

Annual Report 年報
2019



CONTENTS

目 錄

Corporate Information	2	公司資料
Corporate Profile	4	公司簡介
Financial Highlights	7	財務概要
Five-Year Financial Summary	9	五年財務摘要
Chairman's Statement	11	主席報告
Management Discussion and Analysis	18	管理層討論及分析
Directors and Key Personnel Profiles	34	董事及主要人員履歷
Report of the Directors	47	董事會報告
Corporate Governance Report	72	企業管治報告
Independent Auditor's Report	83	獨立核數師報告
Consolidated Statement of Profit or Loss	95	綜合損益表
Consolidated Statement of Profit or Loss and Other Comprehensive Income	96	綜合損益及其他全面收益表
Consolidated Statement of Financial Position	97	綜合財務狀況表
Consolidated Statement of Changes in Equity	99	綜合權益變動表
Consolidated Statement of Cash Flows	101	綜合現金流量表
Notes to the Consolidated Financial Statements	104	綜合財務報表附註



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Lee Siu Fong (*Chairman*)
Ms. Leelalertsuphakun Wanee (*Managing Director*)
Dr. Li Xiaoyi (*Chief Executive Officer*)

Non-executive Director

Mr. Simon Miles Ball

Independent Non-executive Directors

Dr. Chan Yau Ching, Bob
Mr. Lam Yat Cheong
Dr. Tsim Wah Keung, Karl

COMPANY SECRETARY

Mr. Chow Yiu Ming

AUDIT COMMITTEE

Dr. Chan Yau Ching, Bob (*Chairman*)
Mr. Lam Yat Cheong
Dr. Tsim Wah Keung, Karl

REMUNERATION COMMITTEE

Dr. Tsim Wah Keung, Karl (*Chairman*)
Ms. Leelalertsuphakun Wanee
Dr. Chan Yau Ching, Bob

AUDITOR

HLM CPA LIMITED
Certified Public Accountants

董事會

執行董事

李小芳女士(主席)
李燁妮女士(董事總經理)
李小羿博士(行政總裁)

非執行董事

Simon Miles Ball先生

獨立非執行董事

陳友正博士
林日昌先生
詹華強博士

公司秘書

鄒耀明先生

審核委員會

陳友正博士(主席)
林日昌先生
詹華強博士

薪酬委員會

詹華強博士(主席)
李燁妮女士
陳友正博士

核數師

恒健會計師行有限公司
(香港執業會計師)

LEGAL ADVISERS

King & Wood Mallesons (*Hong Kong law*)
Beijing Wuhuan Law Firm (*PRC law*)

REGISTERED OFFICE

P.O. Box 309 GT, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands

PLACE OF BUSINESS IN HONG KONG

1/F, Building 20E, Phase 3
Hong Kong Science Park, Shatin
Hong Kong

HONG KONG 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

AUTHORISED REPRESENTATIVES

Ms. Lee Siu Fong
Dr. Li Xiaoyi

WEBSITE

www.leespharm.com

STOCK CODE

950

法律顧問

金杜律師事務所(香港法律)
北京五環律師事務所(中國法律)

註冊辦事處

P.O. Box 309 GT, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands

香港營業地點

香港
沙田香港科學園
第三期20E大樓一樓

香港股份過戶登記處

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

法定代表

李小芳女士
李小羿博士

網站

www.leespharm.com

股份代號

950

Corporate Profile

公司簡介

Lee's Pharmaceutical Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**", Hong Kong stock code: 950) is a research-driven and market-oriented biopharmaceutical company with more than 25 years of operation in the pharmaceutical industry in the People's Republic of China (the "**PRC**" or "**China**").

The Group is fully integrated with solid infrastructures in drug development, clinical development, regulatory, manufacturing, sales and marketing based in Mainland China with global perspectives. The Group has established extensive partnerships with over 20 international companies and currently markets 23 proprietary and licensed-in pharmaceutical products in Mainland China, Hong Kong, Macau and Taiwan.

The Group focuses on several key disease areas such as cardiovascular, woman health, paediatrics, rare diseases, oncology, ophthalmology, dermatology, obstetrics and urology. It has more than 60 products under different development stages stemming from both internal research and development as well as from the licensing of development, commercialisation, and manufacturing rights from various United States, European and Japanese companies.

The Group carries out its sales and distribution activities in Hong Kong, Macau, Taiwan and Mainland China through Hong Kong and Taiwan offices and branch offices in Guangzhou, Shanghai and Beijing with direct and channel sales network covering most of the provinces and cities in Mainland China, marketing both domestic self-developed products and overseas licensed-in products. Zhaoke Pharmaceutical (Hefei) Company Limited, a subsidiary of the Group, is currently operating the manufacturing plant of the Group located in Hefei, Anhui Province of the PRC, comprising four GMP-compliant workshops for the production of topical gel, lyophilised powder for injection, small volume parenteral solutions and eye gel. Zhaoke Pharmaceutical (Guangzhou) Limited, a subsidiary of the Group, is currently operating the new manufacturing site in Nansha District, Guangzhou of the PRC which include a complete range of solid dosage production lines for the development and manufacturing of tablets and capsules. Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited, a subsidiary of the Group, is also operating the new manufacturing facilities for the development and manufacturing of various types of ophthalmic products in the Nansha site.

李氏大藥廠控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」，香港股份代號：950)是一家結合研究主導及市場導向的生物醫藥公司，已於中華人民共和國(「中國」)醫藥行業進行逾二十五年的經營活動。

本集團放眼國際並與在中國內地建立的藥品發展、臨床發展、規管、製造及銷售以及市場推廣的穩固建設緊密結合。本集團已與逾二十家國際公司建立廣泛合作關係，且目前於中國內地、香港、澳門及台灣推廣二十三種專利及引進醫藥產品。

本集團致力於心血管、婦女保健、兒科、罕見疾病、腫瘤科學、眼科、皮膚科、產科及泌尿科等多個不同重要領域，處於不同開發階段產品有超過六十種，包括來自內部研究及開發及自美國、歐洲及日本公司引進的開發、商品化及生產權。

本集團於香港、澳門、台灣及中國內地透過香港及台灣公司及廣州市、上海市及北京市分公司，覆蓋中國內地大部分省市的直銷及管道銷售網絡進行銷售及分銷活動，推廣國內自行研發的產品及海外引進的產品。本集團附屬公司兆科藥業(合肥)有限公司現時營運本集團位於中國安徽省合肥市的生產廠房，該生產廠房設有四間符合良好作業規範認證的工場，負責生產外用凝膠劑、注射用凍乾粉針劑、小容量注射劑及眼膠。本集團附屬公司兆科藥業(廣州)有限公司現正在中國廣州市南沙區營運新藥廠(包括開發及生產藥片及膠囊的全套固體制劑生產線)。本集團附屬公司兆科(廣州)眼科藥物有限公司亦正在南沙生產基地營運新生產設施，以開發及生產各類眼科產品。

Corporate Profile

公司簡介

The mission of the Company is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life.

本公司的使命乃成為亞洲一間成功的生物醫藥集團，提供創新產品以對抗疾病，改善健康及提高生活質素。

Currently, the Group has the following products in the market:

目前，本集團的下列產品已面市：

	Country of origin 來源地	Market 市場				Medical application 醫藥用途
		Mainland China 中國內地	Hong Kong 香港	Macau 澳門	Taiwan 台灣	
Proprietary products:						
專利產品：						
* Livaracine®	PRC	✓				Blood clots and deep vein thrombosis
* 《立邁青》®	中國					血凝及深部靜脈血栓
Yallaferon®	PRC	✓				Viral infection
《尤靖安》®	中國					病毒感染疾病
* Slounase®	PRC	✓				Hemostasis
* 《速樂涓》®	中國					減少出血
Eyprotor®	PRC	✓				Corneal ulcer
《睿保特》®	中國					角膜潰瘍
Licensed-in products:						
引進產品：						
* Carnitene®	Italy	✓	✓	✓		Carnitine deficiency
* 《可益能》®	意大利					卡尼汀缺乏症
Ferplex®	Spain	✓	✓	✓	✓	Iron deficiency anemia
《菲普利》®	西班牙					缺鐵性貧血
* Zandip®	Italy	✓	✓	✓		Hypertension
* 《再寧平》®	意大利					高血壓
Rasilez®	Italy	✓	✓	✓	✓	Hypertension
《銳思力》®	意大利					高血壓
Aloxi®	France		✓			Chemotherapy induced nausea and vomiting
《Aloxi》®	法國					化療所引起的噁心及嘔吐
Sancuso®	USA	✓				Chemotherapy induced nausea and vomiting
《善可舒》®	美國					化療所引起的噁心及嘔吐
Veloderm®	Italy	✓				Burns and wounds healing
《韋樂迪》®	意大利					皮膚燒傷及損傷

Corporate Profile

公司簡介

	Country of origin 來源地	Market 市場				Medical application 醫藥用途
		Mainland China 中國內地	Hong Kong 香港	Macau 澳門	Taiwan 台灣	
		Gaslon N® 《蓋世龍》®	Japan 日本	✓		
UNIDROX®	Italy		✓	✓		Urinary tract infections and respiratory tract infections 泌尿道感染及呼吸道感染
《UNIDROX》®	意大利					
Levocarnitine oral solution 左卡尼汀口服溶液	Italy 意大利	✓	✓	✓		Primary and secondary carnitine deficiency 原發性及繼發性卡尼汀缺乏症
Mictonorm® 《邁通諾》®	Germany 德國	✓				Urinary incontinence 尿失禁
Trittico® 《Trittico》®	Italy 意大利		✓	✓		Insomnia/Depression 失眠/抑鬱症
Episil® 《益普舒》®	Sweden 瑞典	✓				Oral mucositis pain 口腔黏膜炎疼痛
Dicoflor® 《Dicoflor》®	Italy 意大利	✓	✓	✓		Probiotics 益生菌
VSL#3® 《VSL#3》®	Italy 意大利	✓	✓	✓	✓	Probiotics 益生菌
Zingo™ 《Zingo》™	Hong Kong 香港		✓	✓		Topical local analgesics 局部鎮痛藥
Omacor® 《Omacor》®	Norway 挪威		✓			Omega-3-acid ethyl esters Omega-3酸乙酯
Readyfusor™ 《Readyfusor》™	Germany 德國			✓		Post-operative pain management 術後鎮痛管理

Generic products:

仿製產品：

Treprostinil Injection 曲前列尼爾注射液	PRC 中國	✓				Pulmonary arterial hypertension 肺動脈高壓
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* In the National Drug Reimbursement List of the PRC

* 於中國國家醫保目錄內

Financial Highlights

財務概要

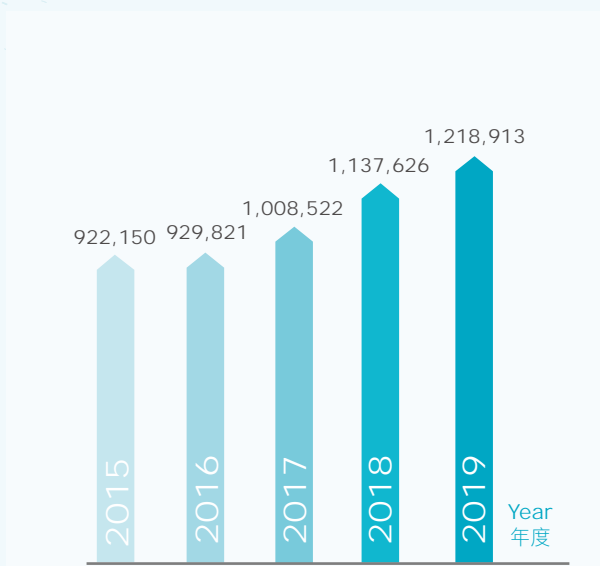
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	Change 變動
Revenue	收益	1,218,913	1,137,626	+7.1%
Profit attributable to the owners of the Company	本公司擁有人應佔溢利	125,553	418,269	-70.0%
Equity attributable to the owners of the Company	本公司擁有人應佔權益	2,295,900	2,210,543	3.9%
		HK cents 港仙	HK cents 港仙	
Earnings per share	每股盈利			
Basic	基本	21.22	70.67	-70.0%
Diluted	攤薄	21.21	70.28	-69.8%
Dividend per share	每股股息			
Interim	中期	1.8	3.4	
Final	末期	3.8	8.4	
Total	總計	5.6	11.8	-52.5%
Dividend payout ratio	股息派付比率	26.4%	16.7%	

Financial Highlights

財務概要

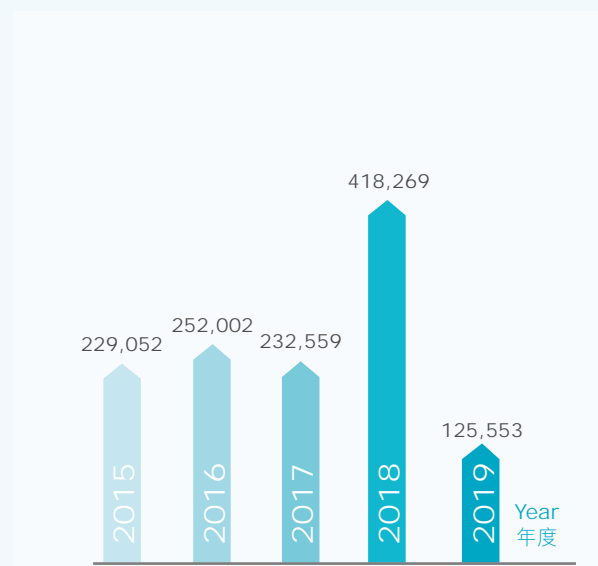
REVENUE (HK\$'000)

