326
Impairment loss on land use rights	土地使用權減值虧損	1,197	27,558
Impairment loss on intangible assets	無形資產減值虧損	-	3,121
Impairment loss on goodwill	商譽減值虧損	-	107,055
Impairment loss on amounts due from an associate	應收一間聯營公司款項減值虧損	-	89,915
Impairment loss on investment in an associate	於一間聯營公司投資減值虧損	-	4,795
Impairment loss on trade receivables	貿易應收款項減值虧損	972	-
Impairment loss on other receivables	其他應收款項減值虧損	189,649	2,540
		(19,293)	(17,492)
<b>Changes in working capital</b>	<b>營運資金變動</b>		
Decrease/(increase) in inventories	存貨減少/(增加)	18,012	(29,780)
Decrease/(increase) in trade and other receivables	貿易應收款項及其他應收款項減少/(增加)	5,014	(62,483)
Increase in trade and other payables	貿易應付款項及其他應付款項增加	40,570	11,683
Increase in finance lease receivables	融資租賃應收款項增加	(27,472)	(72,860)
<b>Cash generated from/(used in) operations</b>	<b>經營活動所得/(所用)現金</b>	16,831	(170,932)
Income tax paid – The People's Republic of China (the "PRC")	已付所得稅 – 中華人民共和國(「中國」)	(429)	(287)
<b>Net cash generated from/(used in) operating activities</b>	<b>經營活動所得/(所用)現金淨額</b>	16,402	(171,219)

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	875	266
Decrease/(increase) in loan receivables	貸款應收款項減少/(增加)	25,000	(25,000)
Dividend received	已收股息	9	-
Deposits paid for purchase of non-current assets	就購買非流動資產已付按金	(59,100)	-
Investment in intangible assets	投資無形資產	(28,507)	-
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的付款	-	(204,513)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	3	-
Settlement of contingent consideration payable	結算應付或然代價	-	(44,643)
Payment for the purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產之付款	(38,260)	-
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	28,285	39,866
Disposal of subsidiaries, net of cash disposed of	出售附屬公司·扣除已出售現金	(25,024)	-
	37		
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(96,719)</b>	<b>(234,024)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Interest paid	已付利息	(15,975)	(10,725)
Proceeds from issue of new shares, net of issuance costs	發行新股份所得款項(扣除發行成本)	52,204	133,868
Proceeds from new bank loans	新銀行貸款所得款項	45,306	196,900
Repayment of bank loans	償還銀行貸款	(48,150)	(558)
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>33,385</b>	<b>319,485</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物減少淨額</b>	<b>(46,932)</b>	<b>(85,758)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等價物</b>	<b>61,725</b>	<b>147,547</b>
<b>Effect of foreign exchange rates changes</b>	<b>外匯變動之影響</b>	<b>2,952</b>	<b>(64)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金及現金等價物</b>	<b>17,745</b>	<b>61,725</b>
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等價物結餘分析</b>		
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	17,745	61,725
	27(a)		

The notes on pages 48 to 171 form part of these financial statements.

第48至171頁的附註構成本財務報表之一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 1. GENERAL

Sanai Health Industry Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 21 March 2006 and registered as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Cayman Companies Law”) and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands and Unit 1309, 13/F., West Tower, Shun Tak Centre, Sheung Wan, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software, provision of consultancy services, general trading and provision of finance leasing services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

### 1. 一般資料

三愛健康產業集團有限公司（「本公司」）根據開曼群島公司法（「開曼群島公司法」）第22章（一九六一年第三條法例）（經綜合及修訂）於二零零六年三月二十一日在開曼群島註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司（「聯交所」）主板上市。本公司的註冊辦事處及主要營業地點的地址分別為Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands 及香港上環信德中心西座13樓1309室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售，以及銷售醫藥相關軟件、提供顧問服務、一般貿易及提供融資租賃服務。

### 2. 主要會計政策

#### a) 合規聲明

本財務報表是按照香港會計師公會（「香港會計師公會」）頒佈的所有適用的香港財務報告準則（「香港財務報告準則」）（此統稱包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定編製。本財務報表亦有遵照香港聯合交易所有限公司證券上市規則的適用披露規定。本集團所採納之主要會計政策於下文披露。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等香港財務報告準則於本集團之現行會計期間首次生效或可供提早採納。附註3提供首次應用此等新訂及經修訂準則所引致之任何會計政策變動之資料，以於本財務報表中反映現行及過往會計期間與本集團相關者為限。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except for per share data. RMB is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as explained in the accounting policies set out below.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

### 2. 主要會計政策 (續)

#### b) 財務報表的編製基準

截至二零一八年十二月三十一日止年度的綜合財務報表涵蓋本公司及其附屬公司(統稱為「本集團」)及本集團於聯營公司權益。

本集團各實體財務報表所載之項目乃按實體經營的主要經濟環境之貨幣(「功能貨幣」)計量。該等財務報表以人民幣(「人民幣」)呈列，湊整至最接近千位數，惟每股數據除外。人民幣為本公司之功能貨幣及本集團之呈列貨幣。

編製財務報表所用的計量基準為歷史成本法(下載會計政策闡釋者除外)。

按照香港財務報告準則編製財務報表時，管理層必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的賬面值有關結果將由乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及有關假設組成。實際結果可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

管理層在應用香港財務報告準則時所作出對該等財務報表有重大影響的判斷，以及估計不確定性的主要來源載列於附註4。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### b) Basis of preparation of the financial statements (Continued)

##### *Going concern basis*

During the year ended 31 December 2018, the Group incurred a net loss of RMB229,755,000 (2017: RMB1,151,744,000), and as of that date, the Group had net current liabilities of RMB44,836,000 (2017: net current liabilities of RMB44,836,000). These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of its business.

The directors of the Company have taken steps to improve the Group's liquidity and solvency position, having regard to (i) the forecasted operating cash to be generated for the year ending 31 December 2019; (ii) negotiation with banks for the restructure of repayment schedules of bank loans so as to extend the repayment due date for one year; (iii) negotiation for any other possible external financing, including but not limited to, obtain further loan facilities and raise funds from the capital market in Hong Kong. The directors are of the opinion that the Group will be able to generate sufficient funds to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the steps being taken by the directors as described above.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

### 2. 主要會計政策 (續)

#### b) 財務報表的編製基準 (續)

##### *持續經營基準*

截至二零一八年十二月三十一日止年度，本集團產生淨虧損約人民幣229,755,000元（二零一七年：人民幣1,151,744,000元），而於有關日期，本集團有流動負債淨額人民幣44,836,000元（二零一七年：流動負債淨額人民幣44,836,000元）。該等狀況顯示存在重大不明朗因素，可能對本集團繼續按持續經營基準之能力及其後對於一般業務過程中變現其資產及償還負債之能力產生重大疑問。

經考慮(i)截至二零一九年十二月三十一日止年度將產生之預測經營現金；(ii)與銀行磋商重組銀行貸款的還款計劃，以延長還款到期日一年；(iii)磋商任何其他可能外部融資，包括但不限於取得進一步貸款融資及於香港資本市場籌資，本公司董事已採取行動改善本集團的流動資金及償付能力狀況。董事認為本集團將可產生充裕資金應付其在可預見未來到期的財務承擔。因此，本集團之綜合財務報表已按持續經營基準編製。

編製綜合財務報表所依據之持續經營假設是否有效取決於上述董事所採取措施是否取得良好成果。

倘本集團無法繼續持續經營，則須進行調整，將資產價值重列至可收回金額，並就可能產生之任何額外負債作出撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等綜合財務報表尚未反映這些潛在調整之影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

#### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)).

#### d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

### 2. 主要會計政策 (續)

#### c) 附屬公司

附屬公司指受本集團控制的實體。當本集團因參與某實體對可變回報承擔風險或享有權利，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮實質權利（由本集團及其他人士持有）。

於附屬公司的投資自獲得控制權當日起併入綜合財務報表，直至控制權結束當日為止。集團公司間的結餘及交易以及從集團公司間交易產生的任何未變現溢利，均於編製綜合財務報表時全數對銷。從集團公司間交易產生的未變現虧損，在沒有證據顯示出現減值的情況下按未變現收益的相同方式予以對銷。

#### *本集團於現有附屬公司的擁有權權益變動*

本集團於一間附屬公司的權益變動（其不會導致失去控制權）入賬為股權交易，而綜合權益內之控股及非控股權益金額已作調整，以反映相關權益的變動，但並不會對商譽作出調整及不會確認損益。

倘本集團失去一間附屬公司之控制權，則會入賬為出售該附屬公司的全部權益，而收益或虧損會於損益表確認。於失去控制權當日在前附屬公司保留之權益按公平值確認，而有關金額被視為於初步確認金融資產之公平值，或（如適用）初步確認為聯營公司投資成本。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬（見附註2(j)）。

#### d) 聯營公司

聯營公司乃指本集團或本公司可以對其管理層發揮重大影響力的實體，包括參與其財務及經營決策，而非控制或聯合控制管理層。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### d) Associates (Continued)

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

### 2. 主要會計政策 (續)

#### d) 聯營公司 (續)

於聯營公司的投資乃按權益法列入綜合財務報表，除非其被分類為持作出售（或計入分類為持作出售之出售組合）。根據權益法，投資初步按成本入賬，按本集團佔被投資公司可識別資產淨值於收購日期公平值超出投資成本之任何差額（如有）作出調整。投資成本包括購買價、收購該投資之直接應佔其他成本及構成本集團股本投資一部份的於該聯營公司之任何直接投資。其後，投資就本集團佔被投資公司資產淨值之收購後變動及任何有關投資之減值虧損（見附註2(j)）作出調整。任何收購日期超過成本之差額、本集團佔被投資公司於收購後之除稅後業績及任何年度減值虧損於綜合損益表內確認，而本集團佔被投資公司於收購後之除稅後其他全面收益項目於綜合損益及其他全面收益表確認。

如本集團應佔聯營公司之虧損超過其應佔權益，則本集團的權益將減至零，並會終止確認進一步虧損，惟集團所承擔之法律或推定責任或代表被投資公司償付之承擔除外。就此而言，本集團之權益為按權益法計算之投資賬面值，連同實質上構成本集團於聯營公司的投資淨值之任何其他長期權益。

本集團與其聯營公司之間交易所產生之未變現損益，均按本集團於被投資公司所佔的權益比率抵銷，倘未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時於損益中確認。

倘於聯營公司之投資成為於合營企業的投資（反之亦然），保留權益不會予以重新計量。投資反而繼續按權益法入賬。

於所有其他情況下，當本集團不再對聯營公司擁有重大影響力時，則按出售於該被投資公司的全部權益入賬，所產生之收益或虧損於損益中確認。任何於失去重大影響力在前被投資公司保留的權益按公平值確認及該金額被視為於初步確認金融資產時的公平值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Incomes Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

### 2. 主要會計政策 (續)

#### e) i) 業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值之總和。與收購有關之成本一般於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「員工福利」確認及計量；
- 與被收購方以股份支付款項安排或本集團之以股份支付款項安排替換被收購方以支付款項安排有關的負債或權益工具於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產（或出售組合）根據該項準則計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) i) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Where the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

### 2. 主要會計政策(續)

#### e) i) 業務合併(續)

商譽乃以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有之被收購方股權公平值(如有)之總和超出所收購可識別資產及所承擔的負債於收購日期之淨值之部份計量。倘經過重新評估後,所收購可識別資產及所承擔負債於收購日期之淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權公平值(如有)之總和,則超出部份即時於損益內確認為議價收購收益。

屬現時擁有權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值之非控股權益,可初步按非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值計量。

當本集團於業務合併中轉讓之代價包括或然代價安排時,或然代價按其收購日期公平值計量,並視為於業務合併中所轉讓之代價一部份。或然代價之公平值變動(證實為計量期間調整)可追溯調整。計量期間調整乃於「計量期間」(其不可超過自收購日期起計一年)內所獲得之有關於收購日期存在之事實及情況之額外資料所產生之調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) i) Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (that is, the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposed of directly the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### 2. 主要會計政策 (續)

#### e) i) 業務合併 (續)

或然代價之隨後入賬並無確認為計量期間調整，而取決於或然代價如何劃分。劃分為權益之或然代價並無於隨後報告日期重新計量，而其隨後結算於權益內入賬。劃分為資產或負債之或然代價於隨後報告日期重新計量至公平值，而相應之盈利或虧損於損益中確認。

倘業務合併分階段完成，本集團先前於被收購方持有之股權重新計量至收購日期（即本集團獲得控制權當日）之公平值，而所產生之損益（如有）於損益或其他全面收益（倘適當）中確認。過往於收購日期前於其他全面收益確認及按香港財務報告準則第9號／香港會計準則第39號計量之被收購方權益所產生款額按所規定之相同基準入賬，惟本集團已直接出售先前持有之股權。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團報告未完成會計處理之項目臨時數額。該等臨時數額會於計量期間（見上文）予以追溯調整，或確認額外資產或負債，以反映於收購日期已存在而倘知悉將可能影響該日已確認款額之事實與情況所取得之新資訊。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) ii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On the disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

### 2. 主要會計政策(續)

#### e) ii) 商譽

收購業務產生之商譽乃按於收購業務日期(見上文會計政策)所確立之成本減累計減值虧損(如有)列賬。

就減值測試而言,商譽乃分配至預期從合併的協同效應中獲利的本集團各現金產生單位(或現金產生單位組合),即就內部管理而言監察商譽的最低層面及不大於經營分類。

獲分配商譽之現金產生單位(或現金產生單位組合)每年或於有跡象顯示單位可能出現減值時更頻繁地進行減值測試。就某報告期間因收購而產生之商譽而言,已獲分配商譽之現金產生單位(或現金產生單位組合)於該報告期結束前進行減值測試。當可收回金額低於賬面值,則減值虧損首先被分配以削減任何商譽之賬面值,其後以單位(或現金產生單位組合)各資產之賬面值為基準按比例分配至其他資產。

於出售相關現金產生單位或現金產生單位組合中任何現金產生單位時,釐定出售損益金額會計入商譽應佔之金額。當本集團出售現金產生單位(或現金產生單位組合)中一個現金產生單位)內之業務時,所出售之商譽金額會按所出售業務(或現金產生單位)相對所保留現金產生單位(或現金產生單位組合)部分之相對價值計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 6(f). These investments are subsequently accounted for as follows, depending on their classification.

#### (A) Policy applicable from 1 January 2018

##### *Investments other than equity investments*

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method
- fair value through other comprehensive income (FVOCI) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

### 2. 主要會計政策 (續)

#### f) 於債務及股本證券的其他投資

本集團關於債務及股本證券的投資(於附屬公司及聯營公司的投資除外)政策載列如下:

債務及股本證券投資於本集團承諾購買/出售該投資時確認/終止確認。投資初步按公平值加直接應佔交易成本列值,惟按公平值計入損益(「按公平值計入損益」)計量之投資除外,有關投資之交易成本直接於損益確認。有關本集團如何確定金融工具公平值的解釋,見附註6(f)。該等投資其後視乎其分類按以下方式列賬。

#### (A) 自二零一八年一月一日起適用的政策

##### *股本投資以外之投資*

本集團持有之非股本投資歸入以下其中一個計量類別:

- 以攤銷成本計量,倘持有投資的目的為收取合約現金流量,即純粹為獲得本金及利息付款。投資所得利息收入乃使用實際利率法計算。
- 按公平值計入其他全面收益(「按公平值計入其他全面收益」) – 可劃轉,倘投資的合約現金流量僅包括本金及利息付款,且投資乃於其目的為同時收取合約現金流量及出售的業務模式中持有。公平值變動於其他全面收益確認,惟預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損於損益確認。當該項投資終止確認時,累積計入其他全面收益的金額從權益劃轉至損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Other investments in debt and equity securities (Continued)

##### (A) Policy applicable from 1 January 2018 (Continued)

##### *Investments other than equity investments (Continued)*

- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

##### *Equity investments*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(t)(v).

### 2. 主要會計政策(續)

#### f) 於債務及股本證券的其他投資(續)

##### (A) 自二零一八年一月一日起適用的政策(續)

##### *股本投資以外之投資(續)*

- 按公平值計入損益(「按公平值計入損益」),倘投資不符合按攤銷成本計量或按公平值計入其他全面收益(可劃轉)的標準。投資的公平值變動(包括利息)於損益確認。

##### *股本投資*

股本證券投資分類為按公平值計入損益,除非股本投資並非持作買賣用途,且於初次確認投資時,本集團選擇指定投資為按公平值計入其他全面收益(不可劃轉),以致公平值的後續變動於其他全面收益確認。有關選擇以個別工具為基準作出,惟僅會在發行人認為投資符合股本的定義的情況下作出。作出有關選擇後,於其他全面收益內累計的金額仍將保留在公平值儲備(不可劃轉)內直至投資出售為止。出售時,於公平值儲備(不可劃轉)內累計的金額轉撥至累計虧損,且不會劃轉至損益。股本證券投資的股息(不論分類為按公平值計入損益或按公平值計入其他全面收益),根據附註2(t)(v)所載政策於損益內確認為其他收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Other investments in debt and equity securities (Continued)

##### (B) Policy applicable prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost (for impairment see note 2(j) – policy applicable prior to 1 January 2018).

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss in accordance with the policies set out in notes 2(t). Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see note 2(j) – policy applicable prior to 1 January 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

### 2. 主要會計政策 (續)

#### f) 於債務及股本證券的其他投資 (續)

##### (B) 於二零一八年一月一日前適用的政策

持作交易的證券投資分類為按公平值計入損益計量之金融資產。由此產生的任何交易費用均於產生時在損益中確認。公平值於各報告期末重新計量，所產生的任何盈虧會於損益中確認。

本集團擁有正面能力及意向持有至到期日之有期債務證券乃分類為持有至到期日之證券。持有至到期日之證券按攤銷成本列賬（有關減值見附註2(j)－於二零一八年一月一日前適用的政策）。

不屬於上述任何類別之投資歸類為可供出售金融資產。於每個報告期末，公平值會重新計量，任何因此產生之盈虧在其他全面收益中確認，並在權益內之公平值儲備內分開累積（可劃轉）。股本投資的股息收入及使用實際利率法計算的債務證券的利息收入根據附註2(t)所載的政策於損益中確認。債務證券產生的匯兌收益及虧損亦於損益中確認。倘若這些投資不再被確認或減值時（見附註2(j)－於二零一八年一月一日前適用的政策），在權益確認的累計損益會重新分類至損益內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods, or for administrative purposes, other than construction in progress, are stated in the consolidated statement of financial position at cost less any accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, at the following rates per annum:

Buildings	3.33% or over the unexpired term of lease, if shorter
Furniture, fixtures and equipment	10%-20%
Leasehold improvements	10%-20%
Motor vehicles	20%
Plant and machinery	10%-20%

For those impaired property, plant and equipment, including buildings, furniture, fixtures and equipment and plant and equipment in one of the factories in Jianyang City, Fujian Province, the PRC, not fully depreciated, depreciation is provided based on their carrying amount after deducting impairment provision over the estimated useful life.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

### 2. 主要會計政策(續)

#### g) 物業、廠房及設備

物業、廠房及設備(包括用於生產或供應貨品或作行政用途的樓宇)(在建工程除外)於綜合財務狀況表內按成本減任何累計折舊以及累計減值虧損(如有)列賬。

物業、廠房及設備項目按下列年率計算折舊,減其估計剩餘價值(如有)以直線法在估計可使用年內內撇銷其成本:

樓宇	3.33%或於未屆滿租期內(以較短者為準)
傢具、固定裝置及設備	10%-20%
租賃物業裝修	10%-20%
汽車	20%
廠房及機器	10%-20%

就該位於中國福建省建陽市一家工廠的已減值但未完全折舊的物業、廠房及設備(包括樓宇、傢具、固定裝置及設備以及廠房及機器),折舊乃根據賬面值經扣除減值撥備後按於估計可使用年期計提。

當物業、廠房及設備的各部分有著顯著不同的可使用年期,項目的成本將會按合理基準分配,而每個部分將作個別折舊。資產的可使用年期及其剩餘價值(如有)每年進行審閱。

歷史成本包括收購該等項目直接引致的開支。成本可能亦包括由權益轉撥的外幣購買物業、廠房及設備符合現金流量對沖之任何收益/虧損。

期後成本僅在與該項目相關的未來經濟效益很可能歸於集團,而且能可靠地計量該項目成本的情況下,始計入有關資產的賬面值,或確認為獨立的資產(如適用)。重置部分之賬面值則取消確認。其他修理及維修成本則在其產生的報告期間在損益中支銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

##### *Internally – generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note (2)(v)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note (2)(j)). Other development expenditure is recognised as an expense in the period in which it is incurred.

##### *Intangible assets acquired separately*

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note (2)(j)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

### 2. 主要會計政策 (續)

#### g) 物業、廠房及設備 (續)

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

物業、廠房及設備項目報廢或出售時產生的盈虧乃按出售所得款項淨額與項目的賬面值之間的差額釐定，盈虧於報廢或出售日期於損益表內確認。

用作生產、供應或行政用途之在建物業、廠房及設備按成本減已經確認的減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款費用。該等物業、廠房及設備在竣工並用於預定用途時分類至物業、廠房及設備的適當類別。該等資產與其他物業資產按相同基準，在可用作其擬定用途時開始計算折舊。

#### h) 無形資產 (商譽除外)

##### *內部產生的無形資產 – 研發支出*

研究活動的支出於產生期間列作開支。倘產品或過程技術上或商業上可行，且本集團具備充裕資源並有意完成開發工作，則開發活動之開支將撥充資本。已撥充資本的開支包括物料成本、直接勞工成本及按適當比例計算的間接開支以及借貸成本(如適用)(見附註(2)(v))。撥充資本開發成本乃按成本減累計攤銷及減值虧損列賬(見附註(2)(j))。其他開發支出於產生期間列作費用。

##### *個別收購的無形資產*

本集團所收購的無形資產乃按成本減累計攤銷(倘估計可使用年期有限)及減值虧損(見附註(2)(j))列賬。內部之會計產生之商譽及商標開支於其產生期間確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### *Intangible assets acquired separately (Continued)*

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Product development costs	5 years
Patents	5 years
Software	5 years

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

### 2. 主要會計政策 (續)

#### h) 無形資產 (商譽除外) (續)

##### *個別收購的無形資產 (續)*

使用年期有限的無形資產攤銷乃以直線法按資產的估計可使用年期於損益中扣除。下列使用年期有限的無形資產自彼等可供使用之日起攤銷，彼等估計可使用年限如下：

產品開發成本	5年
專利	5年
軟件	5年

攤銷期間及方法均會每年進行檢討。

無形資產於其被評為具有無限可使用年期時不予攤銷。無形資產是否具有無限可使用年期之結論會每年檢討，以確定事件及情況是否持續支持該項資產具有無限可使用年期之評估。倘有關情況及事件並無持續，則可使用年期評估由無限轉為有限之變動，會自變動當日起按上文所載適用於具有有限可使用年期之無形資產之攤銷政策追溯入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

#### i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

### 2. 主要會計政策 (續)

#### i) 租賃資產

倘本集團決定某項安排(包括一項交易或一連串交易)涉及轉讓一項可於協定期間內使用特定資產之權利以換取一筆或一連串付款,則該項安排屬於或包含一項租約。該項決定乃基於對安排內容之評估而作出,而不論該項安排是否採取租約之法律形式。

#### i) *出租予本集團之資產分類*

本集團根據將擁有權之絕大部分風險及回報轉讓予本集團之租賃所持資產分類為融資租賃項下所持資產。擁有權之絕大部分風險及回報不會轉讓予本集團之租賃則分類為經營租賃,惟下列除外:

- 以經營租賃方式持有但在其他方面均符合投資物業定義的物業,會按照每項物業的基準歸類為投資物業。如果歸類為投資物業,其入賬方式會如同以融資租賃持有一樣;及
- 以經營租賃持作自用的土地於租賃開始時,其公平值未能與上蓋樓宇的公平值分開計量時,則按融資租賃持有的方式處理,惟樓宇亦明確以經營租賃持有者除外。就此而言,租賃開始的時間乃指本集團首次訂立租約時,或自前承租人接受相關樓宇時。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Leased assets (Continued)

##### ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

##### iii) Finance leasing income

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

##### iv) Leasehold land and building for own use

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted for as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

### 2. 主要會計政策 (續)

#### i) 租賃資產 (續)

##### ii) 經營租賃費用

倘若本集團以經營租賃持有資產使用權，以租賃作出的支付將於租期之會計期間按相同數額分期計入損益，惟若有另一種更能反映租賃資產衍生的利益模式的基準除外。所獲租賃減免在損益確認為已付淨租金總額一部分。或然租金將於產生之會計期間於損益內支銷。

##### iii) 融資租賃收入

根據融資租約應收承租人款項已按本集團於租約之淨投資金額確認為應收款項。融資租賃收入已分配至會計期間，以反映本集團就租約之未付淨投資之經常周期回報率。

##### iv) 持作自用的租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團根據評估各部分之所有權的風險與報酬是否絕大部分轉移至本集團而將其劃分，除非肯定兩個部分均屬經營租賃，於此情況下，整份租約歸類為經營租賃。具體而言，全部代價（包括任何一筆過預付款項）於初步確認時按租賃土地部分及樓宇部分中的權益相對公平值比例於土地與樓宇部分間分配。

租金在可靠分配的情況下，被列為經營租賃的租賃土地權益於綜合財務狀況表中呈列為「土地使用權」，並於租期內以直線基準攤銷。當租賃款項不能在土地和樓宇部分之間可靠地分配時，整項物業通常分類為按融資租賃項下之租賃土地。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets

##### (i) Credit losses from financial instruments and lease receivables

###### (A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loan receivables);
- lease receivables.

Financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets are not subject to the ECL assessment.

###### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (that is, the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值

##### (i) 金融工具及租賃應收款項之信貸虧損

###### (A) 自二零一八年一月一日起適用的政策

本集團就以下項目的預期信貸虧損(「預期信貸虧損」)確認虧損撥備:

- 按攤銷成本計量之金融資產(包括現金及現金等價物、貿易應收款項及其他應收款項以及貸款應收款項);
- 租賃應收款項。

按公平值計量之金融資產(包括按公平值計入損益而計量之股本證券)、指定按公平值計入其他全面收益之股本證券(不可劃轉)及衍生金融資產毋須進行預期信貸虧損評估。

計量預期信貸虧損  
預期信貸虧損為信貸虧損的概率加權估計。信貸虧損以所有預期現金差額的現值(即根據合約應付予本集團的現金流量與本集團預計收取的現金流量之間的差額)計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

###### (A) Policy applicable from 1 January 2018 (Continued)

#### Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (i) 金融工具及租賃應收款項之信貸虧損(續)

###### (A) 自二零一八年一月一日起適用的政策(續)

#### 計量預期信貸虧損(續)

預期現金所缺金額在貼現影響屬重大的情況下採用下列貼現率予以貼現:

- 固息金融資產、貿易應收款項及其他應收款項: 於首次確認釐定的實際利率或其近似值;
- 浮息金融資產: 現行實際利率;
- 租賃應收款項: 計量租賃應收款項所用貼現率。

估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

於計量預期信貸虧損時, 本集團會考慮在無需付出過多成本及努力下即可獲得的合理可靠資料。此項包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

###### (A) Policy applicable from 1 January 2018 (Continued)

#### Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (i) 金融工具及租賃應收款項之信貸虧損 (續)

###### (A) 自二零一八年一月一日起適用的政策 (續)

#### 計量預期信貸虧損 (續)

預期信貸虧損將採用以下任一基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 全期預期信貸虧損：指預期信貸虧損模型適用項目之預期年期內所有可能違約事件而導致的預期虧損。

貿易應收款項及租賃應收款項之虧損撥備一直按等同於全期預期信貸虧損的金額計量。於報告日期，該等金融資產的預期信貸虧損乃根據本集團的歷史信貸虧損經驗使用提列矩陣進行評估，並根據債務人的特定因素及對當前及預計一般經濟狀況的評估進行調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

#### Measurement of ECLs (Continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

#### Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (i) 金融工具及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

#### 計量預期信貸虧損(續)

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非金融工具的信貸風險自初步確認以來大幅上升，則在此情況下，虧損撥備按相等於全期預期信貸虧損的金額計量。

信貸風險大幅上升評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期及於初步確認日期評估的金融工具發生違約的風險。作出重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸債務；或(ii)金融資產已逾期90日，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

###### (A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (i) 金融工具及租賃應收款項之信貸虧損 (續)

###### (A) 自二零一八年一月一日起適用的政策 (續)

信貸風險大幅上升 (續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸評級（如有）的實際或預期顯著惡化；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

取決於金融工具的性质，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵（如逾期狀況及信貸風險評級）進行分組。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

#### Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured of at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

#### Basis of calculation of interest income

Interest income recognised in accordance with note 2(t)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (that is, the gross carrying amount less loss allowance) of the financial asset.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (i) 金融工具及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

#### 信貸風險大幅上升(續)

本集團於各報告日期重新計量預期信貸虧損，以反映金融工具的信貸風險自初步確認以來發生的變動。預期信貸虧損金額的任何變動均會於損益中確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入損益(可劃轉)計量之債務證券投資除外，其虧損撥備於其他全面收益內確認並於公平值儲備(可劃轉)內累計。

#### 利息收入的計算基準

根據附註2(t)(ii)確認的利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按該金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

###### (A) Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income (Continued)

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (i) 金融工具及租賃應收款項之信貸虧損 (續)

###### (A) 自二零一八年一月一日起適用的政策 (續)

利息收入的計算基準 (續)

於各報告日期，本集團會評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，即表示金融資產出現信貸減值。

金融資產信貸減值的證據包括以下可觀察事件：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠利息或本金付款；
- 借款人很有可能將告破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變動，對債務人有不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

###### (A) Policy applicable from 1 January 2018 (Continued)

#### Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (i) 金融工具及租賃應收款項之信貸虧損(續)

###### (A) 自二零一八年一月一日起適用的政策(續)

#### 撇銷政策

若日後實際上不可收回款項，本集團則會撇銷(部分或全部)金融資產及租賃應收款項的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

##### (B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (for example, trade and other receivables, loan receivables and finance lease receivables). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (i) 金融工具及租賃應收款項之信貸虧損 (續)

##### (B) 於二零一八年一月一日前適用的政策

於二零一八年一月一日前，「已產生虧損」模型用於計量未歸類為按公平值計入損益的金融資產（如貿易應收款項及其他應收款項、貸款應收款項及融資租賃應收款項）之減值虧損。根據「已產生虧損」模式，減值虧損僅於客觀減值證據存在時確認。客觀減值證據包括：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠利息或本金付款；
- 債務人很有可能將告破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境出現重大變動，對債務人有不利影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

##### (B) Policy applicable prior to 1 January 2018 (Continued)

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (i) 金融工具及租賃應收款項之信貸虧損(續)

##### (B) 於二零一八年一月一日前適用的政策(續)

如有任何相關證據存在，則減值虧損釐定及確認如下：

- 就貿易應收款項及其他應收款項以及按攤銷成本列賬之其他金融資產而言，減值虧損根據資產的賬面值與(如貼現的影響屬重大)按金融資產原有實際利率貼現的估計未來現金流量現值兩者間的差額計量。倘該等金融資產具備類似風險特徵，例如類似的逾期情況，且並無個別評估為減值，則有關評估會一同進行。一同評估減值的金融資產的未來現金流量基於與該類資產具有類似信貸風險特徵的資產的過往虧損經驗。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments and lease receivables (Continued)

##### (B) Policy applicable prior to 1 January 2018 (Continued)

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (i) 金融工具及租賃應收款項之信貸虧損 (續)

##### (B) 於二零一八年一月一日前適用的政策 (續)

若於其後期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件相關，則減值虧損會透過損益撥回。減值虧損僅在其不會導致資產賬面值超出在過往年度並無確認減值虧損的情況下所釐定金額時方會確認撥回。

倘就以攤銷成本列賬的應收賬款或其他金融資產的可收回性被認為難以預料而並非微乎其微，則有關的減值虧損以撥備賬入賬。倘本集團確認可收回性微乎其微，則視為不可收回的金額直接於該等資產的賬面總值中撇銷。先前在撥備賬中計提的金額如其後被收回，其從撥備賬中撥回。撥備賬的其他變動及其後收回先前直接撇銷的金額均於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- land use rights;
- intangible assets;
- goodwill;
- deposits for acquisition of non-current assets;
- interests in an associate; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (ii) 其他非流動資產之減值

本公司會於每個報告期末審閱內部及外界所得資料，以確定下列資產是否出現減值或(商譽除外)先前已確認之減值虧損不再存在或已經減少：

- 物業、廠房及設備；
- 土地使用權；
- 無形資產；
- 商譽；
- 收購非流動資產之按金；
- 於聯營公司的權益；及
- 本公司財務狀況表內於附屬公司的投資。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就尚未可供使用之商譽、無形資產及具有無限可使用年期之無形資產而言，其可收回數額會每年估計(不論有否出現減值跡象)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (ii) Impairment of other non-current assets (Continued)

- *Calculation of recoverable amount*  
The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (that is, a cash-generating unit).

- *Recognition of impairment losses*  
An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- *Reversals of impairment losses*  
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 2. 主要會計政策 (續)

#### (j) 信貸虧損及資產減值 (續)

##### (ii) 其他非流動資產之減值 (續)

- *計算可收回數額*  
資產之可收回數額乃指其公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別（即現金產生單位）釐定可收回數額。

- *確認減值虧損*  
倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益表確認減值虧損。就現金產生單位確認之減值虧損而言，其首先用作減少已分配至現金產生單位（或單位類別）之任何商譽之賬面值，其後按比例用作減少單位（或單位類別）其他資產之賬面值，惟資產之賬面值將不得減少至低於其個別公平值減出售成本（如能計量）或使用價值（如能計算）。

- *減值虧損撥回*  
就除商譽外之資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。與商譽有關的減值虧損則不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回於確認有關撥回之年度計入損益內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Credit losses and impairment of assets (Continued)

##### (iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

#### (k) Inventories

##### *Inventories*

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 2. 主要會計政策(續)

#### (j) 信貸虧損及資產減值(續)

##### (iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回準則（見附註2(j)(i)及(ii)）。

於中期期間就商譽確認之減值虧損並無於往後期間撥回。即使若在中期期間相關的財政年度完結時評估減值就毋須確認任何虧損或只有些微虧損，情況亦同樣不變。

#### (k) 存貨

##### *存貨*

存貨為持作於日常業務過程出售的資產、就銷售的生產中資產或以材料或供應品形式在生產過程中或提供服務時耗用的資產。

存貨以成本與可變現淨值兩者中之較低者列賬。

成本按加權平均法釐定，並包括一切採購成本、轉換之成本及將存貨移至現址及達致現況而產生之其他成本。

可變現淨值指在日常業務過程中之估計售價，減估計完成成本及估計銷售成本。

於出售存貨時，該等存貨之賬面值於確認有關收益之期間列作開支。存貨撇減至可變現淨值之款額及所有存貨虧損均於撥回期間內確認為存貨開支數額之減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(t)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(j)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(m)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)(ii)).

### 2. 主要會計政策 (續)

#### i) 合約資產及合約負債

在本集團有權無條件獲取合約所載付款條款代價前確認收益(見附註2(t))時確認合約資產。合約資產按附註2(j)(i)所載政策就預期信貸虧損(預期信貸虧損)而獲評估,並在代價權利成為無條件後獲重新分類至應收款項(見附註2(m))。

本集團確認相關收益前,合約負債在客戶支付不可退還代價時確認(見附註2(t))。如本集團有無條件權利在本集團確認相關收益前收取代價,則合約負債亦會獲確認。在相關情況下,相應收款項亦會獲確認(見附註2(m))。

就與客戶的單一合約而言,淨合約資產或淨合約負債得以呈列。就多份合約而言,不相關合約的合約資產及合約負債不按淨額基準呈列。

合約計及重大融資成分時,合約結餘計入按實際利率法累計的利息(見附註2(t)(ii))。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### m) Trade and other receivables

A receivable is recognised where the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(l)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(j)(i)).

#### n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(v)).

#### o) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(j)(i).

#### q) Employee benefits

##### i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

### 2. 主要會計政策 (續)

#### m) 貿易應收款項及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團有無條件權利收取代價前經已確認，則金額呈列為合約資產（見附註2(l)）。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬（見附註2(j)(i)）。

#### n) 計息借貸

計息借貸按公平值減去交易成本後初始確認。初始確認後，計息借貸使用實際利率法以攤銷成本列賬。利息開支根據本集團有關借貸成本的會計政策確認（見附註2(v)）。

#### o) 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，惟在貼現影響屬並不重大之情況下，會按成本列賬。

#### p) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款、可隨時轉換為既定數額現金而沒有重大價值變動風險之短期高流動性投資，到期日為於購入日期起計為期三個月以下。現金及現金等價物之預期信貸虧損乃根據附註2(j)(i)所載政策作出評估。

#### q) 僱員福利

##### i) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務之年度內累計。如遞延付款或結算會造成重大之影響，此等數額會以現值列賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### q) Employee benefits (Continued)

##### ii) Share-based payments

###### *Share options granted to employees*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated losses).

### 2. 主要會計政策 (續)

#### q) 僱員福利 (續)

##### ii) 以股份為基礎之付款

###### *授予僱員之購股權*

授予僱員之購股權公平值於股權中之股本儲備相應增加而確認為僱員成本。公平值於授出日期採用二項式點陣模式計算，並考慮授出購股權時之條款及條件。如僱員於無條件獲授購股權前須先符合歸屬條件，則計入購股權歸屬之可能性後，估計之購股權公平值總額按歸屬期計算。

於歸屬期內，將檢討預期歸屬之購股權數目。對過往年度確認的累計公平值所作之任何調整將於檢討年度列支／計入損益內，相應之調整會於股本儲備反映，惟初始僱員開支合資格於資產中確認除外。在歸屬日，確認為支出之數額將作出調整，以反映歸屬的實際購股權數目（相應之調整將於股本儲備反映），惟只有因本公司之股份市價致使歸屬情況未能達到而引致之廢除外。權益金額於股本儲備內確認，直至購股權被行使（在此情況下，其計入在已發行股份之股本中確認之金額時）或購股權屆滿（在此情況下將直接撥回累計虧損內）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### q) Employee benefits (Continued)

##### ii) Share-based payments (Continued)

###### *Share options granted to consultants*

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

##### iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 2. 主要會計政策 (續)

#### q) 僱員福利 (續)

##### ii) 以股份為基礎之付款 (續)

###### *向諮詢人授出購股權*

為獲取貨品或服務而發行的購股權按所獲取貨品或服務之公平值計量。除非公平值不能被可靠計量，於該情況下，所獲取貨品或服務參考已授出購股權公平值計量。當本集團取得貨品或對手方提供服務時，所獲取貨品或服務之公平值確認為開支，並於權益（購股權儲備）中相應增加，惟貨品或服務合資格確認為資產時則除外。

##### iii) 辭退福利

辭退福利於本集團不可再收回所提供之福利時或本集團確認重組成本（涉及支付解僱福利）時（以較早者為準）確認。

#### r) 所得稅

本年度所得稅包括當期所得稅和遞延稅項資產與負債的變動。當期稅項和遞延稅項資產與負債的變動均在損益中確認，但與其他全面收益或直接在權益中確認的項目有關，則相關稅務款項分別在其他全面收益或直接於權益中確認。

當期稅項是按本年度應課稅所得，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產與負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延稅項資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### r) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

### 2. 主要會計政策 (續)

#### r) 所得稅 (續)

除了某些有限的例外情況外，所有遞延稅項負債和遞延稅項資產（只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利）都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年內轉回。

確認遞延稅項資產及負債的有限例外情況，乃有關來自不可扣稅的商譽、資產或負債之初步確認，而其並不影響會計或應課稅溢利（非企業合併之部分）的暫時差異，以及於附屬公司之投資的暫時差異，倘屬應課稅差異，僅以本集團可控制撥回時間，且在可預見未來不可能撥回有關差異之情況為限；或倘屬可扣稅差異，則以有可能於日後撥回差異之情況為限。

已確認遞延稅項金額是按照資產與負債賬面金額的預期實現或結算方式，根據已生效或在報告期末實質上已生效的稅率計量。遞延稅項資產與負債均不折現計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### r) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### 2. 主要會計政策(續)

#### r) 所得稅(續)

本集團會在每個報告期末審閱遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應課稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後有可能獲得足夠的應課稅溢利，有關減額便會轉回。

由派發股息所產生的額外所得稅乃在支付有關股息責任獲確認時確認。

當期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以當期所得稅資產抵銷當期所得稅負債，並且符合以下附帶條件的情況下，當期和遞延所得稅資產才可以分別抵銷當期和遞延所得稅負債：

- 當期所得稅資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延所得稅資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同的應課稅實體，這些實體計劃在日後每個預計有大額遞延所得稅負債需要結算或大額遞延所得稅資產可以收回的期間內，按淨額基準實現當期所得稅資產和結算當期所得稅負債，或同時變現該資產和結算該負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2. 主要會計政策(續)

#### s) 撥備及或然負債

若將須以經濟利益流出以結算本集團由於過往事項而產生之法定或推定責任之時間或金額不明確之責任，而相關流出可作出可靠估計時，將就其他責任確認撥備。若金錢時間值屬重大，撥備須按預期結算責任之支出之現值入賬。

若流出經濟利益之可能性微乎其微，或相關數額未能作出可靠估計時，該責任將披露為或然負債，惟流出經濟利益之可能性極低者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦須披露為或然負債，惟流出經濟利益之可能性極低者除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

#### i) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

In the comparative period, revenue from sales of goods was recognised when the goods were delivered to the customers' premises, which was taken to be the point in time when the customer had accepted the goods and the related risks and rewards of ownership, irrespective of whether the products had been made-to-order or were standardised.

### 2. 主要會計政策(續)

#### t) 收益及其他收入

本集團將其日常業務過程中源自銷售貨品、提供服務或租賃項下讓渡本集團資產使用權的收入分類為收益。

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶或承租人有權動用資產時,收益予以確認。收益不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

倘合約載有向客戶提供超過12個月的重大融資利益之融資組成部份,則收益按應收金額的現值計量,並使用反映於與有關客戶的個別融資交易之貼現率貼現,且利息收入根據實際利率法分開應計。倘合約載有向本集團提供重大融資利益之融資組成部份,則根據該合約確認的收益包括根據實際利率法合約責任附有的利息開支。本集團利用香港財務報告準則第15號第63段中的實際權益法,並無於倘融資期為12個月或以下而就重大融資組成部份之任何影響調整代價。

有關本集團收益及其他收入確認政策的進一步詳情載列如下:

#### i) 銷售貨品

當客戶管有並接納產品時確認收益。倘該等產品為部分履行涵蓋其他產品及/或服務的合約,則確認收益的金額為合約項下交易總額的合適比例,按照相對獨立售價基準在合約協定的所有貨品及服務之間分配。

在比較期間,銷售貨品所得收益在貨品送達客戶所在地,且客戶接收貨品及其所有權相關風險及回報時確認,而不論產品屬定制產品還是標準化生產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### t) Revenue and other income (Continued)

##### ii) Interest income

Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial assets. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (that is, gross carrying amount net of loss allowance) of the assets (see 2(j)(i)).

##### iii) Service income

Service income is recognised in profit or loss when the services are delivered.

##### iv) Finance leasing income

Finance leasing income, including handling fee income and interest from finance leasing business, is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

##### v) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

#### u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

### 2. 主要會計政策 (續)

#### t) 收益及其他收入 (續)

##### ii) 利息收入

利息收入於其應計時按實際利率法確認，採用的利率為於金融資產預期可用年期內估計未來現金收入準確貼現至金融資產賬面總值的利率。對於並無出現信貸減值的按攤銷成本或按公平值計入其他全面收益（可劃轉）計量的金融資產而言，實際利率應用於資產的總賬面值。就出現信貸減值的金融資產而言，實際利率應用於資產的攤銷成本（即總賬面值扣除虧損撥備）（見2(j)(i)）。

##### iii) 服務收入

服務收入於提供服務時於損益內確認。

##### iv) 融資租賃收入

融資租賃收入（包括手續費收入及融資租賃業務利息）已分配至會計期間，以反映本集團就租約之未付淨投資之經常周期回報率。

##### v) 股息

上市投資之股息收入於投資股價除息時確認。

#### u) 外幣匯兌

於年內所發生之外幣交易按交易日的匯率換算。以外幣計值的貨幣資產及負債按報告期末的匯率換算。匯兌收益及虧損則在損益內確認。

以外幣的過往成本計量的非貨幣資產及負債使用交易日的現行匯率換算。交易日為本公司初始確認該等非貨幣資產或負債的日期。按公平值列賬以外幣計值的非貨幣資產及負債則使用釐定公平值當日的現行匯率換算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### u) Translation of foreign currencies (Continued)

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

#### v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

#### w) Related parties

a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

### 2. 主要會計政策 (續)

#### u) 外幣匯兌 (續)

海外業務業績按交易日現行的概約匯率換算為人民幣。財務狀況表項目(包括倘於二零零五年一月一日或之後收購海外業務而合併所產生的商譽)均按報告期末的收市匯率換算為人民幣。所產生的匯率差額於其他全面收益中確認並獨立累計在權益中匯兌儲備內。

於出售海外業務時，當確認出售之損益時，與該海外業務有關的匯兌差額累計金額會從權益重新分類至損益。

#### v) 借貸成本

借貸成本直接來自收購、建設或生產必須經過較長時期準備方可作為擬定用途或出售使用的資產並予以資本化為該項資產成本的一部分。其他借貸成本於其產生期間支銷。

借貸成本於就合資格資產產生開支、產生借貸成本及進行對於使資產可用於原定用途或出售而言屬必需的活動時開始資本化為資產的部分成本。倘對於使合資格資產可用於原定用途或出售而言屬必需的絕大部分活動被中斷或已完成，則借貸成本暫停或終止資本化。

#### w) 關連人士

a) 倘屬以下人士，即該人士或該人士關係密切的家庭成員與本集團有關連：

- 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的主要管理層成員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### w) Related parties (Continued)

- b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities are joint ventures of the same third party.
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v) The entity is a post-employment benefit plan for the benefit of employees of 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).
  - viii) The entity, or any member of a group of which it is a part, provide key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2. 主要會計政策 (續)

#### w) 關連人士 (續)

- b) 倘符合下列任何條件，即該實體與本集團有關連：
- i) 該實體及本集團為同一集團的成員公司（即各母公司、附屬公司及同系附屬公司為互相關連）。
  - ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - iii) 兩間實體均為同一第三方的合營企業。
  - iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
  - v) 該實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
  - vi) 該實體受附註(a)所指的人士控制或共同控制。
  - vii) 於附註(a)(i)所指的人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員。
  - viii) 該實體或該實體所屬集團的任何成員公司向該集團或集團母公司提供主要管理層成員服務。

一名人士之近親為預期在與有關實體交易時可影響該人士或受該人士影響之家庭成員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Board of directors ("Board"), being the chief operating decision maker, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and amendments to HKFRSs issued by HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to Hong Kong Accounting Standard ("HKAS") 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Properties

### 2. 主要會計政策 (續)

#### x) 分類報告

財務報表所報告之經營分類及各分類項目之款項乃定期向董事會(「董事會」)(首席營運決策人)提供之財務資料中確認,以分配資源予本集團不同業務及地區以及評估該等業務及地區之表現。

就財務報告而言,個別重大經營分類不會合併,惟分類間有類似經濟特點及在產品及服務性質、生產過程的性質、客戶種類或類別、用作分銷產品或提供服務的方法以及監管環境性質方面相類似則除外。個別非重大之經營分類倘符合大部分上述準則,可予合併處理。

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本集團已於本年度首次應用香港會計師公會頒佈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及相關修訂本
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
香港財務報告準則第2號修訂本	以股份為基礎付款之交易之分類及計量
香港財務報告準則第4號修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則(「香港會計準則」)第28號修訂本	作為香港財務報告準則二零一四年至二零一六年週期年度改進之一部分
香港會計準則第40號修訂本	轉讓投資物業

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### HKFRS 15 Revenue from contracts with customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sale of pharmaceutical products
- Provision of finance leasing services
- Sale of products other than pharmaceutical products

The Group has performed an assessment on the impact on the adoption of HKFRS 15 and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of accumulated losses as at 1 January 2018 is required. Accounting policies resulting from application of HKFRS 15 are disclosed in note 2.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

除下文所述外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團於本年度及過往年度之財務表現及狀況以及／或綜合財務報表所載之披露資料造成重大影響。

#### 香港財務報告準則第15號「來自客戶合約之收益」

本集團已於本年度首次應用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18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累計影響已於二零一八年一月一日首次應用當日確認。於首次應用日期之一切差異已於年初累計虧損（或權益之其他部分（如適用））確認，且並無重列比較資料。再者，根據香港財務報告準則第15號之過渡條文，本集團已選擇僅就於二零一八年一月一日尚未完成之合約追溯應用該準則。因此，由於比較資料乃根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋編製，故若干比較資料可能無法用作比較。

本集團自客戶合約產生之以下主要來源確認收益：

- 銷售醫藥產品
- 提供融資租賃服務
- 銷售藥品以外之貨品

本集團已就採納香港財務報告準則第15號之影響進行評估，結論為並不存在重大財務影響，因此毋須調整於二零一八年一月一日之累計虧損年初結餘。應用香港財務報告準則第15號導致之會計政策於附註2內披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Summary of effects arising from initial application of HKFRS 15

Under HKFRS 15, a contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognised the relevant revenue. The Group recognised its contract liabilities under other payable as receipt in advance in the consolidated statement of financial position.

#### HKFRS 9 Financial instruments

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; and 2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, that is, applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between the carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 is recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information which may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 2.

#### Summary of effects arising from initial application of HKFRS 9

The directors of the Company reviewed and assessed the Group’s financial assets as at 1 January 2018 based on the fact and circumstances that existed at that date. The application of HKFRS 9 in the current year has no material impact on the classification and measurement of financial assets.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 初步應用香港財務報告準則第15號產生之影響概要

根據香港財務報告準則第15號，在本集團確認相關收入前，當客戶支付代價或按合約規定支付代價且款項已到期時，確認一項合約負債。本集團於綜合財務狀況表內確認其其他應付款項項下之合約負債為預收款項。

#### 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則之有關相應修訂本。香港財務報告準則第9號引入1) 金融資產及金融負債之分類及計量；及2) 金融資產之預期信貸虧損（「預期信貸虧損」）之新規定。

本集團已按香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對並無於二零一八年一月一日（首次應用日期）終止確認之工具追溯應用分類及計量規定（包括根據預期信貸虧損模式之減值），且並無對已於二零一八年一月一日終止確認之工具應用有關規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值之間之差額，於年初累計虧損及權益之其他部分確認，且並無重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，故若干比較資料可能無法用作比較。

應用香港財務報告準則第9號導致之會計政策於附註2內披露。

#### 初步應用香港財務報告準則第9號產生之影響概要

本公司董事已按二零一八年一月一日存在之事實及情況審閱及評估本集團於該日之金融資產。於本年度應用香港財務報告準則第9號並未對金融資產之計量及分類產生任何重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Impairment under ECL model

Except for those which had been determined as credit impaired under HKAS 39, trade receivables have been assessed individually with outstanding significant balances and collectively using a provision matrix for the remaining balances, which is grouped based on shared credit risk characteristics and the historical observed default rates adjusted for forward-looking estimates that is available without undue costs or effort.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including other receivables and bank balances and cash, are assessed on a 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

The Group concluded that the initial application of HKFRS 9 has no material impact on the consolidated statement of financial position of the Group with regard to classification and measurement of financial instruments and has no significant impact on the impairment assessment of its financial assets.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 根據預期信貸虧損模式之減值

除經已釐定為根據香港會計準則第39號進行之信貸減值外，已就貿易應收款項之餘額按重大尚未償還結餘個別進行評估及共同使用撥備方陣進行評估，其根據就不需不必要成本或努力而可得之前瞻性估計而調整之共同信貸風險特性及歷史可觀察違約率而進行分組。

除經已釐定為根據香港會計準則第39號進行之信貸減值外，由於自初步確認以來信貸風險並無大幅增加，故按攤銷成本計量之其他金融資產（包括其他應收款項以及銀行結餘及現金）之預期信貸虧損乃按12個月預期信貸虧損（「12個月預期信貸虧損」）基準進行評估。

本集團認為，就計量及分類金融工具而言，初步應用香港財務報告準則第9號並未對本集團之綜合財務狀況表產生重大影響，且並未對其金融資產減值評估產生重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES

#### a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

##### i) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore affect the depreciation charges in future periods.

##### ii) Income taxes

The Group is mainly subject to income taxes in Hong Kong and the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

##### iii) Principal versus agent consideration

Under HKAS 18, the Group recognised sales of general trading products on a gross basis, that is, the Group was considered as a principal, due to its significant exposure to credit risk of customers. Upon application of HKFRS 15, the Group is considered as an agent for certain general trading products, the performance obligation is to arrange for the provision of such products as the Group did not obtain the control over the goods before passing on to customers taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise to provide such products in specified quality and not exposed to inventory risk.

### 4. 會計判斷及估計

#### a) 本集團會計政策所用之重大會計判斷

於應用本集團會計政策時，管理層作出下列會計判斷：

##### i) 物業、廠房及設備之可使用年期

本集團的管理層為其物業、廠房及設備釐定估計可使用年期及有關折舊支出。此估計以相似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗為基準。倘可使用年期少於先前估計水平，管理層將提高折舊支出。其將沖銷或減記亦棄用或售出的技術上已屬陳舊或並非策略性質的資產。實際經濟年限可能不同於估計可使用年期。定期審查可能引致可折舊年期變動，從而影響未來期間的折舊支出。

##### ii) 所得稅

本集團主要須繳納香港及中國所得稅。釐定所得稅撥備時須作出重大判斷。日常業務中有多項交易和計算未能確定最終稅項。本集團根據會否應繳額外稅項的估計，就預期稅項事宜確認負債。倘有關事項的最終稅項結果與最初入賬的金額不同，則差額將會影響釐定稅項期間的所得稅及遞延所得稅撥備。

##### iii) 委託人與代理人考慮事項

根據香港會計準則第18號，本集團按總額基準確認一般貿易產品銷售，即本集團因其於客戶信貸風險所承受的重大風險而被視為委託人。於應用香港財務報告準則第15號後，本集團就若干一般貿易產品視作代理人，其履約責任為安排提供相關產品，原因為本集團於商品轉交客戶前並未取得商品的控制權，此乃計及本集團並非主要負責履行按指定數量提供相關產品的承諾，且並未面對存貨風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### i) Impairment of intangible assets (other than goodwill)

The policy for impairment of intangible assets (other than goodwill) of the Group is based on an evaluation of their recoverable amount with reference to expected future cash flows based on management's estimation. A considerable amount of judgement is required in estimating the expected future cash flows from the Group's pharmaceutical products under development and software. If the recoverable amounts are less or more than expected than the carrying amounts of the intangible assets (other than goodwill), or changes in facts and circumstances which may result in revisions of the estimated future cash flows, impairment or reversal of impairment loss may be required.

During the year, impairment loss on intangible assets (other than goodwill) recognised in profit or loss amounted to approximately RMB Nil (2017: RMB3,121,000).

The carrying amount of intangible assets (other than goodwill) as at 31 December 2018 was RMB28,507,000 (2017: RMB Nil) (see note 18).

### 4. 會計判斷及估計 (續)

#### b) 估計不確定性的主要來源

以下是於報告期間結束時有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源可能具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

#### i) 無形資產減值 (商譽除外)

本集團的無形資產 (商譽除外) 減值的政策的基礎，是按管理層的估計並參照日後現金流量後對有關資產可收回金額的評估。在估計本集團現正開發的藥品及軟件的預期未來現金流量時，須作出重大的判斷。倘可收回金額少於或高於無形資產 (商譽除外) 的賬面值，或事實及情況有變可能導致更改估計未來現金流量，則須作出減值或撥回減值虧損。

年內，於損益內確認之無形資產 (商譽除外) 減值虧損約為人民幣零元 (二零一七年：人民幣3,121,000元)。

於二零一八年十二月三十一日，無形資產 (商譽除外) 的賬面值為人民幣28,507,000元 (二零一七年：人民幣零元) (見附註18)。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### ii) *Impairment of property, plant and equipment and land use rights*

Property, plant and equipment and land use rights are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal calculations. The calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value-in-use; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

During the year, impairment loss on property, plant and equipment and land use rights recognised in profit or loss amounted to approximately RMB146,001,000 (2017: RMB683,326,000) and RMB1,197,000 (2017: RMB27,558,000) respectively.

The carrying amounts of property, plant and equipment and land use rights as at 31 December 2018 were RMB30,489,000 (2017: RMB191,263,000 (see note 16) and RMB3,827,000 (2017: RMB7,714,000) (see note 17) respectively.

### 4. 會計判斷及估計 (續)

#### b) 估計不確定性的主要來源 (續)

##### ii) *物業、廠房及設備以及土地使用權減值*

一旦事件或情況變化表明或不能收回賬面值，則會對物業、廠房及設備以及土地使用權進行減值審查。可收回金額已根據使用價值計算結果或公平值減出售費用計算結果當中之較高者釐定。該等計算方法須應用判斷及估計。

管理層須就資產減值方面作出判斷，特別須評估：(i) 是否經已發生可能顯示有關資產價值可能無法收回之事件；(ii) 資產賬面值是否可獲可收回金額（即公平值減出售成本與使用價值之較高者）支持；及(iii) 將用於編製現金流預測之適當主要假設，包括此等現金流預測是否以適當利率貼現。管理層於評估減值時選定假設（包括現金流預測之貼現率或增長率假設）之變動，可對減值測試所用之淨現值構成影響，從而影響本集團的財務狀況及經營業績。

年內，於損益內確認之物業、廠房及設備以及土地使用權之減值虧損分別約為人民幣146,001,000元（二零一七年：人民幣683,326,000元）及人民幣1,197,000元（二零一七年：人民幣27,558,000元）。

於二零一八年十二月三十一日，物業、廠房及設備及土地使用權的賬面值分別為人民幣30,489,000元（二零一七年：人民幣191,263,000元）（見附註16）及人民幣3,827,000元（二零一七年：人民幣7,714,000元）（見附註17）。

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### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### iii) Provision of ECL for trade receivables

The Group uses a provision matrix to calculate ECL for the trade receivables. The provision rates are based on aging of trade receivables as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 23.

##### iv) Estimated net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. The Group writes down slow-moving or obsolete inventories based on an assessment of the net realisable value of the inventories. Write-down of inventories will be made where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the inventories and the amount of inventory written down in the period in which such estimate has been changed.

As at 31 December 2018, the carrying amount of inventories was RMB10,914,000 (2017: RMB39,369,000) (see note 22).

### 4. 會計判斷及估計 (續)

#### b) 估計不確定性的主要來源 (續)

##### iii) 貿易應收款項之預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項之預期信貸虧損。虧損率乃以具有類似虧損模式之若干債務人組群之貿易應收款項之賬齡為基準。撥備矩陣以本集團之歷史違約率為基準，此乃計及無需付出過多成本或努力即可獲得之合理可靠前瞻性資料。於各報告日期，可觀察歷史違約率經重新評估，並已考慮前瞻性資料之變動。此外，具有重大結餘及信貸減值之貿易應收款項已作個別預期信貸虧損評估。

預期信貸虧損撥備對於估計變動敏感。有關預期信貸虧損及本集團貿易應收款項之資料於附註23內披露。

##### iv) 存貨之估計可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成之成本及進行銷售的必要開支。本集團根據對存貨可變現淨值之評估結果撇減滯銷或陳舊存貨。倘事件或情況變化顯示存貨之可變現淨值低於成本值，則將撇銷存貨。釐定可變現淨值需要運用判斷及估計。倘預期與原先估計有別，則該差額將對該估計出現變化之期間之存貨賬面值及撇減存貨金額構成影響。

於二零一八年十二月三十一日，存貨的賬面值為人民幣10,914,000元（二零一七年：人民幣39,369,000元）（見附註22）。

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### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### v) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy set out in note 2 (e) (ii). The recoverable amount of an asset or a cash-generating unit has been determined based on its value-in-use calculations. These calculations require the use of estimates. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected operating margin, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value. Management prepared the financial budgets reflecting actual performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the result of the impairment reviews.

Details of impairment change and key assumptions are disclosed in note 19.

As at 31 December 2018, the carrying amount of goodwill was RMB Nil (2017: RMB Nil) (see note 19).

##### vi) Recoverability of deferred tax assets

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

As at 31 December 2018, the carrying amount of deferred tax assets was RMB Nil (2017: RMB 49,740,000) (see note 30 (b)).

### 4. 會計判斷及估計 (續)

#### b) 估計不確定性的主要來源 (續)

##### v) 商譽減值

本集團每年根據附註2(e)(ii)所載會計政策測試商譽是否減值。資產或現金產生單位的可收回金額基於使用價值釐定。相關計算要求使用估計。編製核准預算及估計最終價值期間的現金流預測涉及多項假設及估計。主要假設包括預計毛利率、增長率及就估計最終價值選擇貼現率以反映所涉風險以及可變現的市盈率。管理層編製反映實際表現和市場發展預期的財政預算時，須作出判斷，以釐定現金流預測所採用的主要假設以及嚴重影響現金流預測乃至減值檢討結果的主要假設之變化。

減值變動及主要假設之詳情載於附註19。

於二零一八年十二月三十一日，商譽的賬面值為人民幣零元（二零一七年：人民幣零元）（見附註19）。

##### vi) 遞延稅項資產之可收回性

僅在可能會有未來應課稅溢利用於抵銷暫時性差額的情況下會確認相關的遞延所得稅資產。於評估須確認的遞延所得稅資產金額時，本集團會考慮未來應課稅收入及持續審慎可行的稅務規劃策略。倘本集團對預計未來應課稅收入的估計及由可施行稅務策略獲得的裨益出現變動，則會對遞延所得稅資產及所得稅開支淨額的記錄金額作出調整。

於二零一八年十二月三十一日，遞延稅項資產之賬面值為人民幣零元（二零一七年：人民幣49,740,000元）（見附註30(b)）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### vii) *Withholding tax on the distributable profits of the Group's PRC subsidiaries*

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

The Group has made provision for withholding tax on dividends expected to be remitted from group entities incorporated in the PRC based on the Group's general dividend policy for the net profits generated by the Group's PRC subsidiaries after 1 January 2008. The Group provided withholding tax for such undistributed profits as deferred tax liabilities. The directors of the Company will regularly review the dividend distribution policy of its subsidiaries from time to time.

As at 31 December 2018, the carrying amount of deferred tax liabilities arising from withholding tax on distributable profits was RMB5,031,000 (2017: RMB9,894,000) (see note 30 (b)).

### 4. 會計判斷及估計 (續)

#### b) 估計不確定性的主要來源 (續)

##### vii) *本集團中國附屬公司的可分派溢利預扣稅*

根據中國企業所得稅法，在中國成立的外商投資企業向境外投資者宣派股息須徵收10%的預扣稅。該項規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日之後的盈利。倘中國與境外投資者所在司法權區訂有稅收協定，則可能應用更低的預扣稅率。

本集團已根據本集團有關於二零零八年一月一日後本集團中國附屬公司所產生純利的一般股息政策就預計從在中國註冊成立的集團實體匯出的股息，計提預扣稅撥備。本集團就上述未分配溢利預扣稅計提遞延稅項負債。本公司董事會不時檢討其附屬公司的股息分派政策。

於二零一八年十二月三十一日，可分派溢利預扣稅產生的遞延稅項負債之賬面值為人民幣5,031,000元（二零一七年：人民幣9,894,000元）（見附註30(b)）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL INSTRUMENTS BY CATEGORIES

Financial assets	金融資產
Financial assets at fair value through profit or loss – held-for-trading	按公平值計入損益之金融資產 – 持作待售
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)
<b>Financial liabilities</b>	<b>金融負債</b>
Amortised cost	攤銷成本

### 5. 按類別劃分之金融工具

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
6,387	–
201,693	183,899
208,080	183,899
281,143	294,739
281,143	294,739

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to currency, interest rate, credit and liquidity risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising its equity investments in other entities and movements in its own equity share price. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### a) Currency risk

The Group currently does not have a foreign currency hedging policy but the directors monitor its foreign exchange exposures and will consider hedging significant foreign currency exposures should the need arises.

### 6. 財務風險管理及金融工具公平值

本集團之一般業務過程中會產生貨幣、利率、信貸及流動資金風險。本集團亦面臨因其對其他實體的股權投資及其本身權益股份價格變動而產生的股本價格風險。本集團承受的風險及本集團為管理該等風險而使用財務風險管理政策於下文描述。

#### a) 貨幣風險

本集團現時並無外匯對沖政策，但董事監控其外匯風險，並於需要時考慮對沖重大外匯風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### a) Currency risk (Continued)

##### i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risks arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The currencies giving rise to these risks are primarily United States Dollars ("USD") and Hong Kong Dollars ("HK\$"). For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the year end date.

### 6. 財務風險管理及金融工具公平值 (續)

#### a) 貨幣風險 (續)

##### i) 貨幣風險

下表詳列於報告期末本集團以實體功能貨幣之外的其他貨幣列值之已確認資產或負債產生之貨幣風險。產生該類風險的貨幣主要為美元(「美元」)及港元(「港元」)。就呈報而言，風險金額以人民幣呈列，並以報告期末的即期匯率換算。

#### Exposure to foreign currency (expressed in RMB'000)

外幣風險 (以人民幣千元列值)

	2018		2017	
	二零一八年		二零一七年	
	United States Dollars 美元	Hong Kong Dollars 港元	United States Dollars 美元	Hong Kong Dollars 港元
Cash and cash equivalents	-	308	7	55,922
Trade and other receivables	-	32,798	-	17,157
Trade and other payables	-	(6,273)	-	(3,941)
Net exposure arising from recognised assets and liabilities	-	26,833	7	69,138

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### a) Currency risk (Continued)

##### ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and accumulated losses that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

		2018 二零一八年		2017 二零一七年	
		Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses 對除稅後虧損 及累計虧損 之影響	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses 對除稅後虧損 及累計虧損 之影響
		外匯匯率 增加/(減少)	RMB'000 人民幣千元	外匯匯率 增加/(減少)	RMB'000 人民幣千元
HK\$	港元	5% (5%)	(267) 267	5% (5%)	(3,457) 3,457

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit or loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2017.

### 6. 財務風險管理及金融工具公平值 (續)

#### a) 貨幣風險 (續)

##### ii) 敏感度分析

下表列示於報告期末本集團面臨重大風險的外匯匯率於該日出現變動(假設所有其他可變風險保持不變)對本集團除稅後虧損及累計虧損產生的即時變動。就此而言,假設港元與美元間的掛鈎匯率不會因美元兌其他貨幣之價值發生任何變動而受到重大影響。

上表所載分析結果指為呈列目的而將以對應功能貨幣計量的各集團實體除稅後溢利或虧損及權益按報告期末現行匯率兌換為人民幣的綜合即時影響。

敏感性分析假設外匯匯率變動已應用於重新計量使本集團於報告期末面臨外匯風險的金融工具。分析按與二零一七年相同的基準進行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from fixed-rate bank borrowings (note 29). The fixed-rate bank borrowings expose the Group to fair value interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risks. However, the management of the Group will consider hedging significant interest rate exposures should the need arises. The Group's interest rate profile as monitored by management is set out below.

#### i) Interest rate profile

The following table details the interest rate profile of the Group's bank borrowings at the end of the reporting period:

		2018 二零一八年		2017 二零一七年	
		Range of Interest rates 利率範圍		Range of interest rates 利率範圍	
		%	RMB'000 人民幣千元	%	RMB'000 人民幣千元
<b>Fixed rate borrowings:</b>	<b>定息借貸：</b>				
Secured bank loans	有抵押銀行貸款	4.57%- 6.31%	233,792	4.57%- 6.31%	281,942

#### ii) Sensitivity analysis

All of the bank borrowings of the Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss.

### 6. 財務風險管理及金融工具公平值 (續)

#### b) 利率風險

利率風險指金融工具公平值或未來現金流量將因市場利率變動而波動的風險。本集團的利率風險主要來自固息銀行借款(附註29)。固息銀行借款使本集團面臨公平值利率風險。本集團目前沒有使用任何衍生合約對沖利率風險。然而，若有需要，本集團管理層將考慮對重大利率風險安排對沖。管理層對本集團利率狀況之監控載於下文。

#### i) 利率詳情

下表為於報告期末本集團的銀行借貸的利率詳情：

#### ii) 敏感度分析

本集團屬固息工具之所有銀行借貸不受任何利率變動的影響。於報告期末，利率變動不會影響損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### c) Credit risk

##### *Overview of the Group's exposure to credit risk before adoption of HKFRS 9 as at 1 January 2018*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to trade and other receivables, finance lease receivables and loan receivables. In order to minimise the credit risks, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of each individual debt at the end of the 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. Normally, the Group does not obtain collateral from its debtors.

In respect of cash and cash equivalents, the Group has a concentration of credit risk as approximately 76% are held by a financial institution. The Group controls its credit risk on bank balances through the regular review of their credit rating. Given the high credit rating, management does not expect the financial institution will fail to meet its obligations.

In respect of trade and other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. As at 31 December 2017, the Group had a concentration risk as 55% of the total trade and other receivables was due from a customer.

For finance lease receivables, the Group has a concentration of credit risk as 68% receivables were due from a party as at 31 December 2017. The party is a private company with no history of default.

### 6. 財務風險管理及金融工具公平值 (續)

#### c) 信貸風險

##### *於二零一八年一月一日本集團在採納香港財務報告準則第9號前面臨的信貸風險概覽*

信貸風險指交易對手未履行其合約責任而導致本集團財務虧損之風險。本集團已採納僅處理信譽良好的交易對手之政策，作為一種減輕因違約所致之財務虧損風險的方法。

本集團之信貸風險主要來自貿易應收款項及其他應收款項、融資租賃應收款項及貸款應收款項。為了最大限度地降低信貸風險，管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債項。此外，於報告期末，管理層評估每項個別債項之可收回金額，以確保就不可收回金額作出充分之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。通常，本集團並無自其債務人獲得抵押品。

就現金及現金等價物而言，本集團信貸風險集中度約76%由一間金融機構持有透過定期審議相關信貸評級，本集團控制其銀行結餘的信貸風險。鑒於其高信貸評級，管理層預期有關金融機構可履行其責任。

就貿易應收款項及其他應收款項而言，本集團所面臨之信貸風險主要受各債務人之個別特色所影響。於二零一七年十二月三十一日，本集團存在集中風險，因貿易應收款項及其他應收款項總額中的55%乃由一名客戶所欠。

就融資租賃應收款項而言，本集團信貸風險集中度為68%應收款項為於二零一七年十二月三十一日之應收一方款項。該方為私營公司，並無違約記錄。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### c) Credit risk (Continued)

##### *Overview of the Group's exposure to credit risk before adoption of HKFRS 9 as at 1 January 2018 (Continued)*

For loan receivables, the amount was due from an independent third party as at 31 December 2017. The balance was fully settled by 26 March 2018.

##### *Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group is exposed to concentration of credit risk at 31 December 2018 on trade receivables from the Group's top five major debtors and the largest debtor amounting approximately to 85% and 33% respectively of the Group's total trade receivables.

The Group is also exposed to concentration of credit risk at 31 December 2018 on finance lease receivables from the Group's top three debtors and the largest debtor amounting approximately to 100% and 51% respectively of the Group's total finance lease receivables.

In order to minimise credit risk, the Group has delegated its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The finance team uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

### 6. 財務風險管理及金融工具公平值 (續)

#### c) 信貸風險 (續)

##### *於二零一八年一月一日本集團在採納香港財務報告準則第9號前面臨的信貸風險概覽 (續)*

就貸款應收款項而言，該等款項為於二零一七年十二月三十一日之應收獨立第三方款項。該結餘已於二零一八年三月二十六日全數清還。

##### *於二零一八年一月一日採納香港財務報告準則第9號後本集團面臨的信貸風險概要*

信貸風險指交易對手未履行其合約責任而導致本集團財務虧損之風險。於報告期末，本集團面臨之將導致本集團因交易對手未能履行職責而遭受財務虧損之最大信貸風險，乃來自綜合財務狀況表所列各已確認金融資產之賬面值。

於二零一八年十二月三十一日，本集團面臨貿易應收款項集中信貸風險，此款項乃來自本集團五大債務人及最大債務人，分別佔本集團貿易應收款項總額約85%及33%。

於二零一八年十二月三十一日，本集團面臨融資租賃應收款項之集中信貸風險，此款項乃來自本集團三大債務人及最大債務人，分別佔本集團融資租賃應收款項總額約100%及51%。

為盡量降低信貸風險，本集團已委派財務團隊制定並維持本集團之信貸風險分級，以根據其違約風險的程度對風險敞口進行分類。財務團隊會使用公開可用財務資料及本集團的自有過往還款記錄對其主要客戶及債務人進行評級。本集團的風險及其交易對手方的信貸評級將被持續監控，並將所完成交易的總值分攤至經批准的交易對手方。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### c) Credit risk (Continued)

#### Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018 (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL	類別	說明	確認預期信貸虧損的依據
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL	履約	交易對手的違約風險較低，且並無逾期款項	12個月預期信貸虧損
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired	存疑	信貸風險自初步確認起出現顯著上升	全期預期信貸虧損一並無產生信貸減值
In default	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit impaired	違約	有證據表明資產出現信貸減值	全期預期信貸虧損一產生信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	撇銷	有證據表明債務人陷入嚴重的財務困難且本集團不認為可收回有關款項	撇銷有關金額

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics (including high risk, normal risk and low risk type).

### 6. 財務風險管理及金融工具公平值 (續)

#### c) 信貸風險 (續)

#### 於二零一八年一月一日採納香港財務報告準則第9號後本集團面臨之信貸風險概要 (續)

本集團目前之信貸風險分級框架包括以下類別：

就貿易應收款項而言，本集團使用香港財務報告準則第9號之簡化法，計量全期預期信貸虧損之虧損撥備。本集團使用撥備矩陣釐定該等項目之預期信貸虧損，有關金額乃按債務人之過往違約經驗得出之過往信貸虧損記錄、債務人經營所在行業的一般經濟狀況以及於報告日期對當前及預期狀況走向所作評估而估計得出。為計量預期信貸虧損，貿易應收款項按共享信貸風險特徵（包括高風險、一般風險及低風險類別）分組。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### c) Credit risk (Continued)

##### *Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018 (Continued)*

As at 31 December 2018, impairment loss of RMB972,000 was recognised for trade receivables in accordance with the simplified approach, that is, lifetime ECL set out in HKFRS 9. The directors of the Company considered that the ECL for non-credit impaired trade receivables are insignificant as at 31 December 2018.

##### *Bank balances*

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

### 6. 財務風險管理及金融工具公平值 (續)

#### c) 信貸風險 (續)

##### *於二零一八年一月一日採納香港財務報告準則第9號後本集團面臨之信貸風險概要 (續)*

於二零一八年十二月三十一日，根據簡化法（如香港財務報告準則第9號所載全期預期信貸虧損）就貿易應收款項確認減值虧損人民幣972,000元。本公司董事認為，於二零一八年十二月三十一日，非信貸減值貿易應收款項之預期信貸虧損並不重大。

##### *銀行結餘*

銀行結餘的信貸風險有限，原因為交易對手為信貸評級機構指定之高信貸評級銀行。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (d) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows of financial liabilities (including interest payments computed using contractual rate) and the earliest date the Group can be required to pay. The tables include both interest and principal cash flows.

### 6. 財務風險管理及金融工具公平值 (續)

#### (d) 流動資金風險

本集團內個別營運實體負責其自身現金管理(包括現金盈餘短期投資)及募集貸款以應付預期現金需求。惟於借款超過若干預先釐定之授權水平時須獲母公司董事會批准。本集團之政策乃為定期監控其流動資金要求及其借貸契諾之合規性,以確保維持充足現金儲備及可迅速變現之有價證券以及來自主要金融機構之足夠可靠資金來源,配合其短期及長期流動資金需求。

下表列示本集團於報告期末其金融負債之餘下合約到期日,此乃乃按金融負債合約未貼現現金流量(包括使用合約利率計算之利息付款)為基準編製,並按本集團可能被要求付款的最早日期為基準。該表包括利息及本金現金流量。

		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
		1年以內 或按要求	1年以上 但2年以內	2年以上 但5年以內	未折現現金 流量總額	於報告期末 的賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Non-derivative financial liabilities</b> 非衍生金融負債						
<b>2018</b> 二零一八年						
Trade payables	貿易應付款項	1,159	-	-	1,159	1,159
Other payables	其他應付款項	46,472	-	-	46,472	46,192
Secured bank loans	有抵押銀行貸款	247,330	-	-	247,330	233,792
		294,961	-	-	294,961	281,143
<b>2017</b> 二零一七年						
Trade payables	貿易應付款項	4,101	-	-	4,101	4,101
Other payables	其他應付款項	8,696	-	-	8,696	8,696
Secured bank loans	有抵押銀行貸款	136,728	151,843	-	288,571	281,942
		149,525	151,843	-	301,368	294,739

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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### e) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for trading purpose classified as financial assets at fair value through profit or loss.

The Group's listed investments are listed on the Stock Exchange and are included in the Hang Seng Index (the "Index"). Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs.

At 31 December 2018, it is estimated that an increase/(decrease) of 10% (2017: 10%) in the relevant stock market index (for listed investments) with all other variables held constant would have decreased/increased the Group's loss after tax (and accumulated losses) and other components of consolidated equity as follows:

	2018 二零一八年		2017 二零一七年	
	Effect on loss after tax and accumulated losses 對除稅後 虧損及累計 虧損之影響 %	Effect on other components of equity 對權益 其他組成 部分之影響 RMB'000 人民幣千元	Effect on loss after tax and accumulated losses 對除稅後 虧損及累計 虧損之影響 %	Effect on other components of equity 對權益 其他組成 部分之影響 RMB'000 人民幣千元
Change in the relevant equity price risk variable:				
Increase	10%	533	10%	-
Decrease	10%	(533)	10%	-

The sensitivity analysis indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2017.