收益 (千港元)



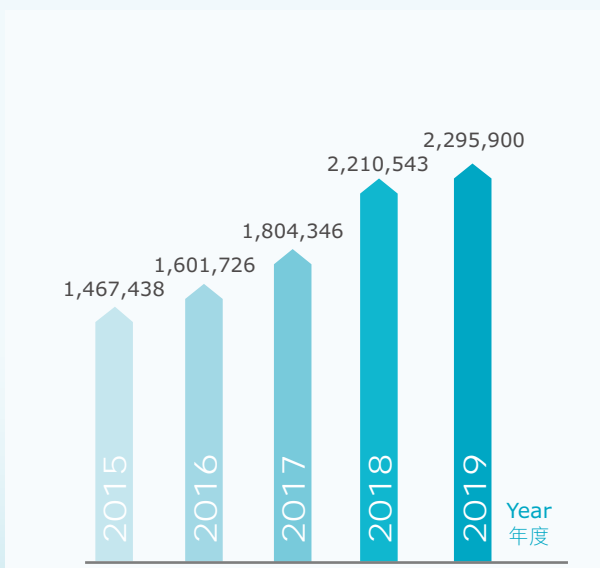
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (HK\$'000)

本公司擁有人應佔溢利 (千港元)



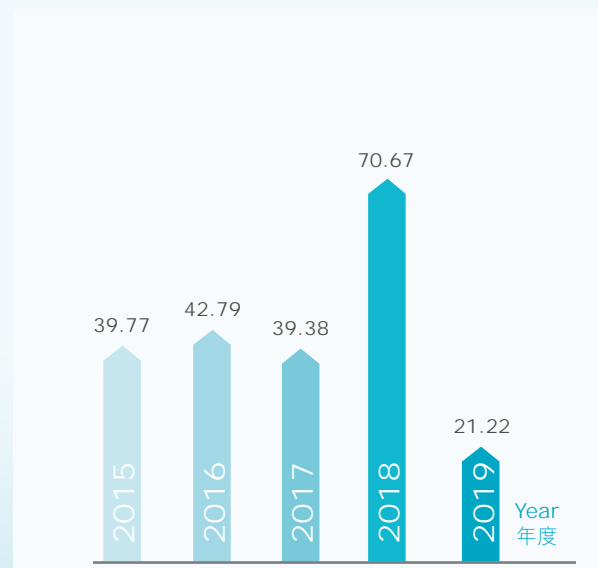
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (HK\$'000)

本公司擁有人應佔權益 (千港元)



BASIC EARNINGS PER SHARE (HK CENTS)

每股基本盈利 (港仙)



Five-Year Financial Summary

五年財務摘要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	1,218,913	1,137,626	1,008,522	929,821	922,150
Cost of sales	銷售成本	(420,657)	(391,255)	(326,118)	(261,586)	(273,986)
Gross profit	毛利	798,256	746,371	682,404	668,235	648,164
Other income	其他收益	75,694	52,069	31,756	48,368	12,194
Other gains and losses, net	其他收益及虧損淨額	(91,680)	239,156	20,753	(26,771)	9,999
Selling and distribution expenses	銷售及分銷費用	(251,759)	(221,740)	(214,150)	(204,225)	(256,465)
Administrative expenses	行政費用	(239,088)	(188,926)	(157,186)	(119,071)	(87,625)
Provision for impairment loss on financial assets, net	財務資產減值虧損撥備淨額	(73)	(6,823)	(1,692)	(224)	(959)
Research and development expenses	研究及開發費用	(149,945)	(153,171)	(85,057)	(67,886)	(38,883)
Profit from operations	經營溢利	141,405	466,936	276,828	298,426	286,425
Finance costs	財務成本	(6,624)	(4,710)	(4,256)	(3,803)	(3,040)
Share of results of associates	分佔聯營公司業績	(11,895)	(15,842)	(14,944)	(12,019)	(29,450)
Profit before taxation	除稅前溢利	122,886	446,384	257,628	282,604	253,935
Taxation	稅項	(59,541)	(56,621)	(54,689)	(50,198)	(40,938)
Profit for the year	本年度溢利	63,345	389,763	202,939	232,406	212,997
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	125,553	418,269	232,559	252,002	229,052
Non-controlling interests	非控股權益	(62,208)	(28,506)	(29,620)	(19,596)	(16,055)
		63,345	389,763	202,939	232,406	212,997

Five-Year Financial Summary

五年財務摘要

FINANCIAL POSITION

財務狀況

		As at 31 December				
		於十二月三十一日				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	2,198,964	2,002,012	1,451,206	1,177,685	1,009,659
Current assets	流動資產	1,441,277	1,004,541	873,318	883,712	841,469
Current liabilities	流動負債	(908,493)	(676,825)	(431,085)	(358,375)	(281,956)
Net current assets	流動資產淨值	532,784	327,716	442,233	525,337	559,513
Non-current liabilities	非流動負債	(254,310)	(91,659)	(96,507)	(68,306)	(52,344)
Net assets	資產淨值	2,477,438	2,238,069	1,796,932	1,634,716	1,516,828
Equity attributable to the owners of the Company	本公司擁有人應佔權益	2,295,900	2,210,543	1,804,346	1,601,726	1,467,438
Non-controlling interests	非控股權益	181,538	27,526	(7,414)	32,990	49,390
Total equity	總權益	2,477,438	2,238,069	1,796,932	1,634,716	1,516,828

Chairman's Statement

主席報告

Dear shareholders,

On behalf of Lee's Pharmaceutical Holdings Limited (the "Company" or "Lee's Pharm", together with its subsidiaries, the "Group") and its board ("Board") of directors ("Directors"), I am pleased to present the annual report of the Company for the year ended 31 December 2019.

2019 was one of the more challenging years for the Group since our inception in 1994. Nevertheless, at Lee's Pharm, as always, we work together as one team to weather the ups and downs.

The start of the year 2019 was full of uncertainty when the trade war between the United States and China entered its second year and the deadline of Brexit was fast approaching. Not only did the global economies had been increasingly weighed down, Renminbi exchange rate was the one of the first to bear the brunt and seven-per-dollar, the once-critical psychological level, was no longer a sacred red line. Despite modest sales growth achieved, the instability in exchange rates throughout the year had posed additional challenges to our profit margin, amid the inflationary pressure in raw material costs and manufacturing and administrative overhead.

As for the pharmaceutical sector in China, the Chinese Government continued to carry out the medical and healthcare reforms during the year under review.

The implementation of centralised bulk procurement regime, which was first launched in November 2018 and represented a potential paradigm shift for business models in the Chinese pharmaceutical industry, has been further expanded from 11 major cities to nationwide since September 2019. Under the new regime, many drug makers have been forced to slash the prices of their off-patent drugs in order to compete with local generics in the bidding. Nevertheless, this wave of consolidation in the industry has also highlighted the prominence of our research and development ("R&D") efforts, as the launching of new products to sustain future growth has become more important than ever.

各位尊敬的股東：

本人謹代表李氏大藥廠控股有限公司(「本公司」或「李氏大藥廠」，連同其附屬公司，「本集團」)及其董事(「董事」)會(「董事會」)，欣然呈列本集團於截至二零一九年十二月三十一日止年度的年度報告。

二零一九年是本集團自一九九四年成立以來極具挑戰性的年度之一。儘管如此，李氏大藥廠一如既往，團隊協作，共同進退。

隨著中美貿易戰進入第二年及英國脫歐最後期限的迫近，二零一九年年初充滿不明朗因素。不僅全球經濟已逐漸下滑，人民幣匯率更首當其衝，一度逼近重要的心理價位(即人民幣七元兌一美元)，已不再是不可僭越的警戒線。儘管銷售增長溫和，但在原材料成本及製造及行政費用的通脹壓力下，年內匯率不穩定對我們的利潤率再增挑戰。

在中國醫藥行業方面，中國政府於回顧年度內繼續進行醫療及保健改革。

自二零一八年十一月首次推行以來，集中批量採購制度的實施代表了中國製藥業商業模式的潛在範式轉變，且自二零一九年九月以來已從11個主要城市進一步擴展到全國。在新制度下，許多藥品生產商被迫削減其非專利藥品的價格，以便在招標中與本地仿製藥競爭。儘管如此，行業的整合浪潮亦突顯了我們研究及開發(「研發」)工作的重要性，推出新產品以維持未來的增長較以往尤為重要。

Chairman's Statement

主席報告

Another important milestone for the Chinese healthcare industry was the new Drug Administration Law (“**DAL**”) passed in August 2019 and came into effect on 1 December 2019. Policies included in the new DAL such as the implementation of the Marketing Authorisation Holder (“**MAH**”) system, 60-workday deadline for the National Medical Products Administration (“**NMPA**”) for the approval of clinical trial application, and other policies accelerating regulatory timelines for innovative products are all positive signs for innovative pharma companies like us.

On the other hand, National Healthcare Security Administration (“**NHSA**”) published the 2019 National Reimbursement Drug List (“**2019 NRDL**”) in August 2019, and came into effect on 1 January 2020, aims at improving the efficiency of using limited medical insurance funds. Under the 2019 NRDL, our major products are remained therein and therefore we should expect to maintain a stable revenue on our existing products over the near to medium term.

We believe it is crucial to bring more new drugs to market at a faster pace. During the year under review and up to date, we continued to make solid progress on our pipeline products including Import Drug License (“**IDL**”) and Abbreviated New Drug Application (“**ANDA**”) submission and new drug approvals. Save for the recent approval of Treprostinil Injection by the NMPA in 18 March 2020, to date, we have 4 applications for IDL and 6 applications for ANDA pending for the review and approval by the Centre for Drug Evaluation (the “**CDE**”).

Drug development is the key process of bringing a new pharmaceutical product to the market. During the year under review, we invested nearly HK\$326 million in R&D, including expensed and capitalised parts, which was equivalent to 26.7% of our annual revenue in 2019, and accelerated our various ongoing clinical development programs to reach the destinations.

中國保健產業的另一項重要里程碑是於二零一九年八月通過並於二零一九年十二月一日生效的新藥管理法(「**新藥管理法**」)。新藥管理法中包含的政策，例如實施銷售許可持有人(「**銷售許可持有人**」)制度、國家藥品監督管理局(「**國家藥監局**」)60個工作日審批臨床試驗申請的政策，以及其他加快創新產品監管時間表的政策，都是對我們這些創新醫藥公司正面及積極的信號。

另一方面，國家醫療保障局(「**國家醫保局**」)於二零一九年八月發佈了二零一九年國家醫保目錄(「**二零一九年國家醫保目錄**」)，並於二零二零年一月一日生效，旨在提高有限醫療保險基金的使用效率。根據二零一九年國家醫保目錄，我們的主要產品仍在其中，因此我們預期現有產品於短期至中期內將維持穩定的收益。

我們認為，以更快的速度將更多新藥推向市場至關重要。於回顧年度內及截至目前為止，我們於研發產品線方面繼續取得穩步進展，包括在進口藥品註冊證(「**進口藥品註冊證**」)、簡化新藥申請(「**簡化新藥申請**」)提交及新藥批准方面。除國家藥監局剛於二零二零年三月十八日批准的曲前列環素注射液，目前為止，我們有4份進口藥品註冊證申請及6份簡化新藥申請正在等待藥品審評中心(「**藥品審評中心**」)的評審及批准。

藥物開發是新醫藥產品推向市場的關鍵過程。於回顧年度內，我們於研發方面投入接近326百萬港元，包括費用化及資本化的部分，相當於我們二零一九年年度收益的26.7%，並加快各項正在實施的臨床開發項目，以期早日達到目標。

Chairman's Statement 主席報告

Failure is always an unwelcome but necessary force that shapes the biotech industry and drives innovation. In our oncology area, we went through difficult times when China Oncology Focus Limited (“**COFL**”)’s PHOCUS study failed to reach the study objective. Nevertheless, we have not relented and have ploughed on with our various oncology clinical programs, including our immune oncology product PD-L1 monoclonal antibody. The encouraging results achieved in our PD-L1 clinical development program, which has been bringing a gleam of hope to the cervical cancer patients enrolled so far, has lifted us up.

In our ophthalmology area, administer under China Ophthalmology Focus Limited (“**COPFL**”), we have successfully completed the Phase II trial of Cyclosporine A (“**CsA**”) Ophthalmic Gel for the treatment of dry eye syndrome (the “**DES**”) and moved one step forward. In addition, the registration enabling Phase III study of our in-house developed Adapalene and Clindamycin combination gel for acne, another project administered by COPFL, has been completed recently and the study objective has been met successfully.

With over 30 approved studies in various stages of development currently in progress, we shall expect more of our pipeline products being moved towards the harvest stage which in turn continued to improve the Group’s longer-term growth potential.

In addition to the traditional direct and channel sales network, to keep abreast of the times, we have set up “Direct-to-Patient” business department during the year under review in order to unlock the potential and create more value from selected products such as Ferplex® and Yallaferon® via new distribution channels such as drug stores and third-party eCommerce portals.