### 6. 財務風險管理及金融工具公平值 (續)

#### e) 股價風險

本集團須承擔分類為按公平值計入損益的金融資產之持作買賣股權投資產生的股價變動風險。

本集團的上市投資於聯交所上市，並列入恆生指數(「指數」)內。買入或賣出買賣證券乃按每日監控個別證券之表現(與指數及其他行業指標比較)以及本集團的流動資金需要，而作出買賣決定。

於二零一八年十二月三十一日，假設其他變數維持不變，估計相關股市指數(就上市投資而言)增加/(減少)10%(二零一七年：10%)，本集團的除稅後虧損(及累計虧損)及綜合權益其他組成部分將減少/增加如下：

敏感度分析顯示，假設股市指數或其他相關風險變數之變動已於報告期末產生，並已應用於重新計量本集團所持有之金融工具，而該等工具令本集團於報告期末須承受股本價格風險，對本集團之除稅後虧損(及累計虧損)及綜合權益的其他部份將會造成之即時影響。亦假設本集團股本投資之公平值將根據與相關股市指數或相關風險變數之歷來相互關係而變動，且所有其他變數保持穩定。有關分析按二零一七年相同基準進行。

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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### f) Fair value measurement

##### i) Financial assets and liabilities measured at fair value

###### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the board of directors at least twice a year.

### 6. 財務風險管理及金融工具公平值 (續)

#### f) 公平值計量

##### i) 按公平值計量之金融資產及負債

###### 公平值層級

下表呈列本集團金融工具之公平值，該等金融工具於報告期末按經常性基準計量，並分類為香港財務報告準則第13號，公平值計量所界定之三級公平值架構。將公平值計量分類之層級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據（即於計量日同等資產或負債於活躍市場之未經調整報價）計量之公平值。
- 第二級估值：使用第二級輸入數據（即未能達到第一級之可觀察輸入數據）且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量之公平值。

本集團的財務總監負責就財務報告進行所需的資產及負債之公平值計量（包括第三層級公平值計量）。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次討論估值程序及有關結果。

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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### f) Fair value measurement (Continued)

	Fair value at 31 December 2018 於二零一八年 十二月三十一日 之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日 分類為以下類別的公平值計量		
		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元
Recurring fair value measurements Assets: Financial assets at fair value through profit or loss	經常性公平值計量 資產: 按公平值計入損益的 金融資產	6,387	6,387	-
	Fair value at 31 December 2017 於二零一七年 十二月三十一日 之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2017 categorised into 於二零一七年十二月三十一日 分類為以下類別的公平值計量		
		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元
Recurring fair value measurements Assets: Financial assets at fair value through profit or loss	經常性公平值計量 資產: 按公平值計入損益之 金融資產	-	-	-

During the years ended 31 December 2017 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### Information about Level 3 fair value measurements

As at 31 December 2016, the fair value of the contingent consideration arrangement of RMB44,643,000 in relation to an acquisition of Fujian Liukai Medical Services Co., Limited ("Fujian Liukai") was estimated by applying the income approach and based on the valuation performed by an independent professional qualified valuer. The fair value estimates were based on assumed profit of Fujian Liukai of RMB8,000,000. This was a level 3 fair value measurement. The key unobservable inputs of the valuation were: (i) expected volatility of 53.7%; (ii) risk free rate of 3.21% and the estimated profits of Fujian Liukai.

### 6. 財務風險管理及金融工具公平值 (續)

#### f) 公平值計量 (續)

截至二零一七年及二零一八年十二月三十一日止年度，第一級與第二級之間並無轉移，亦無轉入或轉出第三級。本集團之政策為於公平值層級之間發生轉移的報告期末確認有關轉移。

#### 有關第三級公平值計量之資料

於二零一六年十二月三十一日，涉及收購福建六脈醫療服務有限公司(「福建六脈」)之或然代價安排之公平值人民幣44,643,000元乃應用收入法及根據獨立專業合資格估值師進行的估值而估計。該公平值估計乃基於福建六脈之假設溢利人民幣8,000,000元。此乃為第三級公平值計量。估值之主要不可觀察輸入數據為：(i)預期波幅53.7%；(ii)無風險利率3.21%及福建六脈之估計溢利。

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## 綜合財務報表附註

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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### f) Fair value measurement (Continued)

The major unobservable input to the valuation was the expected volatility. A slight increase in the expected volatility used in isolation would result in an increase in the fair value measurement.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrange was between RMB Nil and RMB44,643,000. The full amount of RMB44,643,000 was settled by the Group with cash consideration during the year 2017.

The movements during the period in the balance of Level 3 fair value measurements are as follows:

At beginning of year	年初
Cash consideration paid	已付現金代價
At end of year	年末

#### g) Fair value of financial assets and liabilities carried at other than fair value

The directors of the Company consider the carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2018 and 2017 respectively.

### 7. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Board (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

### 6. 財務風險管理及金融工具公平值 (續)

#### f) 公平值計量 (續)

估值之主要不可觀察輸入數據為預期波幅。所用預期波幅輕微增加將導致公平值計量增加。

本集團須根據此安排支付的全部未來付款的潛在未折現金額介乎人民幣零元至人民幣44,643,000元。本集團於二零一七年以現金代價結付全額人民幣44,643,000元。

期內在第三級公平值計量結餘中的變動如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-	44,643
-	(44,643)
-	-

#### g) 按公平值以外列賬之金融資產及負債之公平值

本公司董事認為，本集團金融工具的賬面值按成本或攤銷成本列賬，與於二零一八年及二零一七年十二月三十一日之公平值並無重大差額。

### 7. 分類資料

本集團以分類管理業務，而分類則以業務範圍劃分。按與董事會（主要經營決策者）就資源分配和表現評估作內部報告資料一致的方式，本集團已呈列下列三個可呈報分類。本集團並無將營運分類合併以組成以下之可呈報分類。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. SEGMENT INFORMATION (Continued)

- i) Pharmaceutical products: development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software and provision of consultancy services;
- ii) Finance leasing: provision of finance leasing services; and
- iii) Other general trading: trading of goods other than pharmaceutical products.

#### a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of financial assets at FVPL, interests in an associate, deferred tax assets and other corporate assets. Segment liabilities include trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

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

The measure used for reporting segment profit/(loss) is "adjusted earnings/(loss) before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income from bank deposits and interest exposure on bank and other borrowings and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted earnings/(loss), the Group's earnings/(loss) are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit/(loss), the Board is provided with segment information concerning revenue, interest income, depreciation, amortisation, impairment losses, finance costs and additions to non-current segment assets used by segments in their operations.

### 7. 分類資料 (續)

- i) 醫藥產品：開發、製造、市場推廣及銷售醫藥產品，銷售醫療相關軟件及提供顧問服務；
- ii) 融資租賃：提供融資租賃服務；及
- iii) 其他一般貿易：買賣醫藥產品以外之商品。

#### a) 分類業績、資產及負債

在評估分類表現及分配分類間資源時，董事會根據以下基準監控可歸屬每一可呈報分類之業績、資產及負債。

分類資產包括所有有形、無形資產及流動資產，惟按公平值計入損益之金融資產、於聯營公司權益、遞延稅項資產及其他公司資產除外。分類負債包括個別分類之活動應佔之貿易應付款項及其他應付款項及借貸，由分類直接管理。

收益及支出乃經參考該等分類產生之銷售額及支出（該等分類應佔之折舊或攤銷資產產生之支出除外）分配至報告分類。

用於呈報分類溢利／（虧損）之方法為「經調整扣除息、稅、折舊及攤銷前盈利／（虧損）」，其中「利息」被視為包括銀行存款利息收入及銀行及其他借貸的利息風險，而「折舊及攤銷」被視為包括非流動資產之減值虧損。為計算經調整盈利／（虧損），本集團之盈利／（虧損）對並非指定屬於個別分類之項目作出進一步調整，如董事及核數師之酬金以及總辦事處或其他公司行政開支。

除取得有關經調整溢利／（虧損）之分類資料外，董事會獲提供之分類資料有關收益、利息收入、折舊、攤銷、減值虧損、融資成本及各分類經營時所用新增非流動分類資產。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. SEGMENT INFORMATION (Continued)

#### a) Segment results, assets and liabilities (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2(x).

Information regarding the Group's reportable segments as provided to the Board for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2018 and 2017 is set out below.

### 7. 分類資料 (續)

#### a) 分類業績、資產及負債 (續)

呈報分類的會計政策與附註2(x)所述本集團的會計政策相同。

有關本集團呈報分類之資料載列如下，該等資料乃提供予董事會以分配資源及評估分類於截至二零一八年及二零一七年十二月三十一日止年度之表現。

		Pharmaceutical products 醫藥產品		Finance leasing 融資租賃		Other general trading 其他一般貿易		Total 總計	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Reportable segment revenue from external customers	來自外部客戶之呈報分類收益	6,099	30,152	5,299	3,115	52,725	29,267	64,123	62,534
Reportable segment (loss)/profit (adjusted EBITDA)	呈報分類(虧損)/溢利(經調整 EBITDA)	(24,287)	(7,105)	3,701	1,885	(5,423)	(828)	(26,009)	(6,048)
Interest income from bank deposits	銀行存款利息收入	107	265	-	1	3	-	110	266
Interest expense	利息支出	(15,975)	(12,695)	-	-	-	-	(15,975)	(12,695)
Depreciation and amortisation for the year	年內折舊及攤銷	(17,013)	(81,887)	-	-	-	-	(17,013)	(81,887)
Written off of inventories	存貨撇銷	(4,503)	(4,544)	-	-	(5,374)	-	(9,877)	(4,544)
Impairment loss on:	以下項目減值虧損:								
- plant and equipment	- 廠房及設備	(146,001)	(683,326)	-	-	-	-	(146,001)	(683,326)
- goodwill	- 商譽	-	(107,055)	-	-	-	-	-	(107,055)
- investment in an associate	- 於一間聯營公司投資	-	(4,795)	-	-	-	-	-	(4,795)
- amounts due from an associate	- 應收一間聯營公司款項	-	(89,915)	-	-	-	-	-	(89,915)
- other intangible assets	- 其他無形資產	-	(3,121)	-	-	-	-	-	(3,121)
- land use rights	- 土地使用權	(1,197)	(27,558)	-	-	-	-	(1,197)	(27,558)
- other receivables	- 其他應收款項	(189,649)	(2,540)	-	-	-	-	(189,649)	(2,540)
- trade receivables	- 貿易應收款項	(972)	-	-	-	-	-	(972)	-
Reportable segment assets	呈報分類資產	106,286	290,187	101,307	74,374	49,052	59,945	256,645	424,506
Additions to non-current segment assets during the year	年內非流動分類資產添置	12,340	204,513	-	-	-	-	12,340	204,513
Reportable segment liabilities	呈報分類負債	(265,373)	(290,130)	(6,785)	(6,615)	(1,142)	(2,416)	(273,300)	(299,161)

Note:

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year.

附註:

上述呈報分類收益指外部客戶產生之收益。年內並無分類間銷售。

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### 7. SEGMENT INFORMATION (Continued)

#### b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

<b>Revenue</b>	<b>收益</b>
Reportable segment revenue from external customers	來自外部客戶之呈報分類收益
<b>Loss</b>	<b>虧損</b>
Reportable segment loss derived from Group's external customers	來自本集團外部客戶之呈報分類虧損
Other income	其他收入
Depreciation and amortisation	折舊及攤銷
Finance costs	融資成本
Impairment losses on non-current assets	非流動資產減值虧損
Impairment losses on trade receivables	貿易應收款項減值虧損
Impairment losses on other receivables	其他應收款項減值虧損
Unallocated head office and corporate other revenue and net income	未分配總辦事處及公司其他營業外收入及淨收入
Unallocated head office and corporate expenses	未分配總辦事處及公司開支
– staff cost (including director's emoluments)	– 員工成本 (包括董事酬金)
– written off of property, plant and equipment	– 物業、廠房及設備撇銷
– others	– 其他
Consolidated loss before taxation	綜合除稅前虧損

### 7. 分類資料 (續)

#### b) 呈報分類收益、損益、資產及負債之對賬

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>64,123</b>	62,534
<b>(26,009)</b>	(6,048)
<b>32,804</b>	1,032
<b>(17,021)</b>	(81,887)
<b>(15,975)</b>	(12,695)
<b>(147,198)</b>	(825,855)
<b>(972)</b>	–
<b>(189,649)</b>	(92,455)
<b>205,516</b>	771
<b>(1,773)</b>	(2,784)
<b>–</b>	(66)
<b>(23,415)</b>	(14,869)
<b>(183,692)</b>	(1,034,856)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. SEGMENT INFORMATION (Continued)

#### b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

Assets	資產
Reportable segment assets	呈報分類資產
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產
Deferred tax assets	遞延稅項資產
Unallocated head office and corporate assets	未分配總辦事處及公司資產
- intangible assets	- 無形資產
- deposit for acquisition of non-current assets	- 收購非流動資產之按金
- others	- 其他

Consolidated total assets 綜合總資產

Liabilities
Reportable segment liabilities
Deferred tax liabilities
Unallocated head office and corporate liabilities

Consolidated total liabilities 綜合總負債

負債
呈報分類負債
遞延稅項負債
未分配總辦事處及公司負債

### 7. 分類資料 (續)

#### b) 呈報分類收益、損益、資產及負債之對賬 (續)

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
呈報分類資產	256,645	424,506
按公平值計入損益之金融資產	6,387	-
遞延稅項資產	-	49,740
未分配總辦事處及公司資產	28,507	-
- 無形資產	46,760	-
- 收購非流動資產之按金	27,431	56,806
- 其他	102,698	56,806
綜合總資產	365,730	531,052
呈報分類負債	(273,300)	(299,161)
遞延稅項負債	(5,031)	(9,894)
未分配總辦事處及公司負債	(15,872)	(2,772)
綜合總負債	(294,203)	(311,827)

#### c) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

#### c) 來自主要產品及服務之收益

以下為本集團來自主要產品及服務之收益分析：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of pharmaceutical products	6,099	26,188
Sales of pharmaceutical related software	-	1,026
Sales of other goods for general trading	34,858	29,267
Sales of fitness equipment	3,565	-
Sales of electric appliances	13,727	-
Sales of other software	575	-
Provision of consultancy services	-	2,938
Finance leasing income	5,299	3,115
Total	64,123	62,534

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. SEGMENT INFORMATION (Continued)

#### d) Geographic Information

##### (i) Revenue from external customers

The following sets out information about the geographical location of the Group's revenue from external customers, based on the location at which the services were provided or the goods delivered.

Hong Kong	香港
PRC (place of domicile)	中國(所在地)

##### (ii) Non-current assets

No non-current assets information is presented for the Group's geographical location, as over 90% of the Group's non-current assets (excluding deferred tax assets) are located on the PRC.

#### e) Information about major customers

Revenue of approximately RMB16,400,000 (2017: RMB22,900,000) are derived from a single external customer attributable to "other general trading" segment.

### 8. REVENUE

The principal activities of the Group are the development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software, provision of consultancy services, other general trading and provision of finance leasing services.

### 7. 分類資料(續)

#### d) 地區資料

##### (i) 來自外部客戶之收益

下表載列有關本集團來自外部客戶之收益的所在地區之資料。客戶所地區按提供服務或貨品付運地點劃分。

#### Revenues from external customers

##### 外部客戶產生之收益

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

16,399	25,178
47,724	37,356

64,123	62,534
--------	--------

##### (ii) 非流動資產

本集團並無呈列關於非流動資產的地區資料，因本集團超過90%的非流動資產(不包括遞延稅項資產)位於中國。

#### e) 有關主要客戶之資料

約人民幣16,400,000元(二零一七年:人民幣22,900,000元)之收益乃產生自分屬「其他一般貿易」分類之一名單一外部客戶。

### 8. 收益

本集團的主要業務為醫藥產品開發、製造、市場推廣及銷售，以及銷售醫藥相關軟件、提供顧問服務、其他一般貿易及提供融資租賃服務。

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## 綜合財務報表附註

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### 8. REVENUE (Continued)

The amount of each significant category of revenue recognised during the year are as follows:

#### Disaggregation of revenue

Types of goods and services	貨品及服務類型	Pharmaceutical products		Finance leasing		Other general trading		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		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
Revenue from contracts with customers within the scope of HKFRS 15	於香港財務報告準則第15號範圍內的來自客戶合約之收益								
Sales of goods	銷售貨品								
- Pharmaceutical products	- 醫藥產品	6,099	26,188	-	-	-	-	6,099	26,188
- Pharmaceutical related software	- 醫藥相關軟件	-	1,026	-	-	-	-	-	1,026
- Other goods for general trading	- 其他一般貿易產品	-	-	-	-	34,858	29,267	34,858	29,267
- Fitness equipment	- 健身設備	-	-	-	-	3,565	-	3,565	-
- Electric appliances	- 電器	-	-	-	-	13,727	-	13,727	-
- Other software	- 其他軟件	-	-	-	-	575	-	575	-
Provision of consultancy services	提供顧問服務	-	2,938	-	-	-	-	-	2,938
Revenue from other sources	來自其他來源之收益								
Finance lease interest income	融資租賃利息收入	-	-	5,299	3,115	-	-	5,299	3,115
		6,099	30,152	5,299	3,115	52,725	29,267	64,123	62,534
Timing of revenue recognition	收益確認時間								
A point in time	某一時間點	6,099	26,188	-	-	52,725	29,267	58,824	55,455
Over time	隨時間	-	3,964	5,299	3,115	-	-	5,299	7,079
		6,099	30,152	5,299	3,115	52,725	29,267	64,123	62,534

Note:

- The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (See note 3).
- For sales of pharmaceutical products and products other than pharmaceutical products, revenue is recognised when control of goods has transferred, being when the goods have been accepted by customers (acceptance) after goods delivered to the specific location or picked up by customers. Following acceptance, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 180 days upon acceptance.

### 8. 收益 (續)

年內確認之各重大類別之收益之金額如下：

#### 收益細分

附註：

- 本集團使用累計影響法初步應用香港財務報告準則第15號。根據該方法，比較資料未予重列，而根據香港會計準則第18號予以編製（見附註3）。
- 就銷售藥品及藥品以外的產品而言，收益於商品控制權轉移時（即商品於其交付至特定地點或客戶收取後獲客戶接納）確認。於接納後，客戶可全權酌情決定分派方式及銷售商品的價格，並於銷售貨品時承擔主要責任及承擔商品的舊貨及虧損風險。一般信貸期為接納後之30日至180日。

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### 9. OTHER INCOME

Bank interest income	銀行利息收入
Loan interest income	貸款利息收入
Bond interest income	債券利息收入
Total interest income on financial assets not at fair value through profit or loss	並非按公平值計入損益之金融資產的利息收入總額
Gain on disposal of property, plant and equipment upon mandatory auctions	於強制拍賣時出售物業、廠房及設備之收益
Exchange gain, net	匯兌收益淨額
Sundry income	雜項收入
Dividend income	股息收入
Commission income	佣金收入

### 9. 其他收益

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	110	266
	765	771
	286	-
	1,161	1,037
	32,458	-
	6,503	-
	1,714	20
	9	-
	1,568	-
	43,413	1,057

### 10. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

### 10. 除稅前虧損

除項前虧損已扣除/(計入)以下各項:

a) Finance costs	a) 融資成本
Interest on bank borrowings	銀行借貸利息
Other interest expense	其他利息開支
Total interest expenses on financial liabilities not at fair value through profit or loss	並非按公平值計入損益之金融負債的利息開支總額
b) Staff costs	b) 員工成本
Directors' emoluments (note 11)	董事薪酬(附註11)
Other staff costs	其他員工成本
- Contributions to defined contribution retirement plans	- 定額供款退休計劃供款
- Share-based payments	- 以股份為基礎之付款
- Salaries, wages and other benefits	- 薪金、工資及其他福利
Total staff costs **	員工總成本 **

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	15,915	12,695
	60	-
	15,975	12,695
	855	1,179
	1,000	1,544
	10,481	-
	10,464	14,299
	22,800	17,022

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. LOSS BEFORE TAXATION (Continued)

### 10. 除稅前虧損(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>c) Other items</b>	<b>c) 其他項目</b>		
Depreciation of property, plant and equipment ** (note 16)	物業、廠房及設備折舊** (附註16)	14,765	80,225
Amortisation of intangible assets (note 18)	無形資產攤銷 (附註18)	-	797
Amortisation of land use rights (note 17)	土地使用權攤銷 (附註17)	2,256	865
Auditor's remuneration	核數師酬金	1,652	1,427
Exchange loss/(gain), net	匯兌虧損/(收益)淨額	(6,503)	3,016
Fair value loss on financial assets through profit or loss	計入損益之金融資產的公平值虧損	1,790	-
Operating lease payments in respect of rented premises	就租賃物業支付的經營租約付款	1,399	1,159
Cost of inventories* (note 22)	存貨成本* (附註22)	54,558	114,432
Research and development costs*	研發成本*	1,160	2,199
Loss on disposal of financial asset at fair value through profit or loss	出售按公平值計入損益之金融資產的虧損	1,677	2,111

\* Cost of inventories includes approximately RMB9,523,000 (2017: RMB80,263,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

\* Research and development costs includes approximately RMB160,000 relating to depreciation (2017: approximately RMB2,098,000 relating to staff costs and depreciation) which amount is also included in the respective total amounts disclosed separately above.

\* 存貨成本包括與員工成本及折舊有關的約人民幣9,523,000元(二零一七年: 人民幣80,263,000元)。該金額亦包括於上文單獨披露的各項費用總金額。

\* 研發成本包括有關折舊約人民幣160,000元(二零一七年: 約人民幣2,098,000元有關員工成本及折舊)。該金額亦包括於上文單獨披露的各項費用總金額。

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### 11. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### 11. 董事薪酬

根據香港公司條例第383(1)條與公司(董事利益信息披露)法規第二部分披露之董事薪酬載列如下:

	2018 二零一八年					2017 二零一七年				
	Directors' fees	Salaries, allowances and other benefits	Contributions to defined retirement plans	Share-based payment	Total	Fees	Salaries, allowances and other benefits	Contributions to defined retirement plans	Total	
	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	
<b>Executive directors</b>	<b>執行董事</b>									
Chen Chengqing (note a) (Chairman)	203	-	-	128	331	173	-	-	173	
Hung Hoi Lan (note b)	203	-	-	917	1,120	173	-	-	173	
Zhang Rongqing (note c)	102	-	-	967	1,069	26	-	-	26	
Lin Ouwen (note d)	-	-	-	-	-	422	-	-	422	
Lin Min (note e)	-	-	-	-	-	34	-	-	34	
<b>Non-executive directors</b>	<b>非執行董事</b>									
Xiu Yuan (note f)	16	-	-	-	16	-	-	-	-	
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>									
Zhang Jie (note g)	-	-	-	-	-	56	-	-	56	
Zhang Xue Wen (note g)	-	-	-	-	-	56	-	-	56	
Wu Cheng Han (note g)	-	-	-	-	-	56	-	-	56	
Wang Zihao (note h)	102	-	-	123	225	61	-	-	61	
Tu Fangkui (note h)	102	-	-	-	102	61	-	-	61	
Zhang Rongqing (note c)	-	-	-	-	-	35	-	-	35	
Long Jun (note i)	102	-	-	114	216	26	-	-	26	
Chan Chun Yin, Victor (note j)	25	-	-	-	25	-	-	-	-	
	855	-	-	2,249	3,104	1,179	-	-	1,179	

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 11. DIRECTORS' EMOLUMENTS (Continued)

Notes:

- a) Mr. Chen Chengqing was appointed as executive director and chairman on 17 February 2017 and 16 June 2017 respectively.
- b) Ms. Hung Hoi Lan was appointed as executive director on 17 February 2017.
- c) Mr. Zhang Rongqing was appointed as non-executive director on 16 June 2017, re-designated from independent non-executive director to an executive director on 15 September 2017.
- d) Mr. Lin Ouwen was retired as executive director on 16 June 2017.
- e) Mr. Lin Min resigned as executive director on 17 February 2017.
- f) Mr. Xiu Yuan was appointed as non-executive director on 5 November 2018.
- g) Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han were retired as independent non-executive director on 16 June 2017.
- h) Mr. Wang Zihao and Mr. Tu Fangkui were appointed as independent non-executive director on 16 June 2017.
- i) Mr. Long Jun was appointed as independent non-executive director on 15 September 2017.
- j) Mr. Chan Chun Yin, Victor was appointed as independent non-executive director on 5 October 2018.

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year. None of the directors has waived any emoluments during the years ended 31 December 2018 and 2017.

### 11. 董事薪酬(續)

附註:

- a) 陳成慶先生分別於二零一七年二月十七日及二零一七年六月十六日獲委任為執行董事及主席。
- b) 洪海瀾女士於二零一七年二月十七日獲委任為執行董事。
- c) 張榮慶先生於二零一七年六月十六日獲委任為非執行董事，並於二零一七年九月十五日由獨立非執行董事調任為執行董事。
- d) 林歐文先生於二零一七年六月十六日退任執行董事。
- e) 林敏先生於二零一七年二月十七日辭任執行董事。
- f) 修遠先生於二零一八年十一月五日獲委任為非執行董事。
- g) 張捷先生、張學文先生及吳成翰先生於二零一七年六月十六日退任獨立非執行董事。
- h) 王子豪先生及屠方魁先生於二零一七年六月十六日獲委任為獨立非執行董事。
- i) 隆軍先生於二零一七年九月十五日獲委任為獨立非執行董事。
- j) 陳仲然先生於二零一八年十月五日獲委任為獨立非執行董事。

於年內，本集團概無向任何董事支付任何酬金，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零一八年及二零一七年十二月三十一日止年度，概無董事放棄任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, included two director (2017: one director) of the Company whose emoluments are disclosed in note 11. The aggregate of the emoluments in respect of the remaining three (2017: four) individuals were as follows:

Salaries and other emoluments	薪金及其他酬金
Share-based payment	以股份為基礎之付款
Contributions to defined contribution retirement plans	定額供款退休計劃供款

The emoluments of the three (2017: four) individuals with the highest emoluments are within the following band:

<b>Emoluments band</b>	<b>酬金範圍</b>
Nil – HK\$1,000,000 (approximately equivalent to RMB846,000 (2017: RMB865,000))	零至1,000,000港元 (約等於人民幣846,000元 (二零一七年: 人民幣865,000元))
HK\$1,000,001 – HK\$1,500,000 (approximately equivalent to RMB1,270,000 (2017: RMB1,297,000))	1,000,001港元至1,500,000港元 (約等於人民幣1,270,000元 (二零一七年: 人民幣1,297,000元))

No emoluments was paid by the Group to the above individuals as an inducement to join or upon joining the Group or as for loss of office during the year. None of the above individuals has waived any emoluments during the years ended 31 December 2018 and 2017.

### 12. 最高薪人士

五名最高薪人士中，包括兩名本公司董事（二零一七年：一名董事），彼等之酬金披露於附註11。餘下三名（二零一七年：四名）人士的酬金總額如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	1,157	2,596
	69	-
	30	74
	<b>1,256</b>	<b>2,670</b>

三名（二零一七年：四名）最高薪人士之酬金介乎下列組別：

	Number of individuals 人數	
	2018 二零一八年	2017 二零一七年
	2	4
	1	-
	<b>3</b>	<b>4</b>

於年內，本集團概無支付任何酬金予上述人士，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零一八年及二零一七年十二月三十一日止年度，概無上述人士放棄任何酬金。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

#### 13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

##### a) Income tax recognised in profit or loss

Taxation in the consolidated statement of profit or loss represents:

Current tax	當期稅項
Hong Kong Profits Tax	香港利得稅
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)
Deferred taxation (note 30(b)(i))	遞延稅項(附註30(b)(i))

In accordance with the relevant laws and regulations in the PRC, one of the PRC subsidiaries of the Group, Fujian Liumai Medical Services Co., Ltd. ("Fujian Liumai") is exempted from PRC EIT for two years ended 31 December 2016 and 2017, followed by a 50% reduction for the year ended 31 December 2018 and the next two years ending 31 December 2019 to 31 December 2020.

For other PRC subsidiaries of the Group, PRC EIT is calculated at 25% (2017: 25%) in accordance with the relevant laws and regulations in the PRC.

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2017-18 subject to a maximum reduction of HKD30,000 for each business (2017: a maximum reduction of HKD20,000 was granted for the year assessment 2016-17 and was taken into account in calculating the provision for 2017).

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

#### 13. 綜合損益表內之所得稅

##### a) 於損益內確認之所得稅

綜合損益表內之稅項指：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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267	159
918	575
44,878	116,154
46,063	116,888

根據中國相關法律及法規，本集團的其中一間中國附屬公司，福建六脈醫療服務有限公司（「福建六脈」），享有截至二零一六年及二零一七年十二月三十一日止兩個年度中國企業所得稅全免及截至二零一八年十二月三十一日止年度、截至二零一九年十二月三十一日至二零二零年十二月三十一日止未來兩個年度中國企業所得稅減半徵收的稅務優惠。

就本集團其他中國附屬公司而言，中國企業所得稅乃根據中國相關法律法規按25%（二零一七年：25%）的稅率計算。

二零一八年之香港利得稅撥備乃根據年內估計應課稅溢利按16.5%（二零一七年：16.5%）的稅率計算，經計及香港特別行政區政府於二零一七—一八年課稅年度給予寬減應付稅款之75%，每項業務寬減上限為30,000港元（二零一七年：於計算二零一七年撥備時經計及二零一六—一七年課稅年度給予20,000港元之寬減上限）。

根據開曼群島規則及法規，本集團毋須支付任何開曼群島利得稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### b) Reconciliation between tax expense and accounting loss at applicable tax rates:

Loss before tax	除稅前虧損	
Notional tax on loss before tax, calculated at the rates applicable in the countries concerned	按相關國家的適用稅率計算除稅前虧損的名義稅項	
Tax effect of non-deductible expenses	不可扣減費用的稅務影響	
Tax effect of non-taxable income	非應課稅收益之稅務影響	
Tax effect of tax loss not recognised	未確認稅項虧損之稅務影響	
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之稅務影響	
Reversal of deferred tax assets recognised in prior years (note 30(b)(i))	回撥以前年度確認之遞延稅項資產 (附註30(b)(i))	
Tax effect of income tax at concessionary rate	所得稅優惠稅率之稅項影響	
Statutory tax concession	法定之稅務優惠	
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries (note 30(b)(i))	本集團中國附屬公司可分派溢利之預扣稅影響 (附註30(b)(i))	
Actual tax expense	實際稅項開支	

### 13. 綜合損益表內之所得稅 (續)

#### b) 按適用稅率計算的稅項開支與會計虧損對賬如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	<b>(183,692)</b>	(1,034,856)
	<b>(28,444)</b>	(254,792)
	<b>79,772</b>	39,381
	<b>(59,980)</b>	(14,188)
	<b>9,855</b>	53,275
	-	177,721
	<b>49,740</b>	119,000
	-	(637)
	<b>(17)</b>	(26)
	<b>(4,863)</b>	(2,846)
	<b>46,063</b>	116,888

### 14. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for both years ended 31 December 2018 and 2017.

### 14. 股息

本公司董事建議不就截至二零一八年及二零一七年十二月三十一日止兩個年度派付末期股息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. LOSS PER SHARE

#### a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB229,755,000 (2017: RMB1,151,744,000) and the weighted average number of 2,980,305,788 ordinary shares (2017: 2,408,020,719 ordinary shares) in issue during the year, calculated as follows:

Loss attributable to owners of the Company (basic)	本公司擁有人應佔虧損 (基本)
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Weighted average number of ordinary shares (basic)	普通股加權平均數 (基本)
--	---------------

Weighted average number of ordinary shares for the purpose of basic loss per share	就計算每股基本虧損之普通股加權平均數
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#### (b) Diluted earnings per share

For the year ended 31 December 2018, no adjustment has been made to the basic loss per share amount presented as the impact of the share options had an anti-dilutive effect on the basic loss per share amount presented.

For the year ended 31 December 2017, diluted loss per share was the same as the basic loss per share as there were no dilutive potential ordinary shares outstanding.

The calculation of diluted loss per share is based on the loss attributable to owners of the Company of RMB229,755,000 (2017: RMB1,151,744,000) and the weighted average number of 2,980,305,788 (2017: 2,408,020,719) ordinary shares in issue during the year.

### 15. 每股虧損

#### a) 每股基本虧損

每股基本虧損乃根據年內本公司擁有人應佔虧損約人民幣229,755,000元(二零一七年:人民幣1,151,744,000元)以及加權平均數2,980,305,788股普通股(二零一七年:2,408,020,719股普通股)計算,計算如下:

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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<b>(229,755)</b>	(1,151,744)
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2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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<b>2,980,306</b>	2,408,021
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#### (b) 每股攤薄盈利

截至二零一八年十二月三十一日止年度,並未就所呈列之每股基本虧損金額作出調整,原因為購股權對所呈列之每股基本虧損具有反攤薄影響。

截至二零一七年十二月三十一日止年度,每股攤薄虧損與每股基本虧損相同,原因為並無發行在外之攤薄潛在普通股。

每股攤薄虧損乃基於本公司擁有人應佔虧損人民幣229,755,000元(二零一七年:人民幣1,151,744,000元)及年內已發行加權平均普通股數目2,980,305,788股(二零一七年:2,408,020,719股)計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢具、 固定裝置 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>						
At 1 January 2017	於二零一七年一月一日	209,526	269	44,157	5,446	1,326,818	1,586,216
Additions	添置	-	-	5	-	204,508	204,513
Derecognised on disposal of a subsidiary (note 37)	取消確認出售一間附屬公司(附註37)	-	-	(46)	-	(7)	(53)
Written off	撇銷	-	(269)	-	-	-	(269)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	209,526	-	44,116	5,446	1,531,319	1,790,407
Derecognised on disposal of a subsidiary (note 37)	取消確認出售一間附屬公司(附註37)	-	-	(728)	(4,311)	(180,807)	(185,846)
Disposal	出售	(30,746)	-	-	(188)	-	(30,934)
At 31 December 2018	於二零一八年十二月三十一日	178,780	-	43,388	947	1,350,512	1,573,627
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>						
At 1 January 2017	於二零一七年一月一日	99,817	203	41,378	4,939	689,506	835,843
Charge for the year	年內開支	3,889	-	399	167	75,770	80,225
Impairment loss recognised in profit or loss (note (c))	於損益中確認的減值虧損(附註(c))	82,698	-	1,849	-	598,779	683,326
Eliminated on disposals of a subsidiary (note 37)	出售一間附屬公司時抵銷(附註37)	-	-	(41)	-	(6)	(47)
Written off	撇銷	-	(203)	-	-	-	(203)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	186,404	-	43,585	5,106	1,364,049	1,599,144
Charge for the year	年內開支	613	-	55	117	13,980	14,765
Impairment loss recognised in profit or loss (note (c))	於損益中確認的減值虧損(附註(c))	785	-	467	173	144,576	146,001
Eliminated on disposal of a subsidiary (note 37)	出售一間附屬公司時抵銷(附註37)	-	-	(728)	(4,311)	(180,807)	(185,846)
Eliminated on disposal	出售時抵銷	(30,746)	-	-	(180)	-	(30,926)
At 31 December 2018	於二零一八年十二月三十一日	157,056	-	43,379	905	1,341,798	1,543,138
<b>Carrying amounts</b>	<b>賬面值</b>						
At 31 December 2018	於二零一八年十二月三十一日	21,724	-	9	42	8,714	30,489
At 31 December 2017	於二零一七年十二月三十一日	23,122	-	531	340	167,270	191,263

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- a) As at 31 December 2018, the approval for applications of house ownership certificates for buildings of the Group with a total carrying amount of RMB21,724,000 (2017: RMB23,122,000) were still in progress.
- b) At 31 December 2018, property, plant and equipment with a net book value of approximately RMB27,431,000 (2017: RMB28,547,000) was pledged to banks as collateral against the bank loans of RMB233,792,000 (2017: RMB281,942,000) (note 29).
- c) Impairment loss

#### For the year ended 31 December 2018

Based on the annual impairment test performed, an impairment loss of RMB146,001,000 and RMB1,197,000 has been recognised in property, plant and equipment and land use rights (note 17), respectively. The recoverable amount of the cash-generating unit determined based on value in use calculation is estimated to be RMB Nil.

Assumptions used in the value in use calculation are determined with reference to the cash flow projections prepared and approved by the management based on past performance and management's expectation for the market development and evaluation of the future business prospect.

The impairment loss arose as a result of the following factors: (i) the substantial change in the management team of Fujian Sanai Pharmaceutical Company Limited ("Fujian Sanai") and Fuzhou Sanai Pharmaceutical Company Limited ("Fuzhou Sanai") in 2018 which could not be properly handled the operations in a timely manner; and resulted in the sales of Fujian Sanai and Fuzhou Sanai fell short of expectation; (ii) the fast-changing developing pace within the industry; and (iii) management evaluation of the future business prospect of Fujian Sanai and Fuzhou Sanai.

#### For the year ended 31 December 2017

During the year ended 31 December 2017, the Group has experienced a significant drop in revenue due to (i) the loss of customers resulted from suspension of the operations from late 2016 to early 2017 of all the production compartments in the Group's production plant located in the Haixi Plant Development Zone in Jianyang City, Fujian Province, PRC (the "Haixi Plant") in late 2016; (ii) the implementation of "Two-Invoice System" and "Drug Concentration Procurement"; (iii) failure of one of the major products of the Group to be listed in the National Medical Insurance Directory; (iv) few months' suspension period of oral products production in 2017 due to GMP Certification; and (v) rectification on certain production units in October 2017.

The management of the Group therefore performed an impairment review of the recoverable amount related to Haixi Plant. For the purposes of impairment testing of the Haixi Plant, property, plant and equipment and land use rights located at the Haixi Plant was allocated to one cash generating unit ("CGU") of sales of pharmaceutical products.

### 16. 物業、廠房及設備 (續)

附註:

- a) 於二零一八年十二月三十一日,本集團總面值為人民幣21,724,000元(二零一七年:人民幣23,122,000元)之樓宇房屋所有權證申請等待批准。
- b) 於二零一八年十二月三十一日,賬面淨值約為人民幣27,431,000元(二零一七年:人民幣28,547,000元)的物業、廠房及設備已作為人民幣233,792,000元(二零一七年:人民幣281,942,000元)的銀行貸款的抵押物抵押予銀行(附註29)。
- c) 減值虧損

#### 截至二零一八年十二月三十一日止年度

根據所進行之年度減值測試,本集團分別就物業、廠房及設備以及土地使用權(附註17)確認減值虧損人民幣146,001,000元及人民幣1,197,000元。基於使用價值計算釐定之現金產生單位可收回金額估計為人民幣零元。

使用價值計算所用之假設乃參考管理層按過往表現、管理層對市場發展之預期及未來業務前景之評估編製及批准之現金流量預測釐定。

減值虧損因以下因素而產生:(i)福建三愛藥業有限公司(「福建三愛」)及福州三愛藥業有限公司(「福州三愛」)管理層團隊於二零一八年發生重大變動,且並未及時處理相關營運問題,導致福建三愛及福州三愛的銷售業績遠低於預期;(ii)該行業發展步伐瞬息萬變;及(iii)管理層對福建三愛及福州三愛未來業務前景之評估。

#### 截至二零一七年十二月三十一日止年度

截至二零一七年十二月三十一日止年度,本集團收益經歷重大下滑,由於(i)本集團位於中國福建省建陽市開發區的海西廠房(「海西廠房」)的全部生產車間於二零一六年年末至二零一七年初停止運作所致之二零一六年末客戶流失;(ii)「兩票制」及「藥品集中採購」的落實;(iii)本集團一項主要產品未能進入了國家醫保目錄;(iv)由於GMP證書於二零一七年年間中止生產口服產品數月;及(v)於二零一七年十月若干生產車間整修。

本集團管理層因此對海西廠房相關可收回金額進行減值檢討。為對海西廠房進行減值測試,位於海西廠房的物業、廠房及設備以及土地使用權分配至醫藥產品銷售的一個現金產生單位(「現金產生單位」)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

c) Impairment loss (Continued)

The recoverable amounts of the CGU is determined based on management estimation of fair value less cost of disposal of the CGU and with reference to the valuation performed by an independent professional valuer, using the discounted cash flow forecast and with reference to the recent growth rate in the pharmaceutical industry.

The major assumptions used included discount rate of 9% and the projected sales volume for the CGU which has taken into account the existing directors' consideration that the future performance of the CGU will be consistent with the CGU's past and management's expectation for the market development. The fair value on which the recoverable amount is based is categorised as a Level 3 measurement.

The key assumptions used on the calculations are on follows:

Market growth rate	8%
Long-term growth rate	3%
Cost of disposal	14.4%

d) During the year, certain property, plant and equipment with net carrying amount of RMB Nil were auctioned. Detail of auctions are disclosed in note 23.

### 16. 物業、廠房及設備 (續)

附註：(續)

c) 減值虧損 (續)

現金產生單位的可收回金額基於管理層估計公平值減現金產生單位出售成本及經參考獨立專業估值師利用貼現現金流量預測及醫藥行業近期增長率後進行之估值。

所用主要假設包括貼現率9%及現金產生單位預測銷售量(經計及現有董事對此等現金產生單位之未來表現將與現金產生單位之過去表現一致的考量及管理層對市場發展之預期)。可收回金額公平值及基於第三級分類計量。

用於計算關鍵假設如下：

市場增長率	8%
長期增長率	3%
出售成本	14.4%

(d) 年內，若干賬面淨值為人民幣零元之物業、廠房及設備已拍賣。有關拍賣之詳情於附註23內披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 17. LAND USE RIGHTS

### 17. 土地使用權

		RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>	
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日	64,030
Disposal	出售	(5,832)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	58,198
		<hr/>
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>	
At 1 January 2017	於二零一七年一月一日	27,893
Amortisation for the year	年內攤銷	865
Impairment loss recognised in profit or loss (note 16(c))	於損益內確認的減值虧損(附註16(c))	27,558
		<hr/>
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	56,316
Amortisation for the year	年內攤銷	2,256
Impairment loss recognised in profit or loss (note 16(c))	於損益內確認的減值虧損(附註16(c))	1,197
Eliminated on disposal	出售時抵銷	(5,398)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	54,371
		<hr/>
<b>Carrying amount</b>	<b>賬面值</b>	
At 31 December 2018	於二零一八年十二月三十一日	3,827
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	7,714
		<hr/>

- i) As at 31 December 2018, land use rights with a net book value of approximately RMB3,827,000 (2017: RMB6,040,000) was pledged to banks as part of the collateral against bank loans of RMB233,792,000 (2017: RMB281,942,000) (note 29).
- ii) During the year, certain land use rights with net carrying amount of approximately RMB434,000 were auctioned. Details of auctions are disclosed in note 23.
- i) 於二零一八年十二月三十一日，賬面淨值為約人民幣3,827,000元(二零一七年：人民幣6,040,000元)的土地使用權已抵押予銀行，作為銀行貸款人民幣233,792,000元(二零一七年：人民幣281,942,000元)的部分抵押品(附註29)。
- ii) 年內，若干賬面淨值約為人民幣434,000元之土地使用權已拍賣。有關拍賣之詳情於附註23內披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. INTANGIBLE ASSETS

### 18. 無形資產

		Patents 專利 RMB'000 人民幣千元	Product development costs 產品開發成本 RMB'000 人民幣千元	Software (note a) 軟件 (附註(a)) RMB'000 人民幣千元	Other intangible asset (note (b)) 其他無形資產 (附註(b)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>					
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年 十二月三十一日及 二零一八年一月一日	16,230	7,850	3,984	-	28,064
Additions	添置	-	-	-	28,507	28,507
At 31 December 2018	於二零一八年十二月三十一日	16,230	7,850	3,984	28,507	56,571
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>					
At 1 January 2017	於二零一七年一月一日	16,230	7,850	66	-	24,146
Charge for the year	年內開支	-	-	797	-	797
Impairment loss recognised in profit or loss	於損益中確認的減值虧損	-	-	3,121	-	3,121
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年 十二月三十一日、 二零一八年一月一日 及二零一八年 十二月三十一日	16,230	7,850	3,984	-	28,064
<b>Carrying amount</b>	<b>賬面值</b>					
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	28,507	28,507
At 31 December 2017	於二零一七年十二月三十一日	-	-	-	-	-

Note:

- (a) Intangible assets have finite useful lives are amortised on a straight-line basis over its estimated useful life of five years, except for certain of the intangible assets which are not yet available for use.
- (b) During the year, the Group acquired an intangible asset from an independent third party (the "Vendor"), which related to a right to the economic returns on certain laundry shops in the PRC, at a consideration of RMB28,507,000. In the opinion of the directors of the Company, the useful lives of this intangible asset is indefinite pursuant to the terms stipulated in the acquisition agreement.

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

附註：

- (a) 具有有限期可使用年期之無形資產以直線法按其估計可使用年期於五年內攤銷，惟尚不可動用的若干無形資產除外。
- (b) 年內，本集團以代價人民幣28,507,000元自獨立第三方（「賣方」）收購無形資產，此乃涉及位於中國若干洗滌店之經濟回報權利。本公司董事認為，按收購協議規定之條款，該無形資產之可使用年期為無限期。

本年度之攤銷費用乃計入綜合損益及其他全面收益表「行政費用」中。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. GOODWILL

<b>Cost</b>	成本
At 1 January and 31 December	於一月一日及十二月三十一日
<b>Accumulated impairment losses</b>	累計減值虧損
At 1 January	於一月一日
Impairment loss recognised in profit or loss	於損益內確認的減值虧損
At 31 December	於十二月三十一日
<b>Carrying amount</b>	賬面值
At 31 December	於十二月三十一日

#### Impairment tests for cash-generating units containing goodwill

The carrying amount of goodwill was allocated to a CGU as follows:

Sales of pharmaceutical related software and provision of consultancy service	銷售醫藥相關軟件及提供顧問服務
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Based on the annual impairment test performed, an impairment loss of RMB107,055,000 has been recognised during the year ended 31 December 2017. The recoverable amount of the cash-generating unit determined based on value-in-use calculation is estimated to be RMB Nil.

Assumptions used in the value-in-use calculation are determined with reference to the cash flow projections prepared and approved by the management based on past performance and management's expectation for the market development and evaluation of the future business prospect.

The impairment loss arose as a result of the following factors: (i) the substantial change in the management team of Fujian Liumai in 2017 which could not be properly handled the operations in a timely manner, and resulted in the sales of Fujian Liumai fell far short of expectation; (ii) the fast-changing development pace within the industry; and (iii) management's evaluation of the future business prospect of Fujian Liumai.

### 19. 商譽

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Cost</b>		
At 1 January and 31 December	107,055	107,055
<b>Accumulated impairment losses</b>		
At 1 January	107,055	-
Impairment loss recognised in profit or loss	-	107,055
At 31 December	107,055	107,055
<b>Carrying amount</b>		
At 31 December	-	-

現金產生單位的減值測試包括商譽。商譽之賬面值已分配至如下現金產生單位：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of pharmaceutical related software and provision of consultancy service	-	-

基於已進行之年度減值測試，已於截至二零一七年十二月三十一日止年度確認減值虧損人民幣107,055,000元。現金產生單位的可收回金額基於使用價值釐定並估計為人民幣零元。

用於使用價值計算之假設乃經參考管理層基於過往表現及管理層對市場發展的預測製備及批准之現金流量預測及檢討未來業務前景後釐定。

減值虧損由於下列因素產生：(i)福建六脈管理團隊於二零一七年的重大變動致令未能及時處理營運問題及導致福建六脈銷售業績遠低於預期；(ii)行業發展步伐瞬息萬變；及(iii)管理層對福建六脈未來業務前景的評估。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of principal subsidiaries as at 31 December 2017 which principally affected the result, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

### 20. 投資附屬公司

以下清單僅載列二零一七年十二月三十一日對本集團之業績、資產或負債有重大影響之主要附屬公司之詳情。除非另有說明，否則所持股份類別為普通股。

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Proportion of ownership interest 所有權百分比			Principal activity 主要業務
			Group's effective interest 本集團實益權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Sanai International Investment Company Limited (formerly known as "Wuyi International Pharmaceutical Investment Company Limited" ("Sanai BVI")) 三愛國際投資有限公司(前稱「武夷國際藥業投資有限公司」)(「三愛BVI」)	British Virgin Islands ("BVI")/ Hong Kong 英屬處女群島 (「英屬處女群島」)/香港	10,000 ordinary shares of US\$1 each 10,000 股每股面值 1美元的普通股	100%	100%	-	Investment holding 投資控股
Wuyi International Pharmaceutical (Hong Kong) Company Limited 武夷國際藥業(香港)有限公司	Hong Kong 香港	300,000,000 ordinary share 300,000,000股普通股	100%	-	100%	Investment holding 投資控股
Fujian Sanai Pharmaceutical Company Limited ("Fujian Sanai") (note (ii)) 福建三愛藥業有限公司 (「福建三愛」)(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 50 years commencing 18 January 2000 中國·外商獨資企業· 二零零零年一月十八日 起計為期五十年	Registered capital RMB290,780,000 註冊資本 人民幣290,780,000元	100%	-	100%	Develop, manufacture, marketing and sales of pharmaceutical products 開發、製造、營銷及銷售 醫藥產品
Fujian Liunai (note (ii)) 福建六脈(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 30 years commencing 21 August 2014 中國·外商獨資企業· 二零一四年八月二十一日 起計為期30年	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	100%	-	100%	Sales of pharmaceutical related software and provision of consultancy services 銷售醫藥相關軟件及提供 顧問服務
Sanai International Trading Company Limited (formerly known as China Green Energy Interactive Development Limited) 三愛國際貿易有限公司 (前稱「中國綠色能源互動發展有限公司」)	Hong Kong 香港	10,000,000 ordinary shares 10,000,000股普通股	100%	-	100%	General trading 一般貿易

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

### 20. 投資附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Proportion of ownership interest 所有權百分比			Principal activity 主要業務
			Group's effective interest 本集團實益權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Union Development Financial Leasing (Shenzhen) Company Limited (note (ii)) 聯合發展融資租賃(深圳)有限公司(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 30 years commencing 5 December 2016 中國,外商獨資企業,二零一六年十二月五日起計為期30年	Registered capital RMB120,000,000 註冊資本人民幣120,000,000元	100%	-	100%	Provision of finance leasing services 提供融資租賃服務
Zhejiang Sanai Biotechnology Limited (note (ii)) 浙江三愛生物科技有限公司(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 10 years commencing 8 September 2017 中國,外商獨資企業,二零一七年九月八日起計為期十年	Registered capital HK\$30,000,000 註冊資本30,000,000港元	100%	-	100%	General trading 一般貿易
Fujian Sanai Biotechnology Limited (note (ii)) 福建三愛生物科技有限公司(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 10 years commencing 24 October 2017 中國,外商獨資企業,二零一七年十月二十四日起計為期十年	Registered capital HKD10,000,000 註冊資本10,000,000港元	100%	-	100%	General trading 一般貿易
Shenzhen Sanai Industry Company Limited (note (ii)) 深圳三愛實業有限公司(附註(ii))	PRC wholly-foreign-owned enterprise for a term of infinitely sustainable commencing 21 June 2018 中國,外商獨資企業,二零一八年六月二十一日起永續經營	Registered capital HKD10,000,000 註冊資本10,000,000港元	100%	-	100%	General trading 一般貿易
Forever Trump Development Holdings Limited ("Forever Trump") 恒勝發展控股有限公司(「恒勝發展」)	BVI 英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股	100%	-	100%	Investment holding 投資控股
Forever Trump Energy Technology Limited ("Forever Trump Energy") 恒勝能源科技有限公司(「恒勝能源」)	Hong Kong 香港	1,000,000 ordinary shares 1,000,000普通股	100%	-	100%	Investment holding 投資控股
Shanghai Shangliu Company Limited (note (ii)) 上海嫡流能源科技有限公司(「上海嫡流」)(附註(ii))	PRC wholly-owned enterprise for a term of 30 years commencing 5 June 2018 中國全資企業,自二零一八年六月五日起為期三十年	Registered capital RMB5,000,000 註冊資本人民幣5,000,000元	100%	-	100%	Investment in laundry business 投資洗滌業務

Notes:

- i) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.
- ii) The English names of the subsidiaries are presented for identification purposes only.
- iii) During the year, the Group acquired Forever Trump and its subsidiaries, namely Forever Trump Energy and 上海嫡流 (together "Forever Trump Group") at a consideration of RMB329,500. Forever Trump Group was dormant at the time of acquisition.