失敗往往令人不悅，但卻是塑造生物技術產業及驅動創新的必要力量。在腫瘤科學領域，當中國腫瘤醫療有限公司(「**COFL**」)的PHOCUS研究項目未能達到研究目標時，我們經歷了困難的時刻。儘管如此，我們並未因此鬆懈，並在多個腫瘤臨床項目上深耕，包括我們的腫瘤免疫產品PD-L1單克隆抗體。我們的PD-L1臨床開發項目取得了令人鼓舞的成果，這為目前已入組的宮頸癌患者帶來了一線希望，我們亦因此振奮。

於 China Ophthalmology Focus Limited (「**COPFL**」)管理的眼科領域，我們已成功完成治療乾眼症(「**乾眼症**」)產品環孢素A(「**環孢素A**」)眼凝膠的II期試驗，並且已經更進一步。此外，由COPFL管理的另一個項目，即我們自主研發阿達帕林及克林霉素複方凝膠的註冊III期臨床研究近期已完成且研究目標已完滿達成。

由於目前有超過30項研究在不同開發階段已獲通過，我們預期將有更多的研發產品線進入收成階段，從而持續提高本集團的長期增長潛力。

除傳統的直銷及管道銷售網絡外，為了與時並進，我們在回顧年度內設立了「藥品直送」業務部門，以釋放特選產品的潛力並創造更多價值，例如通過新的分銷管道(例如藥店及第三方電子商務門戶)銷售《菲普利》®及《尤靖安》®。

Chairman's Statement

主席報告

Our manufacturing capabilities in Nansha and Hefei plants have been well poised. In Nansha site, we have successfully manufactured batch samples in tablets, capsules and liquid capsules for Good Manufacturing Practice (GMP) applications and clinical trials. In Hefei site, we have also completed the upgrading of the Active Pharmaceutical Ingredients (“APIs”) facilities. In addition, during the year under review, we have expanded our manufacturing capabilities from traditional dosage forms such as eye drop and tablet into specialised formulations such as Staccato® system that allow deep lung delivery of drug and oral cytotoxic drug.

Staccato® Fentanyl is a handheld, multi-dose inhaler designed to generate and deliver excipient-free fentanyl aerosol for deep lung delivery to treat cancer break through pain, a highly unmet medical need in China. The drug/device combination is the first opioid product that has abuse-deterred and overdose-prevented features built in. We have obtained the approval to develop and manufacture the product in China by the NMPA. The manufacture facility is erected in our Nansha site that including critical processes such as stripe coating of fentanyl. The clinical study sample has since been produced and test has shown its conformity to specifications. Investigational New Drug (“IND”) submission is expected during the second quarter of 2020. Staccato® system is a drug delivery platform with broad application, and we intend to leverage on our know-how on the manufacturing of Staccato® system to develop additional products.

我們在南沙及合肥工廠的製造能力已經蓄勢待發。在南沙生產基地，我們已成功製造了藥片、膠囊及液體膠囊劑的批次樣品，用於優良藥品製造規範(GMP)申請及臨床試驗。在合肥生產基地，我們亦完成了原料藥(「APIs」)設施的升級。此外，於回顧年度內，我們拓展製造能力，從傳統的劑型(例如滴眼液及藥片)走進特殊的劑型，如Staccato®系統(能夠進行深度的肺部給藥及口服細胞毒性藥物)。

Staccato®芬太尼是一款手持式多劑量吸入器，設計用於產生及輸送無賦形劑的芬太尼氣霧劑，用於深度肺部輸送，以治療癌症引起的疼痛折磨，這在中國是一項高度未獲滿足的醫療需求。該藥物／裝置組合是首款內置了防止濫用及防止過量藥物功能的鴉片類藥物產品。我們已獲得國家藥監局的批准，可以在中國開發及生產該產品。製造工廠設在我們的南沙生產基地，其中包括關鍵工藝，例如芬太尼的條狀塗層。隨後，已生產出臨床研究樣品，測試表明其符合規格。預計將在二零二零年第二季度提交研究性新藥(「研究性新藥」)。Staccato®系統是一個具有用途廣泛的藥物輸送平台，我們計劃利用我們在Staccato®系統製造方面的專業知識來開發其他產品。

Chairman's Statement 主席報告

We firmly believe that having clarity in pharma business from biotech entrepreneurship could bring about additional value to the Group. As a result, we continue to pursue our goal of separating our oncology and ophthalmology businesses and incubating into standalone biotech entities. During the year under review, the nurturing of our ophthalmology R&D arm, namely COPFL, has gradually taken shape following the completion of US\$50 million raised in June 2019, including but not limited to the establishment of ophthalmology specialised scientific advisory board, executive management team and R&D team. Together with the good progress of its clinical development programs, COPFL is ready to move on to the next stage of growth. For our oncology R&D arm, we shall continue to support its ongoing clinical development programs and to seek fundraising opportunity when the time is right.

Despite the stock performance of our investment in Windtree Therapeutics, Inc. (“**Windtree**”) remained sluggish during the year under review, we take a longer term view on this investment. Meanwhile, our development program of a device-drug combination as a treatment for respiratory distress syndrome, namely AEROSURF, in China with Windtree is in good progress. In addition, we have also participated in the private placement of Windtree together with certain investors in Asia and the United States in December 2019 for the purpose to support its initiation of a new clinical study to evaluate Istaroxime in early cardiogenic shock and the listing application to list its common stock on the Nasdaq Capital Market® (“**Nasdaq**”).

我們堅信，通過明確區分生物技術創業及製藥業務可以為本集團帶來更多價值。因此，我們將繼續追求將腫瘤科學及眼科業務分開，並發展為獨立生物技術實體的目標。於回顧年度內，隨著二零一九年六月完成籌集50百萬美元，我們的眼科研發部門COPFL的培育已逐步形成，包括但不限於設立眼科專業科學諮詢委員會，執行管理團隊及研發團隊。連同其臨床開發項目的良好進展，COPFL準備進入下一階段的成長。對於我們的腫瘤科學研發部門，我們將繼續支持其正在進行的臨床開發計劃，並在適當時機尋求集資機會。

儘管於回顧年度內，我們投資Windtree Therapeutics, Inc. (「**Windtree**」) 的股票表現仍然低迷，但我們視其為較長遠投資。同時，我們在中國與Windtree開發的一種用於治療呼吸窘迫綜合症的設備－藥物組合的項目AEROSURF正在進行中。此外，我們還於二零一九年十二月與亞洲及美國的若干投資者一起參與了Windtree的私人配售，以支持其開展新的臨床研究評估Istaroxime在早期心源性休克的應用，以及其普通股在Nasdaq Capital Market® (「**納斯達克**」) 的上市申請。

Chairman's Statement

主席報告

Apart from the non-recurring loss incurred from the discontinuation of the clinical trial of the PHOCUS Study in oncology field, our core operations remained stable during the year under review. In return for our shareholders' support to the Group, the Board recommended a final dividend of 3.8 HK cents per share. Together with the interim dividend of 1.8 HK cents per share, total annual dividend will be amounted to 5.6 HK cents per share. In addition, we have repurchased the Company's shares during the year under review, such amount is equivalent to approximately 3.3 HK cents per share, with a view to benefiting shareholders as a whole by enhancing the earnings per share of the Company.

It was supposedly going to be a good start in 2020 when we have seen more clarity over Brexit emerged following the election won by Boris Johnson's Conservatives, as well as the phase one U.S.-China trade war deal signed. But all of a sudden, the outbreak of a novel coronavirus, now officially named as COVID-19, since January 2020 and now become a pandemic has created great uncertainty for global economy and our business operations in mainland China have been unavoidably affected to a certain extent. Despite the situation, our financial position remains solid and business fundamental remains sound. We shall continue to monitor the further development of the pandemic and market conditions as well as the risks and uncertainties faced by the Group as a result.

Looking ahead, we are cautiously optimistic as we shall have more competent products to be launched in 2020, such as Treprostinil Injection, to drive revenue growth. The approval and launch of a myriad of products in the next couple of years will usher the Group into an exciting and accelerated growth era and transcend the Group into one of the leading specialty pharma companies in China.

除在腫瘤科學領域終止PHOCUS研究項目的臨床試驗所產生的非經常性虧損外，我們的核心業務於回顧年度保持穩定。為回報股東對本集團的支持，董事會建議派付末期股息每股3.8港仙。連同中期股息每股1.8港仙，年度股息總額將為每股5.6港仙。此外，為提高本公司每股盈利從而使股東整體受益，我們於回顧年度內購回了本公司股份，該款項相等於每股約3.3港仙。

隨著鮑里斯·約翰遜領導的保守黨贏得大選，英國脫歐更加明朗，加上中美貿易戰第一階段協議已簽署，二零二零年原本預期開局良好。但自二零二零年一月起，新型冠狀病毒（現正式命名為COVID-19）突如其來，如今已發展成為大流行病，進而給全球經濟帶來了極大的不確定性，我們在中國內地的業務運營不可避免地受到了一定影響程度。儘管該等情況，我們的財務狀況保持穩定，業務基礎亦保持穩健。我們將繼續監測流行病及市場狀況的進一步發展以及由此使本集團面臨的風險及不確定性。

展望未來，我們保持審慎樂觀，因為我們將於二零二零年推出更多療效卓越的產品，例如曲前列尼爾注射液，以推動收益增長。我們將有多項產品會在未來數年取得批准及推向市場，帶領本集團進入令人振奮及加速增長的年代，並推動本集團躋身成為中國領先的專業製藥公司之一。

Chairman's Statement 主席報告

Finally, I would like to take this opportunity to thank to the Board, all our business partners, management and every member of staff for their continual support. We will spare no effort to seek new growth opportunities and to enhance our shareholders' value.

Lee Siu Fong
Chairman

Hong Kong, 26 March 2020

最後，本人謹此機會對董事會同仁、我們所有的業務合作夥伴、管理團隊及各位員工的鼎力支持，逐一致以衷心謝意。我們將竭盡全力尋找新的發展機會，並提高股東的價值。

李小芳
主席

香港，二零二零年三月二十六日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Given the backdrop of the volatile global macro environment, 2019 was the year not without its challenges.

The large population in China and the relatively low healthcare spending as a portion of its gross domestic product (“GDP”) have been continuing to provide the huge growth potential to the pharmaceutical industry, which has also enabled the Group to maintain a modest revenue growth during the year under review. Nevertheless, the trade tension between the U.S. and China as well as the Brexit uncertainty created instability in global economy which in turn affected the world's currency, and unavoidably put the value of Renminbi under pressure. Together with raw material costs, manufacturing costs, and administrative overhead continued to run high and inflation persisted in China, tough commercial conditions remained throughout the year under review.

From the policy and regulatory perspective, Chinese government continued to reshape and balance the affordability and innovation in the industry. During the year under review, the centralised bulk procurement program has been expanded across the country which aim at reducing the cost of generic products. Meanwhile, the new Drug Administrative Law has brought many new rules and practices, such as Marketing Authorisation Holder (“MAH”) system and 60-workday deadline for the National Medical Products Administration (“NMPA”) for the approval of clinical trial application, which focus on the acceleration of the time-to-market of new products. In addition, the new 2019 National Reimbursement Drug List (“2019 NRDL”) that has been published by National Healthcare Security Administration (“NHSA”) highlights the government's effort to support innovation that addresses highly unmet medical needs such as rare disease and malignancy. The Group sees these positive reforms have gradually creating a better environment which encourages its innovation especially for the drugs that address highly unmet medical needs, areas where the Group has committed its research and development (“R&D”) resources.

業務回顧

鑒於全球宏觀環境波動的背景，二零一九年難免面對挑戰。

中國龐大的人口及其醫療支出佔比國內生產總值(「國內生產總值」)而言相對較低，此將繼續為製藥業提供巨大的增長潛力，亦使本集團於回顧年度內得以保持適度的收益增長。儘管如此，中美之間貿易緊張局勢以及英國退歐的不確定性造成了全球經濟的不穩定，進而影響了世界貨幣，並不可避免地使人民幣匯率承壓。加上原材料成本、製造成本及行政管理費用一直居高不下，通貨膨脹在中國持續存在，回顧年內商業環境依然嚴峻。

從政策及監管的角度來看，中國政府繼續重塑及平衡行業的負擔能力及創新。於回顧年度內，集中批量採購計劃已在全國範圍內擴展，旨在降低非專利產品的成本。同時，新的《藥品管理法》帶來了許多新的規則及做法，例如藥品上市許可人(「藥品上市許可人」)機制及國家藥品監督管理局(「國家藥監局」)批准臨床試驗申請的最後期限為60個工作日，其重點是加快新產品的上市時間。此外，國家醫療保障局(「國家醫保局」)已發布了新的二零一九年國家醫保目錄(「二零一九年國家醫保目錄」)，突顯了政府致力於支持針對高度未獲滿足醫療需求比如罕見病及惡性腫瘤方面的創新。本集團看到這些積極的改革已逐漸創造了一個鼓勵創新的更佳環境，特別是針對解決高度未獲滿足醫療需求的藥物方面，這正是集團承諾投放研究及開發(「研發」)資源的領域。

Management Discussion and Analysis

管理層討論及分析

Despite the challenging global macroeconomic and domestic pharmaceutical market environment in 2019, the Group continued to make progress and delivered modest revenue growth. Together with the acceleration in R&D and the upgrade of manufacturing capabilities, the Group has been reshaped into a more efficient organisation with higher growth potential.

Revenue and Profit

During the year under review, the Group's revenue increased by 7.1% from HK\$1,137,626,000 to HK\$1,218,913,000 from the sales of pharmaceutical products. Major six products contributed 93.1% of revenue in 2019, decrease by 0.9 percentage points as compared to that of in 2018. Sales of licensed-in products was HK\$683,286,000 (2018: HK\$618,069,000) and accounted for 56.1% (2018: 54.3%) of the Group's revenue while sales of proprietary products was HK\$535,627,000 (2018: HK\$519,557,000) and contributed 43.9% (2018: 45.7%) of the Group's revenue.

Revenue of licensed-in products sustained double digit growth for another year. Ferplex[®], Zanidip[®] and Remodulin[®] achieved decent revenue growth of 22.0%, 23.8% and 19.7%, respectively, while that of Carnitene[®] remained flat during the year. The Group has recorded revenue growth of 10.6% from its licensed-in products in 2019, decreased by 2.9 percentage points as compared to that of in 2018.

Revenue growths of proprietary products were mixed in 2019. Yallaferon[®] achieved another year of robusting growth in its revenue of 35.3% and surpassed the HK\$150 million mark for the first time. However, overall revenue growth has been dragged down by the underperformance of Livaracine[®] and Slounase[®] during the year under review. The Group has recorded a modest revenue growth of 3.1% from its proprietary products in 2019, decreased by 8.8 percentage points as compared to that of in 2018.

儘管二零一九年全球宏觀經濟及國內醫藥市場環境充滿挑戰，本集團仍繼續取得進展及實現溫和收益增長。連同加快研發及提升生產能力，本集團已重塑為一家更有效率、增長潛力更高的組織。

收益及溢利

於回顧年度內，本集團銷售醫藥產品收益由1,137,626,000港元增加7.1%至1,218,913,000港元。六種主要產品在二零一九年貢獻93.1%的收益，與二零一八年相比下降0.9個百分點。引進產品的銷售額為683,286,000港元（二零一八年：618,069,000港元），佔本集團收入的56.1%（二零一八年：54.3%），而專利產品的銷售額為535,627,000港元（二零一八年：519,557,000港元），佔本集團收益的43.9%（二零一八年：45.7%）。

引進產品今年繼續錄得雙位數增長。《菲普利》[®]、《再寧平》[®]及《瑞莫杜林》[®]錄得不錯的收益增長，分別為22.0%、23.8%及19.7%，而《可益能》[®]在本年內則保持平穩。本集團在二零一九年的引進產品收益增長10.6%，與二零一八年相比下降了2.9個百分點。

於二零一九年，專利產品收入增長喜憂參半。《尤靖安》[®]今年繼續錄得強勁收益增長35.3%，首次超過150百萬港元。然而，《立邁青》[®]及《速樂涓》[®]於回顧年度內表現欠佳，拖累了整體收入增長。於二零一九年，本集團專利產品錄得收益小幅增長3.1%，較二零一八年下降8.8個百分點。

Management Discussion and Analysis

管理層討論及分析

Overall gross profit margin was held at 65.5% in 2019, declined by 0.1 percentage point from 65.6% in 2018. Amid inflationary pressures on production costs especially material costs, such adverse impacts were largely mitigated by cost containment and productivity enhancement measures which enabled the Group to maintain stable gross margin level throughout the year under review. In addition, the Group's R&D in new drugs remains at full throttle and HK\$325,985,000 was spent in R&D activities during 2019 (2018: HK\$290,177,000), representing 26.7% (2018: 25.5%) to the corresponding yearly revenue, which is among the highest in domestic pharmaceutical companies. Among which HK\$149,945,000 (2018: HK\$153,171,000) has been recognised as expenses and HK\$176,040,000 (2018: HK\$137,006,000) has been capitalised as intangible assets.

The Group continued to transform its sales team and streamline its sales and marketing efficiency in 2019. Nevertheless, with new products coming onto the markets, the Group has deployed more resources for the newly launched products during the year under review and the selling expenses to revenue ratio has increased to 20.7% (2018: 19.5%).

Combined with the full impairment of the R&D costs amounted to HK\$108,564,000 by China Oncology Focus Limited ("COFL"), a 65% owned subsidiary of the Group, in relations to the Pexa-Vec global Phase III clinical trial for advanced liver cancer (the "PHOCUS Study") previously capitalised has been made during the second quarter of the year under review, net profit attributable to the owners of the Company was HK\$125,553,000 (2018: HK\$418,269,000), decrease by 70.0% as compared to that of in 2018, and recorded net profit margin of 10.3% (2018: 36.8%).

二零一九年整體毛利率保持在65.5%，從二零一八年的65.6%下降了0.1個百分點。通脹對生產成本帶來壓力，尤其在材料成本方面，而該等不利影響因成本控制及生產力提升措施而大幅減輕，令本集團於整個回顧年度得以維持穩定的毛利率水平。此外，本集團全面加速新藥研發，在二零一九年研發活動支出了325,985,000港元(二零一八年：290,177,000港元)，相當於年度收益的26.7%(二零一八年：25.5%)，在國內醫藥公司當中乃最高者。當中149,945,000港元(二零一八年：153,171,000港元)已確認為費用，而176,040,000港元(二零一八年：137,006,000港元)已資本化為無形資產。

本集團於二零一九年繼續對銷售團隊進行轉型，並精簡其銷售及營銷效率。然而，隨著新產品進入市場，本集團於回顧年度為新推出產品投入更多資源，而銷售開支對收益的比率上升至20.7%(二零一八年：19.5%)。

連同本集團旗下擁有65%權益的子公司中國腫瘤醫療有限公司(「COFL」)於回顧年度第二季對研發費用作出全額減值108,564,000港元，涉及先前資本化的用於治療晚期肝癌的Pexa-Vec全球性III期臨床試驗(「PHOCUS研究項目」)，本公司擁有人應佔純利為125,553,000港元(二零一八年：418,269,000港元)，較二零一八年減少70.0%，錄得純利率10.3%(二零一八年：36.8%)。

Management Discussion and Analysis

管理層討論及分析

Manufacturing Facilities and Production Capability

During the year under review, the Group continued to enhance the production capability in both Nansha and Hefei sites and achieved substantial progress. In Nansha site, batch samples such as Apremilast tablets, Zotiraciclib (TG02) capsules, Gimimatecan liquid capsules, Mictonorm® capsules and Epinastine tablets have been manufactured for GMP application and clinical trials. Besides, the manufacturing of Tecarfarin tablet batch samples for GMP application and clinical trials is actively moving forward in good progress. Moreover, the transfer of Aliskiren manufacturing technology has been completed and batch samples have been manufactured and submitted for GMP application. In Hefei site, the upgrading of facilities for APIs such as Nadroparin calcium (那曲肝素鈣) has been completed. In addition, the Group had erected three new manufacturing facilities in the Nansha premise. The Staccato® fentanyl facility involves sophisticated thin coating process with precision control. The stainless steel strip is cut and welded in situs and the drug fentanyl is coated on the strip to complete the building of drug cassette. As Staccato® fentanyl is a drug/device combination, the device part is assembled and tested in house. The device will enable Staccato® fentanyl to be the only opioid drug with truly abused-deterrent and overdosed-prevention features built in. Clinical sample has been successfully produced in the Staccato® fentanyl facility and Investigational New Drug (“IND”) is expected to be filed in June 2020. The other two new facilities are the plants for oral cytotoxic drugs and for continuous glucose monitor, a medical device, respectively. Equipment installation is ongoing in both facilities and full commission is expected during the second quarter of 2020.

生產設施及生產能力

於回顧年度內，本集團繼續提高南沙及合肥兩地的生產能力，並取得重大進展。南沙已為GMP申請及臨床試驗製造批量樣品，例如阿普斯特藥片、Zotiraciclib (TG02)膠囊、吉馬替康液體膠囊、《邁通諾》®膠囊及依匹斯汀藥片。此外，針對於特卡法林膠囊批量樣品GMP申請開展的製造及臨床試驗正積極地取得良好進展。此外，已完成阿利吉侖生產技術的轉移，並已生產批量樣本作GMP申請。合肥基地已完成那曲肝素鈣等有效藥劑成分的設施升級。此外，本集團已在南沙廠房內建立了三座新的生產設施。Staccato®芬太尼生產設施涉及複雜的薄塗層工藝及精確控制。將不銹鋼條切下並焊接到位，並將藥物芬太尼塗在條上以完成藥物盒的製造。由於Staccato®芬太尼是藥物／器械的組合，因此器械部件是在內部組裝及測試。該設備將使Staccato®芬太尼成為唯一具有真正的濫用抑制及過量預防功能的鴉片類藥物。Staccato®芬太尼生產設施已成功生產了臨床樣品，預計將於二零二零年六月提交研究用新藥(「IND」)申請。另外兩個新設施分別是用於口服細胞毒性藥物的工廠及用於連續血糖監測醫療設備的工廠。設施中的設備安裝正在進行中，預計將在二零二零年第二季度全面調試。

Management Discussion and Analysis

管理層討論及分析

Drug Development

The Group's pipeline includes 58 projects from early- to late-stage development in various therapeutic areas and measurable progress has been made during the year under review and up to date.

During the year under review and up to date, the Group's applications for Import Drug License ("IDL"), namely Trazodone[®], Prulifloxacin, INOMax[®] and Zingo[®], are under review by the Centre for Drug Evaluation (the "CDE"). The Group's applications for Abbreviated New Drug Application ("ANDA"), namely Sodium Phenylbutyrate Tablet, Sodium Phenylbutyrate Granule, Treprostinil Injection, Fondaparinux, Nadroparin Calcium, Azilsartan and Bimatoprost (貝美前列素滴眼液), were also in good progress. Among these ANDA submissions, Fondaparinux is in the final technical review and is pending for ANDA approval. Supplement data for Sodium Phenylbutyrate Granule and Sodium Phenylbutyrate Tablet has been requested by CDE and will be submitted soon. The bioequivalence studies of Nadroparin Calcium has been completed with success and the technical review is underway. Azilsartan and Bimatoprost are currently under review by the CDE. For Treprostinil Injection, the Group has received the final approval from the NMPA on 18 March 2020.

In addition, the Group is also actively introducing and developing other products such as Apremilast, Leuprorelin, and Natulan[®] which aim at optimising its product mix in the medium term.

藥物開發

本集團的管線包括在各個治療領域從早期到後期的58個項目，並於回顧年度內及截至目前為止取得可衡量的進展。

於回顧年度內及截至目前為止，本集團的進口藥品註冊證(「進口藥品註冊證」)申請(即《曲唑酮》[®]、普盧利沙星、INOMax[®]及Zingo[®])正由藥品審評中心(「藥品審評中心」)評審當中。本集團所提呈的簡化新藥申請(「簡化新藥申請」)，分別是苯丁酸鈉片劑、苯丁酸鈉顆粒、曲前列環素注射劑、磺達肝癸鈉、那曲肝素鈣、阿齊沙坦及貝美前列素滴眼液，均取得良好進展。在該等簡化新藥申請中，磺達肝癸鈉正在接受最終技術審查及等待簡化新藥申請批准。藥品審評中心要求提交苯丁酸鈉顆粒及苯丁酸鈉片劑的補充數據，且不久將會提交。那曲肝素鈣的生物等效性研究已完滿完成，並在進行技術審核。阿齊沙坦及貝美前列素滴眼液目前正在接受藥品審評中心評審。至於曲前列環素注射劑，本集團已於二零二零年三月十八日取得國家藥監局的最終批准。

此外，本集團亦積極引進及開發其他產品，例如阿普斯特、亮丙瑞林及Natulan[®]，旨在於中期內優化產品組合。

Management Discussion and Analysis

管理層討論及分析

Oncology

There are 10 oncology assets, including 5 innovative and 5 generic, administered under COFL and in development for the treatment of a range of cancers.

In August 2019, the PHOCUS Study eventually ended in vain after its interim results has suggested that the PHOCUS Study was unlikely to meet the primary objective by the time of the final analysis. As a result, full impairment of the R&D costs amounted to HK\$108,564,000 in relations to the PHOCUS Study previously capitalised has been made, and net profit attributable to the owners of the Company has been negatively impacted thereby for the first half of 2019. Emerging from the failure of the PHOCUS Study of the Group's oncology R&D arm, COFL has conducted a pre-IND meeting with the CDE for the combination Phase Ib/II trial of ZKAB001 and Pexa-Vec to treat melanoma and has reached an agreement for the IND application with sufficient scientific basis.

Nevertheless, the clinical studies for ZKAB001 (PD-L1) have made good progress in the during the year under review and up to date, particularly the study of ZKAB001 monotherapy in recurrent and metastatic cervical cancer. The trial for cervical cancer is led by Doctor Lingying Wu as the principal investigator. The trial consists of two phases, a traditional open labeled 3+3 dose escalation phase followed by an expansion phase. During the dose escalation phase, 3 doses, 5mg/kg, 10mg/kg, 15mg/kg, was tested with 14 days administration cycle in patients with recurrent and metastatic cervical cancer, and 5mg/kg was selected for the expansion phase.