附註:

- i) 於報告期末或年內任何時間,概無附屬公司有任何未償還的債務證券。
- ii) 附屬公司之英文名稱僅供識別。
- iii) 年內,本集團收購恒勝發展及其附屬公司(即恒勝能源及上海嫡流(統稱「恒勝集團」)),代價為人民幣329,500元。恒勝集團於收購時並未營運。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 21. INTERESTS IN AN ASSOCIATE

The following list contains only the particulars of the Group's associates, which are unlisted companies whose quoted market price is not available:

Name of company 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足股本/ 註冊資本詳情	Proportion of ownership interest 所有權百分比			Principal activity 主要業務
			Group's effective interest 本集團實益權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Antu County Guanghui Chinese Medicine Technology Development Company Limited ("Antu Guanghui") 安圖縣廣滙中藥材料科技發展有限公司 ("安圖廣滙")	PRC 中國	RMB10,000,000 Registered 已註冊人民幣 10,000,000元	- (2017: 49%) 49%	- (2017: -) (二零一七年: -)	- (2017: 49%) (二零一七年: 49%)	Not yet commence business 尚未開展業務
Wenshou Sanyin Company Limited 溫州三盈投資有限公司	PRC 中國	RMB20,000,000 Registered 已註冊人民幣 20,000,000元	49% (2017: -) (二零一七年: -)	- (2017: -) (二零一七年: -)	49% (2017: -) (二零一七年: -)	Not yet commence business 尚未開展業務

\* Registered under the laws of the PRC as a limited liability company.  
# The English name is presented for identification purpose only.

下表僅列出均為非上市公司且並無市價之本集團聯營公司之資料:

\* 根據中國法律註冊為有限責任公司  
# 英文名稱僅供識別。

The above associates are accounted for using the equity method in the consolidated financial statements.

以上聯營公司使用權益法於綜合財務報表內入賬。

As at 31 December 2016, Fuzhou Sanai Pharmaceutical Company Limited\* ("Fuzhou Sanai"), a wholly owned subsidiary of the Group, invested an aggregate amount of approximately RMB94,815,000 in the associate which engaged in the plantation of the Chinese herb, Perilla. In 2017, as Fuzhou Sanai was informed that Perilla Oil Capsule was not included in the National Reimbursement Drug List, the sales volume of Perilla Oil Capsule had an obvious drop and the demand for perilla seeds by the Group had a substantial decrease. To minimise losses, Fuzhou Sanai issued a letter to the associate to request the termination of the cooperative plantation agreement and the refund of investment amount. Such request had not received a positive response. After lengthy negotiation, the management of Fuzhou Sanai determined to take legal actions to protect its rights, and initiated legal proceedings against Antu Guanghui. The management of the Group determined to make a full impairment of RMB4,795,000 on the investment amount in the associate at the end of the year so as to reflect the potential risk of loss.

於二零一六年十二月三十一日，本集團全資附屬公司福州三愛藥業有限公司("福州三愛")已投資合共約人民幣94,815,000元至從事中國草本植物紫蘇種植的聯營公司。於二零一七年，由於福州三愛獲悉蘇子油軟膠囊未能進入全國醫保目錄，因此蘇子油軟膠囊銷售量顯著下跌而本集團對紫蘇種子之需求亦大幅減少。為減少損失，福州三愛發函要求聯營公司終止合作種植協議，並退還投資款。該請求沒有得到正面回應，經過長時間的交涉，福州三愛管理層決定採取法律行動保障其權利，將對安圖廣滙提起訴訟。年末本集團管理層決定對聯營公司的投資作全額減值人民幣4,795,000元，以反映潛在的損失風險。

In 2018, the Company disposed of Fuzhou Sanai (note 37). Upon the completion of disposal, the Company has no significant influence on Antu Guanghui.

於二零一八年，本公司出售福州三愛(附註37)。完成出售後，本公司對安圖廣滙並無重大影響力。

During the year, 溫州三盈 was set up and the Group shall pay up RMB9,800,000 of capital. As at 31 December 2018, the Group has not yet paid up the capital, while 溫州三盈 did not commence business in 2018.

年內，溫州三盈成立，而本集團應繳足股本人民幣9,800,000元。於二零一八年十二月三十一日，本集團尚未繳足股本，而溫州三盈於二零一八年尚未開始營業。

\* English name is presented for identification purpose only.

\* 英文名稱僅供識別。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

#### 21. INTERESTS IN AN ASSOCIATE (Continued)

Aggregate information of the associate that is not individually material:

Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	綜合財務報表內個別屬不重大之聯營公司之賬面總值	-	-
Aggregate amount of the Group's share of the associates'	本集團應佔聯營公司總值		
Loss for the year	年內虧損	-	-
Other comprehensive income	其他全面收益	-	-
Total comprehensive loss	全面虧損總額	-	-

#### 22. INVENTORIES

Raw materials	原材料	1,290	2,027
Work in progress	在製品	-	157
Finished goods	製成品	767	7,808
Merchandise	商品	8,857	29,377
		10,914	39,369

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

Carrying amount of inventories sold (note 10(c))	已售存貨之賬面值 (附註10(c))	54,558	114,432
Write-off of inventories	存貨撇銷	9,877	4,544
		64,435	118,976

#### 21. 於聯營公司權益 (續)

個別屬不重大的聯營公司之總計資料:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	-	-
Aggregate amount of the Group's share of the associates'		
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

#### 22. 存貨

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	1,290	2,027
Work in progress	-	157
Finished goods	767	7,808
Merchandise	8,857	29,377
	10,914	39,369

已確認為開支並計入損益賬之存貨金額分析如下:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount of inventories sold (note 10(c))	54,558	114,432
Write-off of inventories	9,877	4,544
	64,435	118,976

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. INVENTORIES (Continued)

During the year ended 31 December 2018, due to (i) the suspension of production compartments and the fact that the effective dates of certain inventories of the Group expired and could not be sold or used in production; (ii) the fast changing of sentiment of electric products market resulting in certain inventories of the Group became outdated and could not be sold, the Group has written off inventories amounted to approximately RMB9,877,000.

During the year ended 31 December 2017, due to the suspension of production compartments and the fact that the effective dates of certain inventories of the Group expired and could not be sold or used in production, the Group has written off inventories amounted to approximately RMB4,544,000.

### 22. 存貨(續)

截至二零一八年十二月三十一日止年度，由於(i)生產車間暫停及本集團若干存貨已到期且不可出售或用作生產；(ii)電子產品市場情緒瞬息萬變導致本集團若干存貨已過時且不可出售，本集團已撇銷存貨約人民幣9,877,000元。

截至二零一七年十二月三十一日止年度，由於生產車間暫停，本集團若干存貨實際日期已到期且不可出售或用於生產，本集團已撇銷存貨約人民幣4,544,000元。

### 23. TRADE AND OTHER RECEIVABLES

### 23. 貿易應收款項及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	23,874	23,420
Less: loss allowances (note (d))	減：虧損撥備(附註(d))	(972)	-
		<b>22,902</b>	23,420
Other receivables (note (f))	其他應收款項(附註(f))	49,322	891
Investment in bond issued by a private company (note (g))	投資私營公司發行之債券(附註(g))	11,390	-
Amount due from a related company (note (e))	應收一間關連公司款項(附註(e))	2	3
		<b>83,616</b>	24,314
Financial assets measured at amortised cost	按攤銷成本計量之金融資產	82,565	56,811
Prepayments and deposits (note (g))	預付款項及按金(附註(g))	1,046	1,954
Other PRC tax receivables	其他中國應收稅項	<b>167,227</b>	83,079
		<b>108,127</b>	83,079
Represented by:	指：		
Current	即期	59,100	-
Non-current	非即期	<b>167,227</b>	83,079

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- a) Prepayments and deposits expected to be recovered after more than one year is RMB59,100,000 (2017: RMB262,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.
- b) The Group normally grants credit terms of 30 to 180 days (2017: 60 to 90 days) to its customers. Further details on the Group's credit policy are set out in note 6(c).

As of the end of the reporting period, the ageing analysis of trade receivables at the end of the reporting period, presented based on the invoice date and net of allowance for doubtful debts is as follows:

0 to 30 days	0至30日
31 to 60 days	31日至60日
61 to 90 days	61日至90日
91 to 120 days	91日至120日
121 to 365 days	121日至365日
Over 365 days	超過365日

- c) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

Neither past due nor impaired	並無逾期亦無減值
Past due but not impaired	逾期但無減值
1-30 days past due	逾期1至30日
31-90 days past due	逾期31至90日
More than 90 days past due	逾期超過90日

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

### 23. 貿易應收款項及其他應收款項 (續)

附註：

- a) 預期超過一年以後收回之預付款項及按金為人民幣59,100,000元(二零一七年：人民幣262,000元)。預期所有其他貿易應收款項及其他應收款項均會於一年內收回或確認為開支。
- b) 本集團一般向其客戶授出30日至180日(二零一七年：60日至90日)的信貸期。有關本集團信貸政策的進一步詳情，載於附註6(c)。

於報告期末，按發票日期及扣除呆賬撥備後呈列的貿易應收款項的賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

305	10,229
4,835	1,164
256	6,650
721	1,884
15,377	3,460
1,408	33

22,902 23,420

- c) 並無個別亦無集體視作減值的貿易應收款項之賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

7,818	11,393
349	1,068
7,693	744
7,042	10,215

22,902 23,420

並無逾期亦無減值的應收款項與多名客戶有關，彼等概無違約記錄。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- d) The movements in the provision for impairment losses of trade receivables were as follows:

At 1 January	於一月一日
Impairment loss recognised during the year	年內確認之減值虧損
At 31 December	於十二月三十一日

Prior to 1 January 2018, the Group recognised the allowance for certain trade receivables which has been past due and considered as doubtful debts or irrecoverable.

Starting from 1 January 2018, the Group applied simplified approach to provide the expected credit losses prescribed by HKFRS 9. The impairment methodology is set out in notes 2 and 6.

Included in the Group's trade receivables balance as at 31 December 2018 and 2017 are aggregate carrying amounts of HK\$15,084,000 and HK\$12,027,000 respectively which are past due at the reporting date for which the Group has not made impairment loss, as there has not been a significant change in credit quality and the amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

Loss allowance of RMB972,000 during the year ended 31 December 2018 has been recognised for trade receivables in accordance with the simplified approach, that is, lifetime ECL set out in HKFRS 9.

- e) The balance represented amount due from a related company, SZZ International Group Holdings Limited, a company which is controlled by Ms. Hung Hoi Lan, who is an executive director of the Company.

- f) During the year, Agricultural Bank of China initiated legal actions against the overdue bank loans (note 29), and certain property, plant and equipment and land use rights which were pledged to the bank were mandatorily auctioned through the local court in Jianyang City, Fujian Province, China (the "Court"), and proceeds of approximately RMB32,895,000 were kept by the Court and not yet transferred to the bank for loans settlement as at 31 December 2018. As a result, the Group recorded receivable of auction proceeds in the line item of "Other receivable". Further on 15 March 2019, the remaining pledged property, plant and equipment and land use rights were also auctioned through the Court, with auction proceeds of RMB78,000,000 kept by the Court.

The net carrying amount of the auctioned property, plant and equipment and land use rights upon the completion of the aforementioned auctions are approximately RMB Nil and RMB434,000 respectively.

### 23. 貿易應收款項及其他應收款項 (續)

附註：(續)

- d) 貿易應收款項之減值虧損撥備變動如下：

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	-
972	-
972	-

於二零一八年一月一日前，本集團就若干已逾期並視作呆賬或不可收回之貿易應收款項確認撥備。

自二零一八年一月一日起，本集團按香港財務報告準則第9號之規定使用簡化方法就預期信貸虧損作出撥備。減值方法載於附註2及6。

本集團於二零一八年及二零一七年十二月三十一日之貿易應收款項結餘包括於報告日期已逾期之分別為數15,084,000港元及12,027,000港元之賬面總值，而本集團並未對該等款項作出減值虧損，因為其信貸質素並無發生重大變化，且按過往經驗有關款項仍被視作可予收回。本集團並未就該等結餘持有任何抵押品。

截至二零一八年十二月三十一日止年度，本集團使用簡化法（如香港財務報告準則第9號所載全期預期信貸虧損）就貿易應收款項確認虧損撥備人民幣972,000元。

- e) 結餘指應收一間關連公司SZZ International Group Holdings Limited（一間由本公司執行董事洪海瀾女士控制之公司）的款項。

- f) 年內，中國農業銀行對逾期銀行貸款採取法律行動（附註29），且若干已抵押予銀行的物業、廠房及設備以及土地使用權已透過中國福建省建陽市地方法院（「法院」）強制拍賣，而所得款項約人民幣32,895,000元由法院保管且於二零一八年十二月三十一日尚未轉賬予銀行以結清貸款。因此，本集團將應收拍賣所得款項於「其他應收款項」項下入賬。此外，於二零一九年三月十五日，餘下已抵押物業、廠房及設備以及土地使用權亦已透過法院拍賣，拍賣所得款項人民幣78,000,000元由法院保管。

於上述拍賣完成後，已拍賣物業、廠房及設備以及土地使用權的賬面值淨額分別約為人民幣零元及人民幣434,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- g) On 26 June 2018, the Company entered into an agreement (the "1st Agreement") with a private company incorporated in Hong Kong (the "Bond Issuer") for the acquisition of bond issued by the Bond Issuer. Pursuant to the agreement, the bond carried coupon rate of 5% per annum, and to mature 105 days since the acceptance of the bond. Bond interests shall be settled on the maturity date.

Further on 8 October 2018, the Company entered into a supplementary agreement (the "2nd Agreement") with the Bond Issuer to renew the maturity date of the bond to 31 December 2018, with other terms remaining the same as the 1st Agreement. On 30 December 2018, the Company entered into a supplementary agreement (the "3rd Agreement") with the Bond Issuer to further renew the maturity date of the bond to 15 April 2019. Pursuant to the 3rd Agreement, all the accrued interests shall be settled together with the principal amounts on 15 April 2019.

The Company holds the bond solely for collection of contractual cash flows which represent solely payments of principal and interests, and in the opinion of the directors of the Company, the investment in the bond is measured at amortised cost and included in the line item of "trade and other receivable" as at 31 December 2018.

- h) Included in prepayment and deposits there are approximately RMB59,100,000 non-current deposits, of which RMB46,760,000 was related to acquisition of properties located in the PRC while the remaining RMB12,340,000 was related to acquisition of plant and equipment.
- i) During the year ended 31 December 2017, impairment loss of RMB89,915,000 was recognised on the amount due from an associate (note 21). As at 31 December 2018 and 2017, the balance with this associate was RMB Nil.
- j) During the year, impairment loss of RMB189,649,000 was recognised on the amount due from Hong Kong Sanai Health Care Products Company Limited ("HK Sanai HCP") and its subsidiary (note 37). An impairment assessment was made upon the disposal of HK Sanai HCP and its subsidiary and in the opinion of directors of the Company, the recoverability of such receivables was remote, and full impairment loss of RMB189,649,000 was recognised.

### 23. 貿易應收款項及其他應收款項 (續)

附註：(續)

- g) 於二零一八年六月二十六日，本公司與一間於香港註冊成立的私營公司（「債券發行人」）就收購債券發行人發行之債券訂立協議（「第一份協議」）。根據協議，債券按票面息率每年5%計息，並將自接納債券之日起計105日到期。債券利息將於到期日結算。

此外，於二零一八年十月八日，本公司與債券發行人訂立補充協議（「第二份協議」），以將債券到期日續新至二零一八年十二月三十一日，而其他條款仍與第一份協議相同。於二零一八年十二月三十日，本公司與債券發行人訂立補充協議（「第三份協議」），以進一步將債券到期日續新至二零一九年四月十五日。根據第三份協議，所有應計利息連同本金須於二零一九年四月十五日予以結清。

本公司純粹為收取合約現金流量（僅包括本金及利息付款）而持有債券，本公司董事認為，投資債券乃按攤銷成本計量並於二零一八年十二月三十一日計入「貿易應收款項及其他應收款項」項下。

- h) 預付款項及按金包括非流動按金約人民幣59,100,000元，其中人民幣46,760,000元與收購位於中國的物業有關，而餘額人民幣12,340,000元與收購廠房及設備有關。
- i) 於截至二零一七年十二月三十一日止年度，就應收一間聯營公司款項確認減值虧損人民幣89,915,000元（附註21）。於二零一八年及二零一七年十二月三十一日，與該聯營公司之結餘為人民幣零元。
- j) 於年內，就應收香港三愛保健品有限公司（「香港三愛保健品」）及其附屬公司之款項確認減值虧損人民幣189,649,000元（附註37）。於出售香港三愛保健品及其附屬公司時進行減值評估，本公司董事認為，該等應收款項之可收回性極低，並確認全額減值虧損人民幣189,649,000元。

### 24. FINANCE LEASE RECEIVABLES

### 24. 融資租賃應收款項

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current portion of finance lease receivables	91,305	42,982
Non-current portion of finance lease receivables	9,027	29,878
	<b>100,332</b>	<b>72,860</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 24. FINANCE LEASE RECEIVABLES (Continued)

### 24. 融資租賃應收款項 (續)

		Minimum lease payments 最低租賃款項		Present value of minimum lease payments 最低租賃款項現值	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Not later than one year	一年內	97,724	47,476	91,305	42,982
Later than one year and not later than two years	超過一年但不超過兩年	9,345	31,552	9,027	29,878
		107,069	79,028	100,332	72,860
Less: Unearned finance income	減：未實現財務收益	(6,737)	(6,168)	-	-
Present value of minimum lease payments receivables	最低應收租賃款項現值	100,332	72,860	100,332	72,860
Less: Current portion of finance lease receivables	減：融資租賃應收款項之即期部分			(91,305)	(42,982)
Non-current portion of finance lease receivables	融資租賃應收款項之非即期部分			9,027	29,878

As at 31 December 2017 and 2018, the finance lease receivables are secured over the leased assets represented mainly by machineries and equipment.

The Group is not permitted to sell or repledge the collateral of finance lease receivables in the absence of approval by the lessee. All the Group's finance lease receivables are denominated in RMB, the functional currency of the relevant group entity.

The weighted average term of finance leases entered into is 1.8 years (2017: 3 years) and all the leases require repayment by instalments. In the event the lessee breaches the lease contract, the Group has the right to use or sell the assets leased and to call for full or partial repayment of the outstanding balance of finance lease receivables. At the end of the finance lease term, the lessee will be able to purchase the leased assets at nominal price.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate is approximately 6.7% per annum (2017: 6.6% per annum). The finance lease receivables at the end of the reporting period are neither past due nor impaired.

於二零一七年及二零一八年十二月三十一日，融資租賃應收款項所抵押之租賃資產主要為機器及設備。

在承租人沒有批准的情況下，本集團不可出售或再抵押融資租賃應收款項之抵押品。本集團之所有融資租賃應收款項均以人民幣計價，人民幣為相關集團實體之功能貨幣。

融資租賃之加權平均租期為1.8年（二零一七年：三年），所有本金都應於租期末繳清。若承租人違反租約，本集團有權佔用或出售已出租資產。同時本集團有權要求全部或部分償還融資租賃應收款項之未償清結餘。於融資租賃期末，承租人有權按名義價格購買租賃資產。

於整個租賃期內，租賃利率以合同日期所釐定者為準。平均實際年利率約為6.7%（二零一七年：每年6.6%）。於報告期末，融資租賃應收款項未過期且未減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 25. LOAN RECEIVABLES

The balance represented loan advance to an independent third party. The balance was unsecured, bearing interest at 12% per annum and repayable on 29 March 2018. The outstanding balance has been fully settled by 26 March 2018.

### 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity securities on Hong Kong 香港上市權益證券

As at 31 December 2018, the financial assets at FVPL represented the trading equity securities of RMB6,387,000.

The fair values of the above listed securities were determined based on the quoted market bid prices available on the Stock Exchange.

During the year ended 31 December 2018, fair value loss on financial assets at fair value through profit or loss of RMB1,790,000 are recognised in "Administrative expenses" in the consolidated statement of profit or loss (note 10).

### 25. 貸款應收款項

結餘指墊付予一名獨立第三方的貸款。該結餘為無抵押、按年利率12%計息，並須於二零一八年三月二十九日償還。未償還結餘已於二零一八年三月二十六日之前獲悉數結算。

### 26. 按公平值計入損益之金融資產

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

6,387

-

於二零一八年十二月三十一日，按公平值計入損益之金融資產為交易股本證券人民幣6,387,000元。

以上列出證券之公平值乃根據聯交所適用之市場報價釐定。

截至二零一八年十二月三十一日止年度，按公平值計入損益之金融資產公平值虧損金額人民幣1,790,000元於綜合損益表中的「行政開支」（附註10）中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### a) Cash and cash equivalent comprise:

Bank balances and cash (note (i))	銀行結餘及現金 (附註(i))
Cash held by financial institution (note (ii))	金融機構持有之現金 (附註(ii))

Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows

綜合財務狀況表及綜合現金流量表內之現金及現金等價物

Notes:

- i) Cash at banks earn interest at floating rates based on daily bank deposit rates.
- ii) Cash held by financial institution by the Group represents amounts deposited in financial institution in Hong Kong and does not carry any interest rate.

#### b) Reconciliation of liabilities arising from financing activities

### 27. 現金及現金等價物及其他現金流量資料

#### a) 現金及現金等價物包括：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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17,745	13,242
-	48,483

17,745	61,725
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附註：

- i) 銀行現金按每日銀行存款利率計算的浮動利率賺取利息。
- ii) 本集團之金融機構持有的現金指存放於香港金融機構且不計息的款項。

#### b) 融資活動所產生之負債之對賬

Secured  
bank loans  
有抵押銀行貸款  
RMB'000  
人民幣千元

At 1 January 2017	於二零一七年一月一日	85,600
Changes from financing cash flows	融資現金流量變動	196,342
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	281,942
Changes from financing cash flows	融資現金流量變動	(2,844)
Disposal of subsidiaries (note 37)	出售附屬公司 (附註37)	(45,306)
At 31 December 2018	於二零一八年十二月三十一日	233,792

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

#### 28. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
Payroll and welfare payables	應付薪金及福利
Accrued charges	應計費用
Other payables (note b)	其他應付款項(附註b)

Financial liabilities measured at amortised cost	按攤銷成本計算之金融負債
Other PRC tax payables	其他應繳中國稅項
Receipt in advance	預收款項
Deposits received	已收保證金

Analysed as:	分析:
Non-current (note (a))	非流動(附註(a))
Current	流動

As of the end of the reporting period, the ageing analysis of trade payables presented based on the invoice date is as follows:

0 to 30 days	0至30日
31 to 60 days	31日至60日
61 to 90 days	61日至90日
91 to 120 days	91日至120日
121 to 365 days	121日至365日
Over 365 days	超過365日

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

#### 28. 貿易應付款項及其他應付款項

<b>2018</b>	2017
二零一八年	二零一七年
<b>RMB'000</b>	RMB'000
人民幣千元	人民幣千元

<b>1,159</b>	4,101
<b>744</b>	1,042
<b>20,499</b>	2,316
<b>24,949</b>	5,338

<b>47,351</b>	12,797
<b>189</b>	172
<b>897</b>	947
<b>5,722</b>	4,640

<b>54,159</b>	18,556
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<b>5,722</b>	4,640
<b>48,437</b>	13,916

<b>54,159</b>	18,556
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於報告期末，以發票日期為基礎的所呈列貿易應付款項的賬齡分析如下：

<b>2018</b>	2017
二零一八年	二零一七年
<b>RMB'000</b>	RMB'000
人民幣千元	人民幣千元

<b>55</b>	1,357
-	165
-	469
-	536
<b>146</b>	1,574
<b>958</b>	-

<b>1,159</b>	4,101
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所有貿易應付款項及其他應付款項預期將於一年內支付或按要求償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. TRADE AND OTHER PAYABLES (Continued)

Note:

- a) The balance represented deposits received from customers in respect of finance lease business (note 24). The amounts are expected to be received after one year and was classified as non-current liabilities in the consolidated statement of financial position.
- b) Included in other payables there are amount due to a private company of RMB10,000,000 with monthly interest rate of 5%, and repayable 6 months after the date the Group received such amount.

### 29. SECURED BANK LOANS

The analysis of the carrying amount of secured bank loan is as follows:

Secured bank loans

有抵押銀行貸款

At 31 December 2018, land use rights with a net book value of approximately RMB3,827,000 (2017: RMB6,040,000) (note 17) and property, plant and equipment with a net book value of approximately RMB27,431,000 (2017: RMB28,547,000) (note 16) were pledged to a bank as collateral against the bank loans. The bank loans carry interest at fixed rates of 4.57% to 6.31% (2017: 4.57% to 6.31%) per annum. The security will be released upon settlement of the loans.

At 31 December 2018, the Group defaulted on the repayment of its secured bank loans and repayment of loan principal and related interests totaling approximately RMB248,311,000 were not made in accordance with the agreed repayment schedules pursuant to the loan agreements. One of the banks had disposed of certain assets pledged by the Group as security for its facilities under mandatory auctions. The proceeds from the auctions approximately to RMB32,895,000 will be set-off against certain overdue bank loans. Remaining pledged assets were sold at RMB78,000,000 in another auction conducted in March 2019 (2017: approximately RMB120,042,000 interest bearing loans expired whereas the Group carried out discussion with the banks in respect of renewal of bank loans for another year. All other interest-bearing bank loans were due for repayment within one year).