腫瘤方面

由COFL管理並正在開發的10項腫瘤資產，包括5項創新及5項仿制藥，用於治療多種癌症。

在二零一九年八月，PHOCUS研究項目最終以徒勞告終，因為其中期結果表明PHOCUS研究項目在最終分析之前不太可能達到主要目標。因此，與先前資本化PHOCUS研究項目相關的研發成本全額減值達108,564,000港元，而本公司擁有人應佔純溢利亦因此於二零一九年上半年受到負面影響。由於本集團腫瘤研發部門未能完成PHOCUS研究項目，COFL與藥物評審中心已就ZKAB001及Pexa-Vec治療黑色素瘤Ib/II期綜合試驗進行了一次預審新藥申請會議，並已對新藥申請達成一項具有充分科學基礎的協議。

然而，於回顧年度內及截至目前為止，ZKAB001 (PD-L1)的臨床研究進展良好，特別是對於ZKAB001單藥治療復發性及轉移性宮頸癌的研究。宮頸癌試驗由吳令英主任醫師出任牽頭研究者。試驗分兩個階段進行，首先是傳統的開放標記3+3劑量遞增階段，然後是擴展階段。在劑量遞增階段，對復發性及轉移性宮頸癌患者分別給予5mg/kg、10mg/kg、15mg/kg的3種劑量，給藥週期為14天，而於擴展階段選擇5mg/kg。

Management Discussion and Analysis 管理層討論及分析

So far the outcome of the expanded registration enabling clinical study of ZKAB001 for cervical cancer has been very encouraging. To date, all 60 patients have been enrolled of whom 36 patients have had at least one radiographic response evaluation. Among those evaluated patients, 2 of whom had complete response (CR) and 8 of whom had partial response (PR), which indicated an implied Objective Response Rate (“**ORR**”) of 27.7% among the evaluated patients. Together with 15 out of the 36 evaluated patients had stable disease (SD), which indicated a disease control rate of 69.4%. With reference to a similar study of Pembrolizumab under Keynote-158 conducted by Merck and Co., Inc. in the United States in 2018, 98 patients were enrolled with an ORR of 12.2%, and in turn Pembrolizumab has successfully obtained approval for patients with recurrent and metastatic cervical cancer from the U.S. Food and Drug Administration using the results thereof. The application to the NMPA shall be made in 2020 if the results are able to continue with such positive consistency which could lead to conditional approval of ZKAB001 for this indication.

To date, two other Phase I clinical trials for ZKAB001 in urothelial cancer and sarcoma have been completed. Based on the results thereof, a pivotal Phase III study of ZKAB001 in combination with chemotherapy for the first line treatment of urothelial cancer and a pivotal Phase III study of ZKAB001 monotherapy for maintenance stage of sarcoma after its first line treatment (to compare the event-free survival (EFS)) will be initiated in 2020. In addition, several studies are ongoing or being prepared for other solid tumors such as ovarian cancer, glioblastoma and melanoma for other oncology products such as TG02, Gimatecan and Pexa-Vec.

目前，擴大註冊範圍使ZKAB001可以用於宮頸癌的臨床研究，結果令人鼓舞。到目前為止，60位患者已全部入組，其中36位患者已進行至少有一次放射線反應評估。該等評估患者中2位患者已完整緩解(完整緩解)及8位患者已部分緩解(部分緩解)，這表明在所評估的患者中，隱含的客觀緩解率(「客觀緩解率」)為27.7%。連同36位已評估患者中的15位均病情穩定，顯示疾病控制率為69.4%。參照Merck and Co., Inc. 於二零一八年根據Keynote-158在美國進行有關派姆單抗的類似研究，招募的98名患者客觀緩解率為12.2%，因此，派姆單抗的研究結果已成功地獲得美國食品藥品監督管理局批准，並用於復發性及轉移性宮頸癌患者。倘結果繼續保持正面一致性，將可於二零二零年向國家藥監局申請並可能獲得有條件批准ZKAB001在此類適應症的應用。

目前為止，ZKAB001在尿路上皮癌及骨肉瘤的另外兩個I期臨床試驗已經完成。根據有關結果，ZKAB001與化療聯合對尿路上皮癌一線治療的關鍵性III期研究及一線治療後ZKAB001單一療法用於骨肉瘤維持期(以比較無事件存活(EFS))的關鍵性III期研究將於二零二零年開始。此外，針對其他實體瘤(例如卵巢癌、腦癌及黑色素瘤)的其他腫瘤學產品(例如TG02、吉馬替康及Pexa-Vec)的研究正在進行或正在準備中。

Management Discussion and Analysis

管理層討論及分析

Ophthalmology

There are 15 ophthalmology assets, including 5 innovative and 10 generic, administered under China Ophthalmology Focus Limited (“COPFL”) and aim at developing for the treatment of full range of ophthalmic diseases.

During the year under review and to date, COPFL has successfully completed a Phase II trial of Cyclosporine A (“CsA”) Ophthalmic Gel for the treatment of dry eye syndrome (the “DES”) in China (clinicaltrials.gov registration No.: NCT03676335), with the topline data show that the experimental drug has similar or a trend towards better efficacy than that of the marketed CsA Ophthalmic Emulsion. COPFL plans to meet with the CDE to discuss and agree upon a Phase III protocol of the CsA Ophthalmic Gel trial. The pivotal study is expected to initiate patient recruitment in early 2020.

Dermatology

In addition, the registration enabling Phase III study of the Group's in-house product, Adapalene and Clindamycin combination gel for acne, which is currently administered by COPFL and is led by Professor Gu Heng from the Hospital for Skin Diseases, Chinese Academy of Medical Sciences and involved 28 dermatology centers in China has successfully completed patient enrollment of 1,617 patients. Following the treatment of the last patient that in early February 2020, the readout of the topline data will be made available and New Drug Application submission is expected during the first half of 2020.

International Partnership

In-licensing strategy is the Group's preferred mode of its business development. However, in view of the overall number of clinical trial programs has grown substantially in recent years, the Group has become more selective in entering into new deals. During the year under review and up to date, the Group has been reviewing various projects, especially in specialty areas in ophthalmology, but has not yet concluded any deal.

眼科方面

目前，由 China Ophthalmology Focus Limited(「COPFL」)管理的15項眼科資產(包括5項創新及10項仿製藥)，旨在開發用於治療各種眼科疾病。

在回顧年內及截至目前為止，COPFL已成功完成環孢素A(「環孢素A」)眼凝膠在中國用於治療乾眼症(「乾眼症」)的II期試驗(clinicaltrials.gov登記編號：NCT03676335)，其終點結果顯示，該實驗藥物與市面環孢素A滴眼用乳劑的療效相似或更佳。COPFL計劃與藥品審評中心會面，以討論並協定環孢素A眼凝膠試驗的III期方案。該項關鍵性研究有望在二零二零年初開始招募患者。

皮膚科方面

此外，本集團自有產品阿達帕林及克林霉素複方凝膠的註冊III期臨床研究由COPFL管理，並由中國醫學科學院、皮膚病醫院顧恒教授領導，已有28所中國大型皮膚病中心參與，並已成功完成招募1,617位患者。在二零二零年二月上旬對最後一名患者進行治療後，將會獲得評估數據的讀數，並預期於二零二零年上半年提交新藥申請。

國際合作

特許經營策略為本集團業務發展的首選模式。然而，鑒於臨床試驗計劃的整體數目近年來大幅增長，本集團在訂立新交易方面變得更有選擇性。於回顧年度內及截至目前為止，本集團一直評估各項項目，特別是眼科專科領域，但尚未達成任何協議。

Management Discussion and Analysis

管理層討論及分析

Strategic Investments

On 2 April 2019, the Company made an investment of US\$200,000 (approximately HK\$1,560,000 equivalent) in the convertible debt issued by RegeneRx Biopharmaceuticals, Inc. (OTCQB: RGRX) (“**RegeneRx**”) to support its accelerating development of RGN-259 for ophthalmic indications in which the Group had licensed RGN-259 in the territories of China, Taiwan, Macau and Hong Kong many years ago. In May 2019, RegeneRx enrolled the first patient for ARISE-3, the third Phase III clinical trial to evaluate RGN-259, a sterile, preservative-free eye drop in 700 patients with DES. This trial conducted by RegeneRx is expected to be completed during mid-2020 and the Group will commence the registration enabling studies of RGN-259 in China thereafter.

On 6 December 2019, the Company has participated in the private placement of Windtree Therapeutics, Inc. (OTCQB: WINT) together with certain investors in Asia and the United States and made an investment of US\$5,000,000 therein for the purpose to support its initiation of a new clinical study to evaluate Istaroxime in early cardiogenic shock and its listing application to list its common stock on the Nasdaq Capital Market®.

Corporate Development

The Group’s commitment to separate its R&D arms and to incubate them into standalone biotech entities has reported initial success. In May 2019, the Group has completed a fundraising event for COPFL amounted to US\$50,000,000 (approximately HK\$390,000,000 equivalent) from a good set of renowned investors by mean of the issuance of Series A Preferred Shares thereto which enabled COPFL to build an ophthalmology specific scientific advisory board, executive management team and R&D team, and to bring its clinical trial programs moving forward at full throttle.

策略性投資

於二零一九年四月二日，本公司投資200,000美元(相當於約1,560,000港元)於RegeneRx Biopharmaceuticals, Inc. (OTCQB: RGRX)(「**RegeneRx**」)發行的可換股債券，以支持加快開發眼科藥RGN-259，而本集團多年前已擁有RGN-259在中國、台灣、澳門及香港地區的特許權。於二零一九年五月，RegeneRx已就ARISE-3第三次III期臨床試驗招募首名患者，該試驗將在招募700名乾眼症患者中評估無菌無防腐劑眼藥水RGN-259。該試驗由RegeneRx執行，預期將於二零二零年年中完成，且本集團隨後將在中國展開RGN-259的註冊啟用研究。

於二零一九年十二月六日，本公司已與亞洲及美國的若干投資者一起參與Windtree Therapeutics, Inc. (OTCQB: WINT)的私人配售，就此投資5,000,000美元，以支持其開展新的臨床研究評估Istaroxime在早期心源性休克的應用，以及其申請普通股在Nasdaq Capital Market®上市。

企業發展

本集團承諾將其研發部門分拆出來，並將其發展為獨立的生物科技實體，已初步成功。於二零一九年五月，本集團已完成由一批知名投資者透過COPFL A系列優先股發行中獲得50,000,000美元(約390,000,000港元)的集資活動，使COPFL能夠建立專門的眼科科學諮詢委員會、執行管理團隊及研發團隊，並將全速推進其臨床試驗計劃。

Management Discussion and Analysis

管理層討論及分析

Before the completion of the Series A Shares Subscription Agreement (the “**Completion**”), the Group owned 92% of the interest in COPFL. Upon the Completion on 13 June 2019, the Group’s equity interest in COPFL was reduced to 50.117% of the total issued share capital thereof (on as an enlarged basis by taking into account the issuance of the Series A Preferred Shares on an as if converted basis), and remains an indirect non-wholly owned subsidiary of the Group.

In addition, the Group’s commitment to R&D has also brought the number one ranking in the “Most Innovative Small and Medium-sized Pharmaceutical Enterprises Award on the Asia Pacific Region 2019” by Clarivate Analytics, a digital health intelligence solution provider during the year under review.

FINANCIAL REVIEW

Revenue and Net Profit Attributable to the Owners of the Company

The Group’s revenue increased year-on-year by HK\$81,287,000 or 7.1%, from HK\$1,137,626,000 in 2018 to HK\$1,218,913,000 in 2019. During the year, the sales of proprietary products increased by 3.1% and the sales of licensed-in products increased by 10.6%.

Revenue	收益	2019 二零一九年 HK\$’000 千港元	2018 二零一八年 HK\$’000 千港元	Change 變動
Proprietary products	專利產品	535,627	519,557	+3.1%
Licensed-in products	引進產品	683,286	618,069	+10.6%
Total	總計	1,218,913	1,137,626	+7.1%

Net profit attributable to owners of the Company decreased by 70.0% from HK\$418,269,000 in 2018 to HK\$125,553,000 in 2019.

於完成A系列股份認購協議(「**完成**」)之前，本集團擁有COPFL 92%的權益。於二零一九年六月十三日完成後，本集團於COPFL的股權減少至其已發行股本總額之50.117%(經計及按假設轉換基準所發行之A系列優先股的經擴大已發行股本)，且COPFL仍為本集團之間接非全資附屬公司。

此外，本集團在研發方面的承諾使其在「二零一九年亞太地區最創新中小型製藥企業獎」中排名第一。該獎項由數碼健康智能解決方案供應商科睿唯安於回顧年度內頒發。

財務回顧

收益及本公司擁有人應佔純利

本集團收益按年增加81,287,000港元或7.1%，由二零一八年1,137,626,000港元增至二零一九年1,218,913,000港元。於本年度內，專利產品的銷售增長3.1%，而引進產品的銷售則增長10.6%。

本公司擁有人應佔純利減少70.0%，由二零一八年的418,269,000港元，減至二零一九年的125,553,000港元。

Management Discussion and Analysis

管理層討論及分析

Gross Profit Margin

Gross profit margin for the financial year 2019 was 65.5%, decreased by 0.1 percentage point as compared with year 2018.

Other Income

Other income for the financial year 2019 was HK\$75,694,000, increased by HK\$23,625,000 as compared with the corresponding period of the prior year. Other income during the year included certain one-off items such as development grants from local government and research and development service income.

Other Gains and Losses, Net

Other gains and losses recorded a net loss of HK\$91,680,000 for the fiscal year 2019 which was mainly attributable to the impairment loss on intangible assets of HK\$117,652,000.