### 28. 貿易應付款項及其他應付款項 (續)

附註：

- a) 結餘指就融資租賃業務向客戶收取的保證金(附註24)。該等款項預期於一年後收取，並於綜合財務狀況表中分類為非流動負債。
- b) 其他應付款項包括應付一間私營公司款項人民幣10,000,000元，月利率為5%，須於本集團收到該等款項日期後六個月內償還。

### 29. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
233,792	281,942

於二零一八年十二月三十一日，賬面值淨額約為人民幣3,827,000元(二零一七年：人民幣6,040,000元)(附註17)的土地使用權及賬面值淨額約為人民幣27,431,000元(二零一七年：人民幣28,547,000元)(附註16)的物業、廠房及設備已抵押予銀行作為銀行貸款的抵押。銀行貸款按固定年利率介乎4.57%至6.31%(二零一七年：4.57%至6.31%)計息。於償還借貸後，抵押將獲解除。

於二零一八年十二月三十一日，本集團拖欠償還其已抵押銀行存貸款，且未能根據貸款協議之議定還款計劃償還貸款本金及支付相關利息總額約人民幣248,311,000元。其中一間銀行強制拍賣出售本集團作為抵押品抵押以取得其融資之若干資產。拍賣所得款項約人民幣32,895,000元經用作抵銷若干逾期銀行貸款。餘下已抵押資產於二零一九年三月進行之另一宗拍賣中以人民幣78,000,000元之價格出售(二零一七年：約人民幣120,042,000元之計息銀行貸款已到期，而本集團與銀行討論續期銀行貸款一年。所有其他計息銀行貸款於一年內到期償還)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a) Current taxation/(tax recoverable) in the consolidated statement of financial position represents:

Provision for the year	本年度撥備		
Hong Kong Profits Tax	香港利得稅	267	159
PRC EIT	中國企業所得稅	919	575
PRC EIT paid for the year	年內已付中國企業所得稅	(429)	(287)
Balance of provision for the PRC EIT relating to prior year	與上一年度有關之中國企業所得稅撥備之結餘	1,133	652
Disposal of subsidiaries (note 37)	出售附屬公司(附註37)	(988)	-
Effect of foreign currency exchange differences	外幣匯兌差額之影響	17	34
		<b>919</b>	<b>1,133</b>
Represented by:	指:		
Current taxation	當期稅項	1,221	1,435
Tax recoverable	可收回稅項	(302)	(302)
		<b>919</b>	<b>1,133</b>

### 30. 於綜合財務狀況表內之所得稅

a) 於綜合財務狀況表內之當期稅項 / (可收回稅項) 指:

	2018	2017
	二零一八年	二零一七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	<b>267</b>	159
	<b>919</b>	575
	<b>(429)</b>	(287)
	<b>1,133</b>	652
	<b>(988)</b>	-
	<b>17</b>	34
	<b>919</b>	1,133
	<b>1,221</b>	1,435
	<b>(302)</b>	(302)
	<b>919</b>	1,133

b) Deferred tax assets and liabilities recognised:

i) **Movement of each component of deferred tax assets and liabilities**

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

b) 已確認遞延稅項資產及負債:

i) **遞延稅項資產及負債各部分之變動**

本年度於綜合財務狀況表內確認之遞延稅項(資產) / 負債部分及變動如下:

Deferred tax arising from:	產生自以下的遞延稅項:	Related depreciation in excess of depreciation allowances	Fair value adjustments on intangible assets	Impairment loss on property plant and equipment	Impairment loss on land use rights	Withholding tax on distributable profits	Total
		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
At 1 January 2017	於二零一七年一月一日	(45,094)	996	(120,021)	(4,621)	12,740	(156,000)
(Credited)/charged to profit or loss	於損益內(計入)/扣除	31,880	(996)	84,850	3,266	(2,846)	116,154
At 31 December 2017 and as at 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	(13,214)	-	(35,171)	(1,355)	9,894	(39,846)
(Credited)/charged to profit or loss	於損益內(計入)/扣除	13,214	-	35,171	1,355	(4,863)	44,877
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	-	5,031	5,031

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### b) Deferred tax assets and liabilities recognised: (Continued)

##### i) *Movement of each component of deferred tax assets and liabilities (Continued)*

Under the Enterprise Income Tax Law of the PRC, with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. Pursuant to the double tax arrangement between the PRC and Hong Kong effective on 1 January 2007, the withholding income tax rate will be reduced to 5% if the investment by the Hong Kong investor in the investee entities in the PRC is not less than 25%. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. As at 31 December 2018, deferred tax liabilities of RMB5,031,000 (2017: RMB9,894,000) in respect of the withholding income tax on dividends has been recognised by the Group.

Withholding tax on dividends represents tax charged by the PRC tax authority on dividends distributed by the Group's subsidiaries in the PRC during the year.

### 30. 於綜合財務狀況表內之所得稅 (續)

#### b) 已確認遞延稅項資產及負債：(續)

##### i) *遞延稅項資產及負債各部分之變動 (續)*

根據自二零零八年一月一日起生效的中國企業所得稅法，並非在中國成立或並無在中國設有經營地點之非居民企業，或在中國成立或在中國設有經營地點，惟有關收入實際上並非與在中國成立或中國經營地點有關之非居民企業，將須就多項被動收入（如源於中國境內之股息）按10%稅率繳付預扣所得稅。根據中國與香港訂立並於二零零七年一月一日生效的雙重徵稅安排，倘香港投資者對中國被投資實體的投資不少於25%，則預扣所得稅稅率將下調至5%。於二零零八年二月二十二日，國家稅務總局批准財稅(2008)第1號，據此，從外資企業二零零七年十二月三十一日之前的保留盈利中撥付的股息分派將獲豁免繳付預扣所得稅。於二零一八年十二月三十一日，本集團已就股息預扣所得稅確認遞延稅項負債為人民幣5,031,000元（二零一七年：人民幣9,894,000元）。

股息預扣稅指年內中國稅務機關就本集團於中國的附屬公司分派的股息收取的稅項。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### b) Deferred tax assets and liabilities recognised: (Continued)

##### ii) Reconciliation to the consolidated statement of financial position

Deferred tax asset	遞延稅項資產
Deferred tax liability	遞延稅項負債

#### c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB383,276,000 (2017: RMB279,667,000) as at 31 December 2018 as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for tax losses of RMB366,777,000 (2017: RMB271,510,000) in PRC which is available for carry forward to set-off future assessable income for a period of five years, as follows:

Tax losses will expire in:

2021	二零二一年
2022	二零二二年
2023	二零二三年

### 30. 於綜合財務狀況表內之所得稅 (續)

#### b) 已確認遞延稅項資產及負債：(續)

##### ii) 與綜合財務狀況表對賬

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	(49,740)
5,031	9,894
5,031	(39,846)

#### c) 未確認遞延稅項資產

根據附註2(r)所載會計政策，由於日後應課稅溢利不大可能用作抵銷其於相關稅務司法權區及實體內的稅項虧損，故本集團並無於二零一八年十二月三十一日就累計稅項虧損約人民幣383,276,000元（二零一七年：人民幣279,667,000元）確認遞延稅項資產。根據現行稅法，該稅項虧損不會屆滿，惟於中國的稅項虧損人民幣366,777,000元（二零一七年：人民幣271,510,000元）可用於結轉抵銷未來五年期間之應課稅收入如下：

稅項虧損將於以下日期到期：

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

60,600	64,378
204,332	207,132
101,845	-
366,777	271,510

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES

#### a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	本公司	Share capital (note 31(b)) (附註31(b)) RMB'000 人民幣千元	Share premium (note 31(c)(i)) (附註31(c)(i)) RMB'000 人民幣千元	Share option reserve (附註31(c)(ii)) RMB'000 人民幣千元	Retained profits/ (accumulated losses) (保留溢利/ (累計虧損)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2017	於二零一七年一月一日之結餘	21,762	1,047,038	19,916	82,678	1,171,394
Shares issued upon exercise of share options (note 31(b)(iii))	行使購股權後發行之股份 (附註31(b)(iii))	1,415	63,659	(19,916)	-	45,158
Shares issued under placement (note 31(b)(iii))	根據配售發行之股份 (附註31(b)(iii))	3,832	84,878	-	-	88,710
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(1,122,383)	(1,122,383)
Balance at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日之結餘	27,009	1,195,575	-	(1,039,705)	182,879
Shares issued upon exercise of share options (note 31(b)(iii))	行使購股權後發行之股份 (附註31(b)(iii))	1,592	59,379	(8,767)	-	52,204
Equity settled share-based transactions payment	以權益結算以股份為基礎之 交易付款	-	-	10,481	-	10,481
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(9,693)	(9,693)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	28,601	1,254,954	1,714	(1,049,398)	235,871

### 31. 股本及儲備

#### a) 權益組成部分之變動

本集團之綜合權益表中各部分的年初及年末結餘對賬於綜合權益變動表內列載。本公司之各個權益部分的年初及年末變動詳情列載如下：

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### b) Share capital

	法定：					
	每股面值0.01 港元的普通股		2018 二零一八年		2017 二零一七年	
			No. of shares (‘000) 股份數目 (千股)	HK\$’000 千港元	No. of shares (‘000) 股份數目 (千股)	HK\$’000 千港元
<b>Authorised:</b>	<b>法定：</b>					
Ordinary shares of HK\$0.01 each	每股面值0.01 港元的普通股					
At beginning of the year	於年初		10,000,000	100,000	3,200,000	32,000
Increase during the year (note 31(b)(i))	年內增加 (附註31(b)(i))		-	-	6,800,000	68,000
At the end of the year	於年末		10,000,000	100,000	10,000,000	100,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>					
Ordinary shares of HK\$0.01 each	每股面值0.01 港元的普通股					
At the beginning of the year	於年初		2,872,123	28,721	2,256,773	22,568
Shares issued upon exercise of share options (note 31(b)(ii))	行使購股權後發行之股份 (附註31(b)(ii))		195,100	1,951	164,000	1,640
Shares issued under placement (note 31(b)(iii))	根據配售發行之股份 (附註31(b)(iii))		-	-	451,350	4,513
At end of the year	於年末		3,067,223	30,672	2,872,123	28,721

	於十二月三十一日之綜合及 本公司財務狀況表所列 financial position at 31 December		2018 二零一八年 RMB’000 人民幣千元	2017 二零一七年 RMB’000 人民幣千元
			28,601	27,009

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary share rank equally with regard to the Company’s residual assets.

- i) Pursuant to the Annual General Meeting held on 16 June 2017, the shareholders approved the increase in authorised share capital of the Company from HK\$32,000,000 divided into 3,200,000,000 shares with par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares with par value of HK\$0.01.

### 31. 股本及儲備 (續)

#### b) 股本

	法定：		2018 二零一八年		2017 二零一七年	
	每股面值0.01 港元的普通股		No. of shares (‘000) 股份數目 (千股)	HK\$’000 千港元	No. of shares (‘000) 股份數目 (千股)	HK\$’000 千港元
<b>Authorised:</b>	<b>法定：</b>					
Ordinary shares of HK\$0.01 each	每股面值0.01 港元的普通股					
At beginning of the year	於年初		10,000,000	100,000	3,200,000	32,000
Increase during the year (note 31(b)(i))	年內增加 (附註31(b)(i))		-	-	6,800,000	68,000
At the end of the year	於年末		10,000,000	100,000	10,000,000	100,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>					
Ordinary shares of HK\$0.01 each	每股面值0.01 港元的普通股					
At the beginning of the year	於年初		2,872,123	28,721	2,256,773	22,568
Shares issued upon exercise of share options (note 31(b)(ii))	行使購股權後發行之股份 (附註31(b)(ii))		195,100	1,951	164,000	1,640
Shares issued under placement (note 31(b)(iii))	根據配售發行之股份 (附註31(b)(iii))		-	-	451,350	4,513
At end of the year	於年末		3,067,223	30,672	2,872,123	28,721

	於十二月三十一日之綜合及 本公司財務狀況表所列 financial position at 31 December		2018 二零一八年 RMB’000 人民幣千元	2017 二零一七年 RMB’000 人民幣千元
			28,601	27,009

普通股擁有人有權收取不時宣派的股息及有權於本公司大會上每股投一票。所有普通股在有關本公司剩餘資產方面均享有同等地位。

- i) 根據二零一七年六月十六日舉行之股東週年大會，股東批准本公司法定股本由32,000,000港元分為3,200,000,000股每股面值0.01港元的股份增加至10,000,000,000股每股面值0.01港元的股份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### b) Share capital (Continued)

- ii) During the year ended 31 December 2018, share options under the share option scheme were exercised to subscribe for 195,100,000 ordinary shares of the Company at a consideration of approximately HK\$63,958,000 (equivalent to approximately RMB52,204,000), of which approximately HK\$1,951,000 (equivalent to approximately RMB1,592,000) was credited to the share capital and the balance of approximately HK\$62,007,000 (equivalent to approximately RMB50,612,000) was credited to the share premium account. An amount of approximately HK\$10,761,000 (equivalent to approximately RMB8,767,000) was transferred from share option reserve to the share premium account in accordance with the Group's accounting policies.

During the year ended 31 December 2017, share options under the share option scheme were exercised to subscribe for 164,000,000 ordinary shares of the Company at a consideration of approximately HK\$52,480,000 (equivalent to approximately RMB45,158,000), of which approximately HK\$1,640,000 (equivalent to approximately RMB1,415,000) was credited to the share capital and the balance of approximately HK\$50,840,000 (equivalent to approximately RMB43,743,000) was credited to the share premium account. An amount of approximately HK\$22,960,000 (equivalent to approximately RMB19,916,000) was transferred from share option reserve to the share premium account in accordance with the Group's accounting policies.

### 31. 股本及儲備 (續)

#### b) 股本 (續)

- ii) 截至二零一八年十二月三十一日止年度，購股權計劃下之購股權獲行使以認購本公司195,100,000股普通股，代價為約63,958,000港元（約等於人民幣52,204,000元，其中約1,951,000港元（約等於人民幣1,592,000元）計入股本而餘額約62,007,000港元（約等於人民幣50,612,000元）計入股份溢價賬）。約10,761,000港元（約等於人民幣8,767,000元）根據本集團會計政策由購股權儲備轉至股份溢價賬。

截至二零一七年十二月三十一日止年度，購股權計劃下之購股權獲行使以認購本公司164,000,000股普通股，代價為約52,480,000港元（約等於人民幣45,158,000元，其中約1,640,000港元（約等於人民幣1,415,000元）計入股本而餘額約50,840,000港元（約等於人民幣43,743,000元）計入股份溢價賬）。約22,960,000港元（約等於人民幣19,916,000元）根據本集團會計政策由購股權儲備轉至股份溢價賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### b) Share capital (Continued)

##### iii) Shares issued under placement

- On 13 October 2017, the Company entered into placing agreement with a placing agent, pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best effort basis, up to 451,350,000 placing shares to not less than six independent places at the placing price of HK\$0.24 per placing share.

The placing was completed on 6 November 2017. A total of 451,350,000 placing shares, had been placed to not less than six independent places at the placing price of HK\$0.24 per placing share. The net proceeds from the placing after deducting relevant expenses of approximately HK\$3,841,000 incurred in relation to the placing, amounted to approximately HK\$104,483,000 (equivalent to approximately RMB88,710,000), of which RMB3,832,000 and RMB84,878,000 were credited to the share capital and the share premium account respectively.

### 31. 股本及儲備(續)

#### b) 股本(續)

##### iii) 根據配售發行之股份

- 於二零一七年十月十三日，本公司與配售代理訂立配售協議，據此，本公司已有條件同意透過配售代理盡最大努力配售最多451,350,000股配售股份予不少於六名獨立承配人。配售價為每股配售股份0.24港元。

配售於二零一七年十一月六日完成。本公司已按配售價每股配售股份0.24港元配售451,350,000股股份予不少於六名獨立承配人。配售所得款項淨額(於扣除與配售有關的相關開支約3,841,000港元後)約104,483,000港元(約等於人民幣88,710,000元)，其中人民幣3,832,000元及人民幣84,878,000元分別計入股本及股份溢價賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves

##### *i) Share premium*

Under the Cayman Companies Law, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### *ii) Special reserve*

Special reserve represents the aggregate of:

- a) the difference between the consideration paid by a subsidiary of the Company, Sanai BVI, for the acquisition of the entire equity interest in Fujian Sanai and the nominal value of the paid-in capital of Fujian Sanai pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007;
- b) the difference between the nominal amount of the shares issued by the Company and the amount of share capital of Sanai BVI acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007; and
- c) the difference between the consideration paid for the acquisition of additional interests in Fuzhou Sanai and the carrying values of the underlying net assets attributable to the additional interests in Fuzhou Sanai pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007. Such difference was released upon the disposal of Fuzhou Sanai in 2018.

### 31. 股本及儲備(續)

#### c) 儲備之性質及目的

##### *i) 股份溢價*

根據開曼群島公司法，本公司股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

##### *ii) 特別儲備*

特別儲備指以下各項的總額：

- a) 根據為籌備本公司股份於二零零七年上市所進行集團重組，本公司附屬公司三愛BVI就收購福建三愛全部股權所付代價與福建三愛實繳資本面值的差額；
- b) 根據為籌備本公司股份於二零零七年上市所進行集團重組的本公司已發行股份面值與三愛BVI收購股本金額的差額；及
- c) 根據為籌備本公司股份於二零零七年上市所進行集團重組而收購福州三愛額外權益所支付代價與福州三愛額外權益應佔相關淨資產賬面值的差額。該差額於二零一八年出售福州三愛後解除。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves (Continued)

##### iii) Capital reserve

Capital reserve represents the capital contributions from Mr. Lin Qing Ping, a former director and former shareholder of the Company; and Fuzhou Hongyu, a company controlled by Mr. Lin Ouwen, also a former director and the former chief executive officer of the Company.

##### iv) Statutory surplus reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to appropriate 10% of their profit after tax to the reserve until such reserve reaches 50% of the registered capital and thereafter any further appropriation is optional. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue.

##### v) Non-distributable reserve

In accordance with the Articles of Association of Fujian Sanai, Fujian Sanai may appropriate funds to the non-distributable reserve at the discretion of its board of directors. According to the Articles of Association of Fujian Sanai, the non-distributable reserve can be used to (i) make up prior year losses; (ii) convert into capital, provided such conversion is approved by a resolution at a shareholders' meeting; and (iii) expand production operation.

##### vi) Share option reserve

This comprises the portion of fair value of unexercised share options granted to eligible participants of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

### 31. 股本及儲備(續)

#### c) 儲備之性質及目的(續)

##### iii) 資本儲備

資本儲備指本公司前任董事兼前股東林慶平先生及同為本公司前任董事兼前任行政總裁林歐文先生控制之福州宏宇的出資額。

##### iv) 法定盈餘儲備

根據中國海外投資企業的相關法律及法規，本公司中國附屬公司需從其除稅後溢利中撥出10%以列入儲備金，直至該儲備金達至其註冊資本之50%，而其後之撥款則可隨意作出。法定盈餘儲備可用於填補過往年度虧損(如有)，並可透過資本化發行應用以轉換為資本。

##### v) 不可分派儲備

根據福建三愛的公司章程細則，福建三愛董事會可酌情將合適基金分配至不可分派儲備。根據福建三愛的公司章程細則，不可分派儲備可用作(i)彌補往年的虧損；(ii)轉換為資本，惟有關的轉換須經股東大會決議案通過；及(iii)擴充生產營運業務。

##### vi) 購股權儲備

該等儲備包括授予本公司合資格參與者且根據附註2(q)(ii)內以股份支付款項所採納之會計政策確認之尚未行使購股權之公平值的一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves (Continued)

##### vii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

#### d) Distributability of reserves

Under the Cayman Companies Law, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital account.

As at 31 December 2018, the Company's reserves available for distribution to shareholders amounted to approximately RMB205,556,000 (2017: RMB155,870,000) computed in accordance with the Cayman Companies Law and the Company's Articles of Association. This includes the Company's share premium of RMB1,254,594,000 (2017: RMB1,195,575,000), less accumulated loss of RMB1,049,398,000 (2017: less accumulated loss of RMB1,039,705,000), which is available for distribution provided that immediately following the date on which a dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

### 31. 股本及儲備 (續)

#### c) 儲備之性質及目的 (續)

##### vii) 匯兌儲備

匯兌儲備包括所有因匯兌海外業務財務報表而產生之外匯差額。該儲備根據附註2(u)所載列之會計政策處理。

#### d) 可分派儲備

根據開曼群島公司法，股份溢價可分派予股東，惟倘(i)現時或於分派後無法償還到期負債；或(ii)其資產之可變現價值因而低於其負債及股本賬之總額，則本公司不得宣派或派付股息，或以股份溢價作出分派。

於二零一八年十二月三十一日，根據開曼群島公司法及本公司的公司章程細則計算，本公司可分派予股東之儲備約為人民幣205,556,000元（二零一七年：人民幣155,870,000元）。這包括本公司股份溢價人民幣1,254,594,000元（二零一七年：人民幣1,195,575,000元）減累計虧損人民幣1,049,398,000元（二零一七年：減累計虧損人民幣1,039,705,000元），惟於緊隨建議股息日期後，本公司有能力於正常營業範圍內償還所有到期債務，方可予以分派。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. CAPITAL AND RESERVES (Continued)

#### e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes trade and other payables, secured bank loans and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. During 2018, the Group's strategy was unchanged from 2017. The directors review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

The Group's adjusted net debt-to-equity ratio at 31 December 2018 and 2017 was as follows:

Trade and other payables	貿易應付款項及其他應付款項
Secured bank loan	有抵押銀行貸款
Total debt	總債項
Total equity	總權益
Debt-to-equity ratio	債權比率

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 31. 股本及儲備(續)

#### e) 資金管理

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

本集團之資本結構包括債務，其中包括貿易應付款項及其他應付款項、有抵押銀行貸款及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事會每半年一次檢討資本結構。於二零一八年，本集團之策略與二零一七年相比並無改變。董事透過考慮資本之成本及與各類別資本相關之風險檢討資本架構。根據董事建議，本集團將透過發行新股份及股份回購以及發行新債券或贖回現有債券以平衡其資本結構。

於二零一八年及二零一七年十二月三十一日本集團經調整之淨債權比率如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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54,159	18,556
233,791	281,942
287,951	300,498
71,527	219,225
402.58%	137.07%

本公司及其任何附屬公司概無承擔任何外部資本要求。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

#### Share option scheme on 8 January 2007

The Company's share option scheme was adopted pursuant to a resolution passed on 8 January 2007 (the "Old Share Option Scheme") for the primary purpose of providing incentives to and recognising significant contributions from directors and eligible employees, and expired on 31 January 2017. Under the Old Share Option Scheme, the Board may grant options to all full-time employees, directors (including independent non-executive directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of listing of the shares on the Stock Exchange which represents 164,300,000 shares (excluding the over-allotment portion) or 7% of issued share capital of the Company, without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this Scheme shall not in aggregate exceed 30% of the shares in issue from time to time. No option may be granted under this Scheme and any other share option scheme of the Company if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's shares in issue or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

The offer of a grant of share options under the Scheme may be accepted within 28 days from the date of offer upon payment of a consideration of HK\$1.00 by the grantee. Options may be exercised at any time and settled by shares immediately from the date of grant of the share options or during the period as notified by the directors at the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

### 32. 以權益結算以股份為基礎之交易

#### 於二零零七年一月八日之購股權計劃

本公司購股權計劃乃根據二零零七年一月八日通過之決議案採納（「舊購股權計劃」），主要目的為提供獎勵予董事及合資格僱員及對其重大貢獻作出認同，計劃於二零一七年一月三十一日屆滿。根據舊購股權計劃，董事會可全權酌情將購股權授予其認為對本集團有貢獻之全職僱員、董事（包括獨立非執行董事）及每週工作小時為10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人，以及任何本集團之顧問（專業或其他）或顧問、經銷商、供應商、代理人、顧客、合資夥伴及服務供應商。

在未經本公司股東事先批准前，根據計劃可授出之購股權所涉及之股份總數，不得超過本公司股份於聯交所上市之日已發行股份10%，即164,300,000股（超額配股部分除外）或佔本公司已發行股本之7%。行使根據計劃授出但有待行使之所有尚未行使購股權而發行之股份之最高數目，總數不得超過於任何時間已發行股份30%。倘超出該限額者，將不會按計劃或本公司任何其他購股權計劃授出購股權。在未經本公司股東事先批准前，於任何一個年度向任何個別人士授出或可能授出之購股權所涉及之已發行或將發行股份數目，不得超過本公司於任何時間已發行股份1%。倘授予主要股東或獨立非執行董事之購股權所涉及之股份數目超過本公司已發行股份0.1%或總值超過5,000,000港元，必須獲本公司股東事先批准。

提呈根據計劃授出購股權可於提呈日期起之28日內接納，承授人須在接納時支付代價1.00港元。購股權可於授出購股權當日起，或由董事所通知之期間隨時行使並以股份結算。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i)於授出日期本公司股份之收市價；(ii)緊接授出日期前五個交易日之股份平均收市價；及(iii)本公司股份面值。

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## 綜合財務報表附註

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### 32. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### Share option scheme on 16 June 2017

Pursuant to the ordinary resolution passed on 16 June 2017, the Company adopted another share option scheme (the "New Share Option Scheme") for, amongst others, the senior management and employees, which serves as incentives or rewards to attract, retain and motivate staff. The New Share Option Scheme will remain valid for a period of 10 years commencing on 21 June 2017 (save that the Company, by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme). Under the New Share Option Scheme, the Board may grant options to all full-time employees, directors (including independent non-executive directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

The total number of shares in respect of which options may be granted under the New Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of adoption of the New Share Option Scheme (namely, 233,877,250 shares, representing approximately 8.14% of the Company's issued shares as at the date of this annual report), without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme or any other share option scheme of the Company shall not in aggregate exceed 30% of the shares of the Company in issue from time to time. No option may be granted under the New Share Option Scheme if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and to be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at the date of grant, without prior approval from the Company's shareholders. The grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates requires the approval of the independent non-executive directors (excluding an independent non-executive Director who is the grantee of the share options). Options granted in any 12-month period to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates representing in aggregate more than 0.1% of the Company's shares in issue at the date of grant or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

### 32. 以權益結算以股份為基礎之交易 (續)

於二零一七年六月十六日之購股權計劃根據於二零一七年六月十六日通過之普通決議案，本公司為（其中包括）高級管理層及僱員採納另一購股權計劃（「新購股權計劃」），作為吸引、挽留及激勵員工的獎勵或回報。新購股權計劃將自二零一七年六月二十一日起十年期間維持有效，除非本公司於股東大會上藉普通決議案或董事會可隨時終止新購股權計劃的運作。根據新購股權計劃，董事會可全權酌情將購股權授予其認為對本集團有貢獻之全職僱員、董事（包括獨立非執行董事）及每週工作小時為10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人，以及任何本集團之顧問（專業或其他）或專家顧問、分銷商、供應商、代理人、客戶、合營企業合夥人、服務供應商。

在未經本公司股東事先批准前，根據新購股權計劃可授出之購股權所涉及之股份總數，不得超過本公司採納新購股權計劃之日已發行股份10%（即233,877,250股，於本年報日期約佔本公司已發行股份數的8.14%）。行使根據新購股權計劃及本公司任何其他購股權計劃已授出但有待行使的所有尚未行使購股權時可予發行的股份數目上限總數合共不得超過於任何時間本公司已發行股份30%。倘超出該限額者，將不會按新購股權計劃授出購股權。在未經本公司股東事先批准前，於任何12個月期間內向任何個別人士授出或將予授出之購股權所涉及之已發行或將發行股份數目，不得超過本公司於授出日期已發行股份1%。向董事、最高行政人員或主要股東或彼等各自的任何聯繫人授出購股權必須獲獨立非執行董事（不包括身為購股權承授人的獨立非執行董事）批准。倘於任何12個月期間內授予主要股東或獨立非執行董事或彼等各自的任何聯繫人之購股權所涉及之股份數目超過本公司於授出日期已發行股份0.1%或總值超過5,000,000港元，必須獲本公司股東事先批准。

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### 32. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### Share option scheme on 16 June 2017 (Continued)

Upon acceptance of the share option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. A share option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, provided that such period of time shall not be more than ten years from the date of grant. The New Share Option Scheme does not specify a minimum period for which a share option must be held nor a performance target which must be achieved before a share option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of a share option. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the offer date which must be a business day, (ii) the average closing price of the Company's shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

#### Movements of Share options granted/exercised

At 31 December 2018, a total of 223,400,000 shares (representing approximately 7% of the existing issued share capital at 31 December 2018 of the Company) may be issued upon exercise of all share options which were granted under the New Share Option Scheme. The weighted average remaining contractual life is 4.4 years.