Selling and Distribution Expenses

Due to the Group's increased sales and marketing efforts on pre-launch and newly launched products, selling and distribution expenses for the year ended 31 December 2019 increased by 13.5% as compared with the corresponding period of last year to HK\$251,759,000, accounting for 20.7% of the Group's revenue, increased by 1.2 percentage points as compared with 19.5% that of in the prior year.

Administrative Expenses

Administrative expenses for the year ended 31 December 2019 increased by HK\$50,162,000 as compared with the corresponding period of last year to HK\$239,088,000. This accounted for 19.6% of the Group's revenue during the year under review, increased by 3.0 percentage points as compared with that of 2018. The increase in administrative expenses was in line with the Group's ongoing business expansion in its Nansha site.

毛利率

二零一九年財政年度之毛利率為65.5%，與二零一八年相比，減少0.1個百分點。

其他收益

二零一九年財政年度之其他收益為75,694,000港元，較去年同期增加23,625,000港元。本年度其他收益包括若干一次性項目，例如當地政府開發補助及研發服務收入。

其他收益及虧損淨額

於二零一九年財政年度，其他收益及虧損錄得91,680,000港元淨虧損，主要由於無形資產減值虧損117,652,000港元所致。

銷售及分銷費用

由於本集團加大對預發佈及新發佈產品的銷售及營銷力度，故截至二零一九年十二月三十一日止年度之銷售及分銷費用較去年同期增長13.5%至251,759,000港元，佔本集團收益20.7%，較去年同期的19.5%增加了1.2個百分點。

行政費用

截至二零一九年十二月三十一日止年度之行政費用，較去年同期增加50,162,000港元至239,088,000港元，佔本集團回顧年度收益的19.6%，與二零一八年相比增加3.0個百分點。行政費用增加與本集團南沙生產基地的持續擴展相符合。

Management Discussion and Analysis

管理層討論及分析

Research and Development Expenses

Research and development expenses for the year ended 31 December 2019 decreased by HK\$3,226,000 as compared with the corresponding period of the prior year to HK\$149,945,000, accounted for 12.3% of the Group's revenue during the year under review, decreased by 1.2 percentage points as compared with 13.5% that of in the prior year. Together with the capitalised research and development costs of HK\$176,040,000 (2018: HK\$137,006,000), the amount spent in research and development activities during the year was HK\$325,985,000, increased by HK\$35,808,000 or 12.3% as compared with the corresponding period of the prior year.

Taxation

The income tax expense for the year ended 31 December 2019 increased by HK\$2,920,000 as compared with the corresponding period of the prior year to HK\$59,541,000. The Group's effective tax rate was approximately 48.5% during the year under review, increased by 35.8 percentage points as compared with 12.7% for the prior year. Certain impairment losses on intangible asset with no tax impact led to the significant increase in effective rate in current year.

Investments Held

As at 31 December 2019, the Group's investment portfolio amounted to approximately HK\$689,940,000 (31 December 2018: HK\$670,400,000) as recorded in the consolidated statement of financial position under various categories including:

- interests in associates which are accounted for by using equity method;
- financial assets at fair value through profit or loss (“FVTPL”); and
- financial assets at fair value through other comprehensive income (“FVTOCI”).

Changes in respective items in the consolidated statement of financial position have been disclosed in the notes to the consolidated financial statements in this annual report.

研究及開發費用

截至二零一九年十二月三十一日止年度之研究及開發費用較去年同期減少3,226,000港元至149,945,000港元，佔本集團回顧年度收益的12.3%，較去年13.5%減少1.2個百分點。連同資本化的研發成本176,040,000港元(二零一八年：137,006,000港元)，年內用於研發活動的金額為325,985,000港元，較去年同期增加35,808,000港元或12.3%。

稅項

截至二零一九年十二月三十一日止年度之利得稅費用，較去年同期增加2,920,000港元至59,541,000港元。於回顧年度，本集團實際稅率約為48.5%，較去年12.7%增加35.8個百分點。導致本年度實際稅率大幅提高是由於若干無形資產減值損失對稅務沒有影響。

持有投資

於二零一九年十二月三十一日，本集團的投資組合達約689,940,000港元(二零一八年十二月三十一日：670,400,000港元)，記錄於綜合財務狀況表中的各類類別包括：

- 透過權益法入賬的於聯營公司之權益；
- 按公平值透過損益列賬(「按公平值透過損益列賬」)的財務資產；及
- 按公平值透過其他全面收益列賬(「按公平值透過其他全面收益列賬」)的財務資產。

綜合財務狀況表中的各項目變動已於本年報中綜合財務報表附註披露。

Management Discussion and Analysis

管理層討論及分析

Details of the significant investments in the portfolio under financial assets as at 31 December 2019 are as follows:

於二零一九年十二月三十一日的財務資產項下投資組合的重大投資詳情如下：

Description of investment	Approximate investment cost as at 31 December 2019	Fair Value as at 31 December 2019	Approximate percentage to the Group's audited total assets as at 31 December 2019	Changes in fair value during the year 2019 Increase (Decrease)
投資詳情	於二零一九年十二月三十一日的概約投資成本	於二零一九年十二月三十一日的公平值	本集團於二零一九年十二月三十一日的經審核資產總額概約百分比	二零一九年內的公平值變動增加(減少)
Windtree Therapeutics Inc. (Note 1)	HK\$446,258,000	HK\$468,048,000	12.9%	(HK\$54,160,000)
Windtree Therapeutics Inc.(附註1)	446,258,000港元	468,048,000港元	12.9%	(54,160,000港元)
Other financial assets at FVTOCI (Note 2)	HK\$173,244,000	HK\$146,873,000	4.0%	HK\$8,863,000
其他按公平值透過其他全面收益列賬的財務資產(附註2)	173,244,000港元	146,873,000港元	4.0%	8,863,000港元
Total financial assets at FVTOCI	HK\$619,502,000	HK\$614,921,000	16.9%	(HK\$45,297,000)
按公平值透過其他全面收益列賬的財務資產總額	619,502,000港元	614,921,000港元	16.9%	(45,297,000港元)
Financial assets at FVTPL (Note 2)	HK\$12,561,000	HK\$59,217,000	1.6%	(HK\$4,705,000)
按公平值透過損益列賬的財務資產(附註2)	12,561,000港元	59,217,000港元	1.6%	(4,705,000港元)
Total financial assets	HK\$632,063,000	HK\$674,138,000	18.5%	(HK\$50,002,000)
財務資產總額	632,063,000港元	674,138,000港元	18.5%	(50,002,000港元)

Note 1: Windtree Therapeutics Inc. is a clinical-stage, biopharmaceutical and medical device company and is principally engaged in the development of novel therapeutics intended to address significant unmet medical needs in important acute care markets, and the development programs are primarily focused in the treatment of acute cardiovascular and pulmonary diseases. The Group held 14,119,099 shares of common stock of Windtree Therapeutics Inc., representing approximately 34.4% of the total issued shares of Windtree Therapeutics Inc. as at the date of this annual report. During the year under review, the Group did not receive any dividend income from Windtree Therapeutics Inc. The Group takes a longer term view on this investment as there are clinical development programs in which the Group and Windtree Therapeutics Inc. are working together and in good progress.

附註1：Windtree Therapeutics Inc. 為一間臨床階段、生物製藥及醫療器械公司，其主要從事新療法的開發，旨在滿足重要急症護理市場中未得到滿足的重大醫療需求，開發項目主要集中在急性心血管及肺部疾病的治療。本集團於本年報日期持有Windtree Therapeutics Inc.的14,119,099股普通股，約佔Windtree Therapeutics Inc.已發行股份總數的34.4%。於回顧年度，本集團並未收到任何來自Windtree Therapeutics Inc.的股息收入。本集團從長遠的角度考慮該項投資，因為本集團與Windtree Therapeutics Inc.正共同致力於臨床開發計劃並取得良好進展。

Note 2: None of the carrying amount of each of the financial assets therein constitutes 5% or more of the Group's total assets as at 31 December 2019.

附註2：於二零一九年十二月三十一日，其中各項財務資產的賬面值均不構成本集團總資產的5%或以上。

Management Discussion and Analysis

管理層討論及分析

The Group will closely monitor the performance of its investment portfolio and will continue to invest strategically, and will explore opportunities in monetising some of the existing investments if appropriate opportunities in the market arise.

本集團將密切監察其投資組合的表現，繼續進行策略性投資，並會在市場出現適當時機時，尋求將部分現有投資貨幣化的機遇。

Save as disclosed above, the Group did not have any significant investment as at 31 December 2019.

除上文所披露者外，本集團於二零一九年十二月三十一日概無任何重大投資。

Liquidity and Financial Resources

流動資金及財務資源

The Group's principal sources of working capital in the current year mainly included cash flow from operating activities, bank borrowings and the proceeds from the issue and sale of series A preferred share of COPFL.

本集團於本年度之主要營運資金來源包括來自經營業務之現金流量、銀行借貸以及發行及銷售COPFL的A系列優先股的所得款項。

As at 31 December 2019, the Group's current ratio (current assets divided by current liabilities) was 1.59 (2018: 1.48). As at 31 December 2019, the Group had net cash position of HK\$670,641,000 (2018: net cash of HK\$346,884,000) which represented by below:

於二零一九年十二月三十一日，本集團的流動比率(流動資產除以流動負債)為1.59倍(二零一八年：1.48倍)。於二零一九年十二月三十一日，本集團的現金淨額狀況為670,641,000港元(二零一八年：現金淨額346,884,000港元)，其如下所示：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net cash position	現金淨額狀況		
Cash and bank balances	現金及銀行結餘	364,994	222,296
Pledged bank deposits	已抵押銀行存款	40,345	46,524
Time deposits	定期存款	410,136	207,298
Less: Short term bank and other borrowings	減：短期銀行及其他借貸	(144,834)	(129,234)
		670,641	346,884

The calculation of Group's gearing ratio based on the net borrowings (after deducting cash and bank balances) to equity attributable to the owners of the Company was nil as at 31 December 2019 (2018: Nil).

本集團以借貸淨額(扣除現金及銀行結餘)對本公司擁有人應佔權益計算的資產負債率於二零一九年十二月三十一日為零(二零一八年：零)。

Taking into consideration the existing financial resources available to the Group, it is believed that the Group should have adequate financial resources to meet its operation and development requirements in the future.

在考慮可供本集團使用的現有財務資源後，相信本集團擁有充裕的財務資源以應付日後在營運及發展方面所需。

Management Discussion and Analysis

管理層討論及分析

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Foreign Exchange Exposure

Currently, the Group earns revenue and incurs costs in Renminbi, Hong Kong dollars, European Union euro, Japanese Yen, New Taiwan dollars and United States dollars. The Directors believe that the Group does not have foreign exchange problems in meeting its foreign exchange requirements. The Group will continue to monitor closely its foreign currency exposure and to consider hedging significant foreign currency exposure when necessary.

Pledge of Assets

Details of the pledge of assets of the Group as at 31 December 2019 are set out in note 48 to the consolidated financial statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 31 December 2019 are set out in note 49 to the consolidated financial statements.

理財政策

本集團在理財方面採取較審慎的政策。本集團透過持續就其客戶的財務狀況進行信貸評估，致力將信貸風險降至最低。就控制流動資金風險而言，董事會密切監控本集團的流動資金狀況，以確保本集團資產、負債及承擔的流動資金架構可應付本集團的資金需要。

外匯風險

目前，本集團所賺取的收益及所產生的成本以人民幣、港元、歐元、日圓、新台幣及美元計值。董事相信本集團在進行外幣匯兌時不會面對外匯問題。本集團將密切監察其外匯風險，並於有需要時考慮對沖重大外匯風險。

資產抵押

本集團於二零一九年十二月三十一日之資產抵押詳情載於綜合財務報表附註48。

或然負債

本集團於二零一九年十二月三十一日之或然負債詳情載於綜合財務報表附註49。

Management Discussion and Analysis

管理層討論及分析

Employee Information

As at 31 December 2019, the Group had 1,308 (2018: 1,028) employees working in Hong Kong, Mainland China and Taiwan.

The Group's emolument policies are formulated on the performance of individual employees and based on the trends of salaries in various regions, which will be reviewed regularly every year. Apart from provident fund scheme, retirement benefit scheme and medical insurance, employees share options may also award to employees according to the assessment of individual performance.

PROSPECT

With the macroeconomic and geopolitical environment getting increasingly volatile and complicated which may bring up inflationary and foreign currency issues, together with the recent coronavirus outbreak which could last for some time, 2020 will be the most challenging year that the Group has ever faced before. Nevertheless, the Group remains confident that its investment and commitment to new drug development, sales organisation reform and expansion, and cost containment will eventually make the difference, chartering the Group to a new growth path.

In 2020, the upcoming new products, including the newly approved Trepstinil Injection, as well as the redesigned 30g Yallaferon® and 4-vial box Ferplex® via new distribution channels, may enable the Group to unlock the potential and create more value. Together with 10 IDLs and ANDAs pending for approval by the NMPA in the foreseeable future, the Group will eventually drive strong and sustainable growth for the future and create value for the shareholders.

僱員資料

於二零一九年十二月三十一日，本集團於香港、中國內地及台灣的僱員人數為1,308人(二零一八年：1,028人)。

本集團的酬金政策是按個別僱員的表現及基於不同地區的薪金趨勢而定，並會每年作定期檢討。除公積金計劃、退休福利計劃及醫療保險外，本集團亦會根據個別表現評估向僱員授出僱員購股權。

前景

隨著宏觀經濟及地緣政治環境日益波動且複雜多變，可能引發通脹及外匯問題，加之近期冠狀病毒暴發且可能持續一段時間，二零二零年將成為本集團史無前例最具挑戰的年度。然而，本集團深信其於新藥物開發活動、銷售組織改革與擴張、成本控制措施等方面的投資及承擔最終將取得成績，使本集團取得新的增長。

於二零二零年，即將推出的新產品(包括剛審批的曲前列環素注射劑)，以及透過新分銷渠道重新設計的30g《尤靖安》®及4瓶裝《菲普利》®可能使得本集團釋放潛力，並創造更多價值。連同待國家藥監局於可預見未來批准的10項進口藥品註冊證及簡化新藥申請，本集團最終將會推動未來強勁且可持續的增長，並為股東創造價值。

Directors and Key Personnel Profiles

董事及主要人員履歷

EXECUTIVE DIRECTORS

Lee Siu Fong

Chairman, aged 63

Ms. Lee Siu Fong joined the Group in April 1997 and has since been responsible for the Group's financial affairs. She is an entrepreneur and had since 1992 established and run several companies with primary responsibility in financial affairs. She is the sister of Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi.

Leelalertsuphakun Wanee

Managing Director, Chief Marketing & Sales Officer & member of remuneration committee, aged 66

Ms. Leelalertsuphakun Wanee joined the Group in April 1997. She was appointed the Chief Marketing & Sales Officer in September 2003 and has been responsible for the Group's sales and marketing activities since then. She is the sister of Ms. Lee Siu Fong and Dr. Li Xiaoyi.

Li Xiaoyi

Chief Executive Officer & Chief Technical Officer, aged 57, PhD

Dr. Li Xiaoyi holds a PhD in Pharmacology from the University of Illinois at Chicago and was a postdoctoral fellow with Parke-Davis Research Division of Warner-Lambert company in the United States. He is an Honourary Fellow and Adjunct Professor at the Hong Kong University of Science and Technology. He was appointed as a member of the Chinese People's Political Consultative Conference of Anhui Province in China in January 2018. He is the founder of the Group and has been responsible for the daily operations and research and development of the Group since 1994. He is the brother of Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee.

執行董事

李小芳

主席，63歲

李小芳女士於一九九七年四月加盟本集團，自此負責本集團的財務事宜。彼為企業家，而自一九九二年以來，已成立及經營多家公司並專責財務事宜。彼為李燁妮女士的胞妹及李小羿博士的胞姊。

李燁妮

董事總經理、市場推廣及銷售總監及薪酬委員會成員，66歲

李燁妮女士於一九九七年四月加盟本集團。於二零零三年九月，彼獲委任為市場推廣及銷售總監，負責本集團的銷售及市場推廣工作。彼為李小芳女士及李小羿博士的胞姊。

李小羿

行政總裁兼技術總監，57歲，PhD

李小羿博士持有芝加哥伊利諾大學藥物學博士學位，曾在美國公司Warner-Lambert的Parke-Davis研究部門從事博士後研究。彼為香港科技大學榮譽院士及兼任教授。彼於二零一八年一月獲委任為安徽省中國人民政治協商會議委員。彼乃本集團之創辦人，自一九九四年起負責本集團的日常業務及研發事務。彼為李小芳女士及李燁妮女士的胞弟。

Directors and Key Personnel Profiles 董事及主要人員履歷

NON-EXECUTIVE DIRECTOR

Simon Miles Ball

Aged 41

Mr. Simon Miles Ball joined the Board on 29 December 2017. He has more than 18 years of business and management experience within the pharmaceutical industry. He is currently the managing director of SMB Capital Limited, an advisory practice operating across the life science sectors. He also sits on the board of directors of Exelead Inc., a contract and development manufacturing business. Previously he served in a variety of operational and director positions at Leadiant Biosciences Ltd and prior to that held regional roles with broad transactional responsibility at several multinational pharmaceutical companies. In addition, he is also a consultant of Qualister S.A., a substantial shareholder of the Company. He obtained his degree in physiology from the University of Leeds. Save as the above, he does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

非執行董事

Simon Miles Ball

41歲

Simon Miles Ball先生於二零一七年十二月二十九日加入董事會。彼於製藥行業擁有逾十八年的業務及管理經驗。彼目前為SMB Capital Limited(生命科學領域的一家諮詢公司)的董事總經理。彼亦擔任Exelead Inc.(從事合約及開發製造業務)的董事會成員。在此之前，彼曾於若干跨國製藥公司擔任區域性職位並承擔廣泛的交易責任，之後，彼亦曾於Leadiant Biosciences Ltd任職各種營運及董事職位。此外，彼亦為本公司一名主要股東Qualister S.A.的顧問。彼獲得University of Leeds的生理學學位。除上述者外，彼與本公司任何董事、主要股東或控股股東概無關連。

Directors and Key Personnel Profiles 董事及主要人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Yau Ching, Bob

Chairman of audit committee & member of remuneration committee, aged 57, PhD, MBA, BBA, CFA, MHKSI

Dr. Chan Yau Ching, Bob joined the independent Board on 14 January 2002. Dr. Chan has extensive experience in corporate development and financial management of high-growth companies. He had been a finance professor, researcher and consultant. He had also served directorship at various listed and privately held companies in Hong Kong and in the United States. Currently, he is the managing director of KBR Capital Limited, a company engaged in advising clients on management and investment activities in China and Hong Kong. He is the independent non-executive director of China High Speed Transmission Equipment Group Co., Ltd. and Daisho Microline Holdings Limited, which are listed companies on the main board of The Stock Exchange of Hong Kong Limited. He is also an independent non-executive director of Hangzhou Huaxing Chuangye Communication Technology Co., Ltd., which is a listed company on the Shenzhen Stock Exchange. He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

獨立非執行董事

陳友正

審核委員會主席及薪酬委員會成員，57歲，
PhD, MBA, BBA, CFA, MHKSI

陳友正博士於二零零二年一月十四日加盟獨立董事會。陳博士於高增長公司的企業發展及財務管理方面擁有豐富經驗。彼曾為財務系教授、研究員及顧問，亦曾擔任香港及美國多家上市及私人公司的董事職務。現時，彼為KBR Capital Limited的董事總經理，該公司於中國及香港從事向客戶提供管理及投資活動建議之業務。彼為中國高速傳動設備集團有限公司及大昌微綫集團有限公司(均為香港聯合交易所有限公司主板上市之公司)之獨立非執行董事。彼亦為杭州華星創業通信技術股份有限公司(一家於深圳證券交易所上市之公司)之獨立非執行董事。彼與本公司任何董事、主要股東或控股股東概無關連。

Directors and Key Personnel Profiles 董事及主要人員履歷

Lam Yat Cheong

Member of audit committee, aged 58, CPA (Practising), FCCA, BBA

Mr. Lam Yat Cheong joined the independent Board on 1 July 2004. Mr. Lam is a sole proprietor of an audit firm and has over 30 years of auditing and accounting experience. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He had also served directorship at various listed companies in Hong Kong. He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

Tsim Wah Keung, Karl

Chairman of remuneration committee and member of audit committee, aged 61, PhD, MPhil, BSc

Dr. Tsim Wah Keung, Karl joined the independent Board on 20 September 2004. He currently serves as Chair Professor of Life Science at the Hong Kong University of Science and Technology. He holds a Bachelor of Science degree and a Master degree in Biochemistry from the Chinese University of Hong Kong, and a Doctorate in Molecular Neurobiology from the University of Cambridge. He has published numerous articles in biological sciences and traditional Chinese medicines. He also serves in several local committees in advising the development of traditional Chinese medicine as health food products. He does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

林日昌

審核委員會成員，58歲，CPA (Practising), FCCA, BBA

林日昌先生於二零零四年七月一日加盟獨立董事會。林先生為一家核數公司唯一東主，於審計及會計方面擁有逾三十年經驗。他是英國特許會計師公會及香港會計師公會資深會員。彼亦曾於多家香港上市公司擔任董事職務。彼與本公司任何董事、主要股東或控股股東概無關連。

詹華強

薪酬委員會主席及審核委員會成員，61歲，PhD, MPhil, BSc

詹華強博士於二零零四年九月二十日加盟獨立董事會。彼目前為香港科技大學生命科學部首席教授，擁有香港中文大學頒授的理學學士學位及生物化學碩士學位以及劍橋大學頒授的分子神經生物學博士學位。他曾發表多篇有關生物科學及傳統中藥的論文，亦為本地多個有關發展傳統中藥作為保健食品的顧問委員會成員。彼與本公司任何董事、主要股東或控股股東概無關連。

Directors and Key Personnel Profiles

董事及主要人員履歷

KEY PERSONNEL

Chow Yiu Ming

Group Chief Financial Officer & Company Secretary, aged 46

Mr. Chow Yiu Ming joined the Company in October 2014 and is responsible for the accounting and corporate finance functions of the Group. He has over 23 years of experience in accounting, auditing, financial management and corporate finance. Prior to joining the Company, he had held several senior positions with listed and private companies in Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Hong Kong Institute of Directors. He holds a Bachelor of Business Administration degree, majoring in Accounting and Finance, from the University of Hong Kong and a Master of Science in Professional Accountancy degree from the University of London. He is also an independent non-executive director of Fortune Sun (China) Holdings Limited which is a listed company on the main board of The Stock Exchange of Hong Kong Limited.

Jiao Zhongyu

Chief Officer of Enterprise Development Department of the Group, aged 50

Mr. Jiao Zhongyu is responsible for the government affair and legal affairs of the Group in the PRC. He was appointed as the legal adviser of PRC investment by the Group in 1999 in his capacity as a practising lawyer in PRC. He has been appointed as the director of Zhaoke Pharmaceutical (Hefei) Company Limited (“**Zhaoke Hefei**”) since 2010 and has extensive experience in the government affair and legal affairs. In 2012, the Group established the Enterprise Development Department and he has been appointed as the Chief Officer thereof and responsible for the Group’s strategic planning and development.

主要人員

鄒耀明

集團財務總監及公司秘書，46歲

鄒耀明先生於二零一四年十月加入本公司，負責本集團之會計及企業財務職能，於會計、審核、財務管理及企業融資方面擁有逾二十三年的經驗。在加盟本公司前，彼曾於香港多間上市及私人公司擔任要職。彼為英國特許公認會計師公會資深會員、香港會計師公會會員以及香港董事學會資深會員。彼持有香港大學頒授之工商管理學士學位，主修會計及財務，並持有倫敦大學專業會計學理學碩士學位。彼亦為富陽(中國)控股有限公司(一間於香港聯合交易所有限公司主板上市的公司)的獨立非執行董事。

焦仲宇

集團企業發展部總監，50歲

焦仲宇先生負責本集團在中國的政府事務及法務。彼於一九九九年以中國執業律師身份作為本集團在中國投資企業的法律顧問。彼於二零一零年出任兆科藥業(合肥)有限公司(「兆科合肥」)董事，在政府事務及法律事務方面擁有豐富經驗。本集團於二零一二年成立企業發展部，彼出任總監並負責集團戰略規劃及發展佈局等方面工作。

Directors and Key Personnel Profiles 董事及主要人員履歷

Lau Lit-Fui

Chief Operating Officer of China Ophthalmology Focus Limited and President of Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited, aged 57, PhD

Dr. Lau Lit-Fui holds the PhD from the University of Connecticut Health Center. Before joining the Group, he had served as the associate director for the American GlaxoSmithKline R&D China, and had been responsible for the research and development of new drugs for over 23 years. He has extensive experience in management of the research and development of new drugs. He joined the Group in 2012 as the General Manager of Shanghai branch of Zhaoke Hefei and was responsible for the business development of Eastern China region. He had also served as the Head of Research and Development of the Group and was responsible for the management of the research and development of drugs. During the period from May 2016 to March 2019, he was appointed as the President and General Manager of CVie Therapeutics Limited, the then associated company of the Group in Taiwan. He was appointed as Chief Operating Officer of China Ophthalmology Focus Limited and President of Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited in 2018 and is responsible for the management of the research and development of ophthalmic products.

柳烈奎

**China Ophthalmology Focus Limited
營運總監及兆科(廣州)眼科藥物有限公司總裁，
57歲，PhD**

柳烈奎博士於美國康涅狄格大學健康中心獲得博士學位，加入本集團前，在美國葛蘭素史克中國研發中心任副總監，從事新藥研發工作超過二十三年，在新藥研發等方面有豐富的管理經驗。彼於二零一二年加入本集團，出任兆科合肥上海分公司總經理，負責華東地區業務發展。彼亦為本集團研發總監，負責藥物開發管理工作。於二零一六年五月至二零一九年三月期間，彼獲委任為本集團當時在台灣的聯營公司中生醫藥股份有限公司的總裁兼總經理。彼於二零一八年獲委任為China Ophthalmology Focus Limited之營運總監以及兆科(廣州)眼科藥物有限公司總裁，負責管理研發眼科產品。

Directors and Key Personnel Profiles

董事及主要人員履歷

Victor Tsui

Chief Manufacturing Officer, Licensed Professional Engineer, aged 53, P.E. MSc

Mr. Victor Tsui graduated from The Hong Kong Polytechnics University and University of Wisconsin with a master degree in Engineering. Before joining the Group, he worked for various pharmaceuticals companies in the United States for over 25 years and was responsible for production management. He joined the Group in 2009 as Chief Operating Officer of Powder Pharmaceuticals Incorporated (“PPI”, an associated company of the Group). He has been appointed as Chief Manufacturing Officer of the Group since 2012 to oversee the Group’s manufacturing operations. He has also been appointed as director of PPI since 22 March 2013.