No vesting period or vesting condition on the share options and the share options may be exercised at any time from the date of grant and within a period of five years from the date of grant.

At 31 December 2017, no share options was granted by the Company under the New Share Option Scheme.

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

### 32. 以權益結算以股份為基礎之交易 (續)

#### 於二零一七年六月十六日之購股權計劃 (續)

在接納購股權後，承授人將須支付1.00港元予本公司作為授出代價。購股權可於由董事會釐定並通知各承授人之有關期限內根據新購股權計劃的條款隨時行使，惟該等期限不得遲於授出日期後十年。新購股權計劃並無規定於購股權可獲行使前必須持有購股權的最低期限或必須達成之業績目標。然而，董事會可能會全權酌情釐定有關條款，並為授出購股權設定其他限制。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i)於要約日期（須為交易日）本公司股份之收市價；(ii)緊接要約日期前五個交易日之本公司股份平均收市價；及(iii)本公司股份面值。

#### 已授出／獲行使之購股權變動

於二零一八年十二月三十一日，本公司可能於行使根據新購股權計劃授出的所有購股權時發行合共223,400,000股股份（佔本公司於二零一八年十二月三十一日現有已發行股本約7%）。加權平均餘下合約年期為4.4年。

自授出日期及自授出日期後五年期間內之任何時間，概無購股權之歸屬期或歸屬條件以及購股權可予行使。

於二零一七年十二月三十一日，本公司概無根據新購股權計劃授出任何購股權。

每份購股權給予持有人認購一股本公司普通股，並以股份全數結算之權利。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 32. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

##### Movements of Share options granted/exercised (Continued)

i) The number and weighted average exercise prices of share options are as follows:

Outstanding at beginning of the year	年初尚未行使	-	-
Granted during the year	年內授出	HK\$0.33港元	233,400,000
Exercised during the year (note (i))	年內行使 (附註(i))	HK\$0.33港元	195,100,000
Outstanding at end of the year	年末尚未行使	HK\$0.33港元	38,300,000
Exercisable at the end of the year	年末可予行使	HK\$0.33港元	38,300,000

Note:

i) During the year ended 31 December 2018, the weighted average closing market price of the Company's shares immediately before the respective dates on which the share option were exercised was HK\$0.39.

##### ii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Binomial Model. The contractual life of the share option is used as an input into this model.

#### 32. 以權益結算以股份為基礎之交易 (續)

##### 已授出/獲行使之購股權變動 (續)

i) 購股權數目及加權平均行使價如下:

2018 二零一八年		2017 二零一七年	
Weighted average exercise price 加權平均行使價	Number of options 購股權數目	Weighted average exercise price 加權平均行使價	Number of options 根據購股權發行股份數目
-	-	HK\$0.32港元	164,000,000
HK\$0.33港元	233,400,000	-	-
HK\$0.33港元	195,100,000	HK\$0.32港元	164,000,000
HK\$0.33港元	38,300,000	-	-
HK\$0.33港元	38,300,000	-	-

附註:

i) 於截至二零一八年十二月三十一日止年度，本公司股份緊接各購股權獲行使日期前之加權平均收市價為每股0.39港元。

##### ii) 購股權之公平值及假設

作為已授出購股權回報之已收取服務之公平值乃參考所授購股權之公平值計量。所授購股權之估計公平值則按二項式模型計量。購股權之合約年期乃用作本模式的輸入數據。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

### 32. 以權益結算以股份為基礎之交易 (續)

#### Movements of Share options granted/exercised (Continued)

#### 已授出／獲行使之購股權變動（續）

#### ii) Fair value of share options and assumptions (Continued)

#### ii) 購股權之公平值及假設（續）

		24/5/2018 二零一八年 五月二十四日	30/5/2018 二零一八年 五月三十日
Fair value at measurement date	於計量日期之公平值	HK\$0.05港元	HK\$0.06港元
Share price	股價	HK\$0.32港元	HK\$0.335港元
Exercise price	行使價	HK\$0.32港元	HK\$0.335港元
Expected volatility (expressed as weighted average volatility used in the modelling under Binomial Model)	預期波幅（以於二項式模型所採用加權平均波幅列示）	49.85%	49.68%
Option life (expressed as weighted average life used in the modelling under the Binomial Model)	購股權年期（以於二項式模型所採用加權平均年期列示）	5 years 年	5 years 年
Expected dividends	預期股息	Nil 零%	Nil 零%
Risk-free interest rate	無風險利率	2.188%	2.073%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃根據歷史波幅（根據購股權加權平均剩餘年期計算）計算，並根據公開可用資料就未來波幅預期變動做出調整。預期股息乃根據過往股息計算。主觀的輸入數據假設變動或會對公平值估計產生重大影響。

In the opinion of the directors of the Company, these share options were granted to the employees, directors of the Company for recognising their services to the Group, and certain share options were granted to consultants for rendering miscellaneous services to the Group. Since the services provided by consultants are such unique that the fair value cannot be reliably measured, the services received are measured by reference to the fair value of share option granted.

本公司董事認為，該等購股權已授予本公司之僱員及董事，作為對其向本集團提供服務之認可，並授予向本集團提供雜項服務之諮詢人若干購股權。由於諮詢人提供之服務為特定，其公平值無法可靠計量，故所提供服務參照所授出購股權之公平值計量。

The Group recognised the total expense of approximately RMB10,481,000 during the year ended 31 December 2018 (2017: RMB Nil) in relation to share options granted by the Company.

本集團確認截至二零一八年十二月三十一日止年度與本公司授出的購股權有關的總開支約人民幣10,481,000元（二零一七年：人民幣零元）。

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### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

#### 33. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2018 and 2017 not provided for in the financial statements were as follows:

Contracted for	已訂約
- Acquisition of intangible assets	- 收購無形資產
- Acquisition of a subsidiary	- 收購一間附屬公司
- Purchase of property, plant and equipment	- 購買物業、廠房及設備
- Capital injection in an associate	- 注資一間聯營公司

#### 33. 資本承擔

已於二零一八年及二零一七年十二月三十一日並未於財務報表內計提的尚未償還資本承擔如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
8,100	8,100
7,650	-
12,395	-
9,800	-
<b>37,945</b>	<b>8,100</b>

#### 34. OPERATING LEASE COMMITMENTS

##### The Group as lessee

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The Group leases office premises under operating leases. The leases typically run for an initial period of one to three years with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

Significant leasing arrangements in respect of land under operating leases are described in note 17.

#### 34. 經營租約承擔

##### 本集團作為承租人

於二零一八年十二月三十一日，在下列年期應付的不可撤銷經營租約下之未來最低租金總額如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
896	1,387
160	478
<b>1,056</b>	<b>1,865</b>

本集團根據經營租約租賃辦公室物業。租賃一般初步為期一年至三年，可選擇在所有條款重新磋商下續新租約。概無租約包括或然租金。

有關根據經營租約持有之土地之重大租賃安排披露於附註17。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. EMPLOYEE RETIREMENT BENEFITS

#### Defined contribution scheme

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

The Group also participates in a state-managed scheme. The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The PRC subsidiaries are required to contribute a specified percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

### 36. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following significant transactions with related parties during the year:

- a) As at 31 December 2016, included in other receivables was amount due from a related party of RMB2,540,000. The related party is the key management personnel of a subsidiary of the Group. The amount due was fully impaired during the year ended 31 December 2017.
- b) **Key management personnel remuneration**  
Remuneration for key management personnel of the Group, representing amounts paid to the Company’s directors as disclosed in note 11 and certain of the highest paid employees as disclosed in note 12, is as follows:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Post-employment benefits	離職後福利
Share-based payments	以股份為基礎之付款

### 35. 僱員退休福利

#### 定額供款計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例保障的僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃是一項由獨立信託人管理的定額供款退休計劃。根據強積金計劃，僱主和僱員均須按僱員的有關收入（每月上限為30,000港元）的5%向計劃作出供款。所有供款即時歸屬僱員。

本集團亦參與國家管理的計劃。本集團的中國附屬公司之僱員是中國政府設立之國家管理退休福利計劃之成員。中國附屬公司須按僱員工資之特定百分比向退休福利計劃供款以提供退休福利。本集團就退休福利計劃須履行之責任僅為作出特定之供款。

### 36. 重大關連人士交易

除該等財務報表其他地方披露之交易及結餘外，本集團年內與關連人士訂立之重大交易如下：

- a) 於二零一六年十二月三十一日，於其他應收款中之應收關連人士款項為人民幣2,540,000元。此關連人士為本集團一間附屬公司之主要管理人員。應收款項於截至二零一七年十二月三十一日止年度悉數減值。
- b) **主要管理人員薪酬**  
本集團的主要管理人員薪酬（即支付予附註11所披露之本公司董事及附註12所披露之若干最高薪酬僱員之金額）如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

2,012 1,179

69 -

2,318 -

4,399 1,179

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. DISPOSAL OF SUBSIDIARIES

#### For the year ended 31 December 2018

On 31 October 2018, the Group disposed of Hong Kong Sanai Health Care Products Company Limited ("HK Sanai HCP") and Fuzhou Sanai Pharmaceutical Company Limited\* ("Fuzhou Sanai") where HK Sanai HCP engaged in investment holding and Fuzhou Sanai engaged in investment holding, develop, manufacture, marketing and sales of pharmaceutical products. Both companies did not carried out any business during the year.

### 37. 出售附屬公司

截至二零一八年十二月三十一日止年度於二零一八年十月三十一日，本集團出售香港三愛保健品有限公司（「香港三愛保健品」）及福州三愛藥業有限公司（「福州三愛」），其中香港三愛保健品從事投資控股，而福州三愛從事投資控股、醫藥產品開發、製造、營銷及銷售。該兩間公司於年內均未開展任何業務。

		2018 二零一八年 RMB'000 人民幣千元
Consideration received in cash and cash equivalents	已收取代價（現金及現金等價物）	118
Total consideration received	已收取總代價	118
<b>Analysis of assets and liabilities over which control was lost</b>	<b>已喪失控制權之資產及負債分析</b>	
<i>Current assets</i>	<i>流動資產</i>	
Other receivables	其他應收款項	80
Cash and cash equivalents	現金及現金等價物	25,142
<i>Current liabilities</i>	<i>流動負債</i>	
Amount due to group companies	應付集團公司款項	(189,649)
Other payables	其他應付款項	(4,879)
Current taxation	即期稅項	(988)
Secured bank loans	有抵押銀行貸款	(45,306)
Net liabilities disposed of	已出售之負債淨值	(215,600)
Release of reserves upon disposal	出售時撥回儲備	19,105
		(196,495)
<b>Gain on disposal of subsidiaries</b>	<b>出售附屬公司之收益</b>	
Consideration receivable	應收代價	118
Net liabilities disposed of	已出售之負債淨值	215,600
Release of reserves upon disposal	出售時撥回儲備	(19,105)
Gain on disposal	出售收益	196,613
The gain on disposal is included in the loss for the year.	出售收益包括於本年度虧損內。	
<b>Net cash outflow on disposal of subsidiaries</b>	<b>出售附屬公司時產生之現金流出淨額</b>	
Consideration received in cash and cash equivalents	已收取代價（現金及現金等價物）	118
Less: Cash and cash equivalent balances disposed of	減：已出售之現金及現金等價物結餘	(25,142)
		(25,024)

\* The English name is presented for identification purposes only.

\* 英文名稱僅供識別。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. DISPOSAL OF SUBSIDIARIES (Continued)

#### For the year ended 31 December 2017

On 21 December 2017, the Group disposed of 福建省三愛醫藥貿易有限公司 (“三愛醫藥貿易”) which engaged in marketing and sales of pharmaceutical products. 三愛醫藥貿易 did not carried out any business during the year.

### 37. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度於二零一七年十二月三十一日，本集團出售福建省三愛醫藥貿易有限公司(「三愛醫藥貿易」)，其主要從事醫藥產品營銷及銷售。三愛醫藥貿易於年內並無進行任何業務。

		2017 二零一七年 RMB'000 人民幣千元
Consideration received in cash and cash equivalents	已收取代價(現金及現金等價物)	-
Total consideration received	已收取總代價	-
<b>Analysis of assets and liabilities over which control was lost</b>	<b>已喪失控制權之資產及負債分析</b>	
<i>Current assets</i>	<i>流動資產</i>	
Other receivables	其他應收款項	34
Amount due from group company	應收集團公司款項	31,600
<i>Non-current assets</i>	<i>非流動資產</i>	
Property, plant and equipment	物業、廠房及設備	6
Net assets disposed of	已出售之資產淨值	31,640
Release of reserves upon disposal	出售時撥回儲備	(786)
		<u>30,854</u>
<b>Gain on disposal of a subsidiary</b>	<b>出售一間附屬公司之收益</b>	
Consideration receivable <sup>#</sup>	應收代價 <sup>#</sup>	-
Waiver of amount due to a subsidiary	應付一間附屬公司款項之免除	31,600
Net assets disposed of	已出售之資產淨值	(31,640)
Release of reserves upon disposal	出售時撥回儲備	786
Gain on disposal	出售收益	<u>746</u>
The gain on disposal is included in the loss for the year.	出售收益包括於本年度虧損內。	
<b>Net cash inflow on disposal of a subsidiary</b>	<b>出售一間附屬公司時產生之現金流入淨額</b>	
Consideration received in cash and cash equivalents	已收取代價(現金及現金等價物)	-
Less: Cash and cash equivalent balances disposed of	減: 已出售之現金及現金等價物	-
		<u>-</u>

<sup>#</sup> The consideration receivable was RMB100.

<sup>#</sup> 應收代價為人民幣100元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

**Non-current assets**  
Investments in subsidiaries

**非流動資產**  
於附屬公司之投資

**Current assets**

Other receivables  
Financial assets at fair value  
through profit or loss  
Cash and cash equivalents

**流動資產**  
其他應收款項  
按公平值計入損益之  
金融資產  
現金及現金等價物

**Current liabilities**

Other payables

**流動負債**  
其他應付款項

**Net current assets**

**流動資產淨值**

**Net assets**

**資產淨值**

**Capital and reserves**

Share capital  
Reserves

**資本及儲備**  
股本  
儲備

Note  
附註

31(a)

**Total equity**

**總權益**

### 38. 公司層面財務狀況表

**2018**  
二零一八年  
**RMB'000**  
人民幣千元

**2017**  
二零一七年  
**RMB'000**  
人民幣千元

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Non-current assets</b>		
Investments in subsidiaries	76	76
<b>Current assets</b>		
Other receivables	234,059	135,936
Financial assets at fair value through profit or loss	6,387	-
Cash and cash equivalents	179	49,343
<b>Current liabilities</b>		
Other payables	4,829	2,476
<b>Net current assets</b>	235,796	182,803
<b>Net assets</b>	235,872	182,879
<b>Capital and reserves</b>		
Share capital	28,601	27,009
Reserves	207,271	155,870
<b>Total equity</b>	235,872	182,879

### 39. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- i) On 28 March 2019, the Group entered into an agreement with an independent third party (the "1st Vendor"), that the 1st Vendor agreed to sell, and the Group agreed to acquire, the entire equity interest of Fujian Zhixin Medicine Company Limited at a consideration of RMB2,000,000. The acquisition is not yet completed as at the date of this report.
- ii) On 28 March 2019, the Group entered into an agreement with an independent third party (the "2nd Vendor"), that the 2nd Vendor agreed to sell, and the Group agreed to acquire, the entire equity interest of Zentrogene Bioscience Laboratory Limited at a consideration of HK\$19,500,000. The acquisition is not yet completed at the date of this report.

### 39. 於報告期間後未經調整之事項

- i) 於二零一九年三月二十八日，本集團與獨立第三方（「第一賣方」）訂立協議，據此，第一賣方同意出售，而本集團同意收購福建至信醫藥有限公司全部股權，代價為人民幣2,000,000元。該收購事項於本報告日期尚未完成。
- ii) 於二零一九年三月二十八日，本集團與獨立第三方（「第二賣方」）訂立協議，據此，第二賣方同意出售，而本集團同意收購Zentrogene Bioscience Laboratory Limited全部股權，代價為19,500,000港元。該收購事項於本報告日期尚未完成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

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

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 40. 截至二零一八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響

本集團尚未提早採納以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港（國際財務報告詮釋委員會）第23號	所得稅處理的不確定性 <sup>1</sup>
香港財務報告準則第3號（修訂本）	業務的定義 <sup>4</sup>
香港財務報告準則第9號（修訂本）	具有反向補償的提前還款特徵 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司及合資公司之間的資產出售或注入 <sup>3</sup>
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 <sup>5</sup>
香港會計準則第19號（修訂本）	計劃修訂、縮減或結算 <sup>1</sup>
香港會計準則第28號（修訂本）	於聯營公司及合營企業的長期權益 <sup>1</sup>
香港財務報告準則（修訂本）	二零一五年至二零一七年週期之香港財務報告準則年度改進 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效

<sup>3</sup> 於將予釐定日期或之後開始之年度期間生效

<sup>4</sup> 對收購日期於二零二零年一月一日或其後開始之首個年度期間開始或其後之業務合併及資產收購生效

<sup>5</sup> 於二零二零年一月一日或之後開始之年度期間生效

除下述新訂及經修訂香港財務報告準則外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見未來不會對綜合財務報表產生重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

#### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised assets and the related finance lease liabilities for finance lease arrangement where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying asset would be presented if they were owned.

### 40. 截至二零一八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響 (續)

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號就識別租賃安排及出租人和承租人之會計處理引入全面模式。香港財務報告準則第16號將於生效時取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別之資產是否由客戶控制而區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異從承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，其後按成本（除若干豁免外）減累計折舊及減值虧損計量，經就任何重新計量之租賃負債作出調整。租賃負債初步按於當日尚未支付租賃付款之現值計量。其後，租賃負債經就（其中包括）利息及租賃付款以及租賃修改之影響作出調整。就現金流量分類而言，本集團現時呈列先期預付租賃款項作為有關自用租賃土地及該等分類為投資物業的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債的租賃付款將分配至本金及利息部分，並將分別呈列為本集團融資現金流量。

根據香港會計準則第17號，本集團已就本集團作為承租人的融資租賃安排確認資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，視乎本集團是否單獨或於倘擁有資產時將予以呈列相應有關資產的同一項目內呈列使用權資產而定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

#### HKFRS 16 Leases (Continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$1,056,000 as disclosed in note 34. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon the application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$273,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets. Accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use deposits. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 Determining whether an Arrangement Contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

### 40. 截至二零一八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響 (續)

香港財務報告準則第16號「租賃」(續)除若干亦適用於出租人的規定外，香港財務報告準則第16號實質上沿用香港會計準則第17號的出租人會計規定，且繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更詳盡披露。

如附註34所披露，於二零一八年十二月三十一日，本集團不可撤銷經營租賃承擔為1,056,000港元。初步評估表明，該等安排將符合租賃的定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，惟其符合低價值或短期租賃。

此外，本集團現時認為已付可退回租賃按金273,000港元為租賃項下的權利及義務，適用於香港會計準則第17號。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用相關資產權利有關的付款，因此，該等按金的賬面值可予調整至攤銷成本。已付可退回租賃按金的調整乃被視為額外租賃付款並會計入使用權資產的賬面值。已收可退回租金按金的調整將會被視為預付租賃付款。

應用新規定可能導致如上文所述之計量、呈列及披露變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港（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」識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留虧損的累計影響，而並無重列比較資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

#### HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

#### Amendments to HKFRS 9 Prepayment Features with Negative Compensation

The amendments clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest on the principal amount outstanding ("SPPI") condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason i.e. prepayment features with negative compensation do not automatically fail SPPI.

#### Amendments to HKFRSs Annual Improvements to HKFRSs 2015-2017 Cycle

The annual improvement packages amended the following four standards.

#### HKAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

### 40. 截至二零一八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響 (續)

#### 香港(國際財務報告詮釋委員會)－詮釋第23號所得稅處理之不確定性

香港(國際財務報告詮釋委員會)－詮釋第23號載列存在所得稅處理之不確定性時釐定會計稅務狀況之方式。該詮釋規定實體釐定是否應單獨或整體評估不確定之稅務狀況；並評估稅務機構是否可能接納實體於其所得稅申報時使用或建議使用之不確定稅項處理。

#### 香港財務報告準則第9號(修訂本)，具有反向補償的提前還款特徵

該修訂本澄清就評估提前還款特徵是否符合就未償還本金的純粹本金及利息付款(「SPPI」)標準，而行使選擇權之一方可就提前還款支付或收取合理賠償金額，而不論以何種理由，如具有反向補償的提前還款特徵自動符合SPPI標準。

#### 香港財務報告準則修訂本，二零一五年至二零一七年週期之香港財務報告準則年度改進

年度改進方案修訂以下四項準則。

#### 香港會計準則第12號，所得稅

該修訂本澄清，實體應按照該實體原先確認產生可分派溢利的交易的方式於損益、其他全面收益或權益確認股息的所得稅後果，不論適用於已分派及未分派溢利的稅率是否有所不同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

#### HKAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

#### HKFRS 3 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

#### HKFRS 11 Joint Arrangement

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its previously held interest in the joint operation.

### 40. 截至二零一八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響(續)

#### 香港會計準則第23號，借貸成本

該修訂本澄清，倘在相關資產達到預定用途或銷售狀態後仍有特定借貸尚未償還，則在計算一般借貸的資本化比率時，其成為實體一般借入的借貸一部分。

#### 香港財務報告準則第3號，業務合併

該修訂本澄清當實體取得屬共同經營業務的控制權時，實體應用分階段完成業務合併的規定，包括按公平值重新計量先前於共同經營業務所持有的權益。重新計量的先前權益包括任何與共同經營業務有關的未確認資產、負債及商譽。

#### 香港財務報告準則第11號，共同安排

該修訂本澄清於參與（但並非擁有共同控制權）為一項業務的共同經營的一方隨後取得共同經營業務的共同控制權時，實體先前持有共同經營業務的權益不會重新計量。

# Five-Year Financial Summary

## 五年財務概要

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	549,625	555,652	263,025	62,534	64,123
Cost of sales	銷售成本	(431,601)	(436,045)	(245,062)	(119,311)	(64,475)
Gross profit/(loss)	毛利/(虧)	118,024	119,607	17,963	(56,777)	(352)
Other income	其他收益	1,846	1,978	14,196	1,803	207,568
Net gain/(loss) on disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備淨收益/(虧損)	-	35,003	(7)	-	32,458
Distribution costs	分銷成本	(63,789)	(44,112)	(15,478)	(4,739)	(799)
Administrative expenses	行政費用	(48,299)	(52,660)	(82,781)	(39,528)	(58,896)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	(44,775)	-	(316,841)	(683,326)	(146,001)
Impairment loss on land use rights	土地使用權減值虧損	(3,225)	-	(15,261)	(27,558)	(1,197)
Impairment loss on intangible asset	無形資產減值虧損	-	-	-	(3,121)	-
Impairment loss on goodwill	商譽減值虧損	-	-	-	(107,055)	-
Impairment loss on due from an associate	應收一間聯營公司款減值虧損	-	-	-	(89,915)	-
Impairment loss on investment in an associate	於一間聯營公司投資減值虧損	-	-	-	(4,795)	-
Impairment loss on trade receivables	貿易應收款項減值虧損	-	-	-	-	(972)
Impairment loss on other receivable	其他應收款項減值虧損	-	-	-	(2,540)	(189,649)
Written off on property, plant and equipment	物業、廠房及設備撇銷	-	-	(89,931)	(66)	-
Written off on inventory	存貨撇銷	-	-	(13,036)	(4,544)	(9,877)
Finance costs	財務成本	(978)	(2,241)	(2,117)	(12,695)	(15,975)
Share of results of an associate	應佔聯營公司業績	-	-	(105)	-	-
(Loss)/profit before tax	除稅前(虧損)/溢利	(41,196)	57,575	(503,398)	(1,034,856)	(183,692)
Income tax	所得稅	(2,833)	(16,372)	107,140	(116,888)	(46,063)
(Loss)/profit for the year	年內(虧損)/溢利	(44,029)	41,203	(396,258)	(1,151,744)	(229,755)
Attributable to: Owners of the Company	下列人士應佔: 本公司擁有人	(44,029)	41,203	(396,258)	(1,151,744)	(229,755)
Dividends paid	已付股息	-	-	-	-	-
(Loss)/earnings per share - Basic and diluted	每股(虧損)/盈利 - 基本及攤薄	RMB(2.6) cents 人民幣(2.6)分	RMB2.4 cents 人民幣2.4分	RMB(20.0) cents 人民幣(20.0)分	RMB(47.8) cents 人民幣(47.8)分	RMB(7.7) cents 人民幣(7.7)分

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 December 於十二月三十一日				
		2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total assets	總資產	1,584,042	1,694,932	1,388,287	531,052	365,730
Total liabilities	總負債	(132,655)	(149,467)	(149,870)	(311,827)	(294,203)
Net assets	資產淨值	1,451,387	1,545,465	1,238,417	219,225	71,527



Sanai Health Industry Group Company Limited  
三愛健康産業集團有限公司