Yang Zhongqiang

Executive Deputy General Manager of Zhaoke Pharmaceutical (Hefei) Company Limited, aged 45

Mr. Yang Zhongqiang holds a master’s degree in Pharmaceutical Engineering of Shandong University and has a practicing pharmacist certification. He has been working for the Group for more than 20 years, and has been working in the Department of Research and Development of New Drugs and Quality Department of Zhaoke Hefei. He has extensive experience in the research and development of new drug, project management and quality management. He had served as the quality authorised person of Zhaoke Hefei since 2012 to oversee the company’s drug quality management and protection works. In 2017, he has been appointed as the Executive Deputy General Manager of Zhaoke Hefei.

徐啟樂

生產總監，持牌專業工程師，53歲，P.E. MSc

徐啟樂先生畢業自香港理工大學及威斯康辛大學，擁有工程碩士學位。於加盟本集團前，彼曾任職於美國不同製藥公司逾二十五年，負責生產管理工作。彼自二零零九年起加盟本集團，擔任普樂藥業有限公司（「普樂藥業」，本集團之聯營公司）之營運總監。彼自二零一二年起已獲委任為本集團之生產總監，以監管本集團之生產業務。彼自二零一三年三月二十二日起亦已獲委任為普樂藥業之董事。

楊中強

兆科藥業(合肥)有限公司常務副總經理，45歲

楊中強先生持有山東大學製藥工程碩士學位和執業藥師資格證書，加入本集團已逾二十年，一直任職於兆科合肥新藥研究發展部及質量部，在新藥研發、項目管理及質量管理等方面擁有豐富的經驗，自二零一二年起出任兆科合肥質量授權人，全面負責公司藥物的質量管理和保障工作。於二零一七年，彼獲委任為兆科合肥常務副總經理。

Directors and Key Personnel Profiles

董事及主要人員履歷

Dai Xiangrong

Group Deputy General Manager and President & Chief Operating Officer of China Oncology Focus Limited, aged 40

Mr. Dai Xiangrong holds a bachelor's degree of biochemistry and molecular biology, and a master's degree of biochemistry of Anhui Agricultural University. He is also a licensed pharmacist. He joined the Group in 2007 and is responsible for the research and development of new drugs. He has extensive experience in preclinical studies, clinical research and registration of new drugs. He was responsible for various new drug development programs and succeeded in bringing the programs to clinical research studies. He was appointed as Senior Director of Research and Development Centre of the Group in 2017, was appointed as Group Deputy General Manager in March 2019, was appointed as President and Chief Operating Officer of China Oncology Focus Limited in March 2018 and is fully responsible for the new drug development and registration.

戴向榮

集團副總經理及中國腫瘤醫療有限公司總裁兼營運總監，40歲

戴向榮先生持有安徽農業大學生物化學及分子生物學學士學位以及生物化學碩士學位。彼亦為執業藥師。彼於二零零七年加入本集團，負責研發新藥。彼在臨床前研究、臨床研究及註冊新藥方面累積廣泛經驗。彼曾負責多項新藥研究計劃，並成功將多項計劃帶進臨床研究。彼於二零一七年獲委任為集團研發中心高級總監，並於二零一九年三月獲委任為集團副總經理。彼於二零一八年三月獲委任為中國腫瘤醫療有限公司之總裁及營運總監，全面負責藥物研發與註冊方面工作。

Directors and Key Personnel Profiles

董事及主要人員履歷

Zhang Guohui

Deputy General Manager of Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited, aged 46, MBA, BSc

Mr. Zhang Guohui has been working in Zhaoke Hefei for more than 20 years. He was responsible for the research and development of new drugs, production control and GMP management. He has extensive experience in the research and development and registration of new drugs and technology project management. The Research and Development Centre of the Group was established in 2012, and he had served as the director thereof and was responsible for new drug pre-clinical studies and clinical research, the additional development of launched products, drug registration affairs, science and technology project reporting and monitoring work of adverse drug reactions. In 2017, he was appointed as the Deputy General Manager of Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited and is responsible for the research and development of ophthalmic products.

Li Lok-Yee Mandy

Associate Director, R&D of the Group, aged 41, PhD

Dr. Mandy Li graduated with a Bachelor of Science degree in Biochemistry in 2000 from the Chinese University of Hong Kong where she also received her PhD in 2004. Before joining the Group, she had served as the Research Scientist for a local biopharmaceutical company focused on the research and development of innovative anticancer drugs. She joined the Group in 2014 and is responsible for the research and development of new drugs, project management, and business development and licensing. She was appointed as Associate Director, R&D of the Group in 2019 and is mainly responsible for the project management and business development of the Group.

張國輝

兆科(廣州)眼科藥物有限公司副總經理，46歲，MBA, BSc

張國輝先生任職於兆科合肥已逾二十年，先後從事新藥研發、生產控制及GMP管理等方面工作，在新藥研發、註冊和技術項目管理等方面擁有豐富經驗。本集團於二零一二年成立研發中心，他曾出任研發中心總監，曾負責新藥臨床前研究和臨床研究、已上市產品的再開發、藥品註冊事務、科技項目申報及藥品不良反應監測等多方面工作。於二零一七年，彼獲委任為兆科(廣州)眼科藥物有限公司總經理，負責管理研發眼科產品。

李洛誼

集團研發中心副總監，41歲，PhD

李洛誼博士於二零零零年畢業於香港中文大學，獲得生物化學理學士學位，並於二零零四年獲得博士學位。在加入本集團之前，他曾擔任一間專注於研究及開發創新抗癌藥物的生物製藥公司擔任研究科學家。彼於二零一四年加入本集團，負責新藥的研發、項目管理以及業務發展及授權。於二零一九年，彼獲委任為本集團研發中心副總監，主要負責本集團項目管理及業務發展。

Directors and Key Personnel Profiles

董事及主要人員履歷

Zhang Zeyun

Commercial Operations Director of the Group and Executive Deputy General Manager of Guangzhou Zhaoke Lian Fa Pharmaceutical Limited, aged 39

Mr. Zhang joined the Group in October 2018 and is responsible for the business management of the Group's direct sales team in China. He graduated from Guangzhou University of Chinese Medicine with a bachelor degree in Chinese Medicine. Before joining the Group, he worked for several multinational pharmaceutical and healthcare companies in China for over 15 years and was responsible for sales and market access management. In March 2019, he has been appointed as Commercial Operations Director of the Group and Executive Deputy General Manager of Guangzhou Zhaoke Lian Fa Pharmaceutical Limited ("Zhaoke Lian Fa"), and is responsible for the commercial operations of the Group and the daily operations management of Zhaoke Lian Fa, such as rationalise marketing format innovation, responsible for the Group market access department, establish non-medical market sales team, and responsible for overall operations management of the oncology products marketing team.

Huang Cheng

Senior Medical Director, R&D of the Group, aged 49

Dr. Huang Cheng joined the Group in June 2019 and is responsible for the building and developing the medical team as well as the management of daily operations of the Group's medical department, including strategy formulation and preparation of clinical development programs and strategy formulation of drug registration for the Group's pipeline products. He graduated from Shanghai Second Medical University (currently known as Shanghai Jiaotong University School of Medicine) with a Doctor of Medicine degree, received master's degree of public health from Fudan University, and had served for Jinshan Hospital of Fudan University and other medical institutions as medical practitioner and had been promoted to doctor-in-charge. He had also served for several multinational healthcare corporations and biotech companies and responsible for clinical development and medical affairs in various therapeutic areas including respiratory, gastroenterology, cardiovascular, rheumatology and immunology, and had led and participated new drug applications and clinical trials of various small and large molecules novel drugs in mainland China, the United States and Australia.

張澤雲

集團商務運營部總監及廣州兆科聯發醫藥有限公司常務副總經理，39歲

張澤雲先生於二零一八年十月加入本集團，負責本集團中國終端銷售團隊的商務管理。彼畢業於廣州中醫藥大學，擁有中藥學本科專業。在加盟本集團之前，彼曾任職於中國多間跨國醫藥及醫療公司超過十五年，負責銷售及市場准入的管理工作。於二零一九年三月，彼獲委任為集團商務運營部總監及廣州兆科聯發醫藥有限公司（「兆科聯發」）常務副總經理，負責集團商務運營部工作及兆科聯發的日常運作管理，包括整理新營銷業態，負責集團准入部門，成立非醫學市場銷售團隊，及負責腫瘤產品事業部的整體運營管理。

黃誠

本集團研發中心高級醫學總監，49歲

黃誠醫生於二零一九年六月加入本集團，負責組建及擴建醫學團隊，並管理本集團醫學部的日常工作，包括臨床發展項目的策略制定及方案撰寫以及本集團研發產品線的藥品註冊策略制定等工作。彼畢業於上海第二醫科大學（現上海交通大學醫學院）並獲得醫學博士學位，獲得復旦大學公共衛生碩士學位，畢業後在復旦大學附屬金山醫院等醫療機構從事臨床醫療工作並晉升為主治醫師。彼先後在多間跨國醫藥企業及生物醫藥公司從事臨床研究與醫學方面工作，涉及呼吸、消化、心血管、風濕免疫性疾病等治療領域，主導及參與多個小分子及大分子創新藥物在國內、美國及澳大利亞的新藥申請及臨床試驗。

Directors and Key Personnel Profiles

董事及主要人員履歷

Fang Ling

Corporate Culture and Public Relations Director of the Group, aged 51

Ms. Fang Ling graduated from Anhui College Of Traditional Chinese Medicine (currently known as Anhui University Of Traditional Chinese Medicine) with a major in traditional Chinese medicine in 1992, and received her Master of Business Administration in pharmaceutical management degree from Renmin Business School in 2004. Before she joined the Group in March 1999, she had served Anhui Province Shucheng County Chengguan Town Hospital Division during 1993 to 1998 as a Chinese medicine practitioner. She had been serving for the Group for over 20 years in various positions. She has been appointed Corporate Culture and Public Relations Director of the Group in April 2019 and also serves as the chief supervisor of the Beijing branch of Zhaoke Hefei and the special assistant of the Chairman, and is responsible for the external affairs such as brand building and public relations for the Group, and internal affairs such as corporate culture development, brand development plan, corporate promotion strategy formulation, preparation and organisation. She is also responsible for the management of Lee's Pharm internet-based official account for corporate promotion, official website, management and operation of the internal newsletter "Zhaoke Communication", as well as the management of the daily operations of the Beijing branch of Zhaoke Hefei.

Zhang Zhenhua

Director of Human Resources and Development of the Group, aged 47

Ms. Zhang Zhenhua holds a master's degree of business administration of the Southern Cross University Australia. She has more than 25 years of working experience in multinational corporations and with broad knowledge and experience in human resources management. In September 2017, she was appointed as the Director of Human Resources and Development of the Group and is responsible for the management of human resources and development of the Group.

方玲

集團企業文化及公共關係部總監，51歲

方玲女士一九九二年畢業於安徽中醫學院(現稱為安徽中醫藥大學)中醫專業，並二零零四年取得中國人民大學商學院醫藥工商管理碩士學歷。一九九九年三月加入本集團之前，彼於一九九三年至一九九八年任職於安徽省舒城縣城關鎮醫院分院中醫醫生。彼於本集團供職超過20年，擔任過多項職位。彼於二零一九年四月起獲委任為本集團企業文化公共關係部總監，並兼任兆科合肥北京分公司總監理及董事長特別事務助理，負責對外提升本集團品牌建設、公眾關係維護，對內打造企業文化價值觀、品牌發展計劃，組織、參與企業宣傳策略制定，方案撰寫與策劃。此外，彼負責李氏大藥廠企業宣傳視窗公眾號、官網、內刊《兆科通訊》的運營及管理，以及兆科合肥北京分公司的日常業務運營管理等。

張振華

集團人力資源及發展總監，47歲

張振華女士持有澳洲南十字星大學工商管理碩士學位。彼在多間跨國企業積累二十五年的工作經驗，在人力資源管理方面擁有廣泛認識及經驗。於二零一七年九月，彼獲委任為本集團人力資源發展總監，負責本集團的人力資源管理及發展。

Directors and Key Personnel Profiles 董事及主要人員履歷

Chen Yueshen

Director of Administration in China, aged 61

Mr. Chen Yueshen had been serving for the Group for more than 20 years in various positions such as the Director and Deputy General Manager of Zhaoke Hefei, Chief Operating Officer of the Group and the Deputy General Manager of Zhaoke Pharmaceutical (Guangzhou) Limited (“**Zhaoke Guangzhou**”). He was responsible for the daily operations of Zhaoke Hefei, including being responsible for the production and quality management of Zhaoke Hefei. He has extensive experience in quality management systems and GMP production. In November 2018, he was appointed as the Director of Administration in China and is responsible for the Group’s administrative matters in China.

Yin Lei

Associate Director, R&D of the Group and Deputy General Manager of Zhaoke (Guangzhou) Pharmaceutical Limited, aged 47

Mr. Yin Lei holds a bachelor’s degree from the Anhui University of Chinese Medicine. He is also a licensed pharmacist. He joined the Group in 2014 and is responsible for the research and development of new drugs. He has been engaged in drug research and development for nearly 20 years and has led to many successful cases in the field of small molecule drugs, peptide drugs and biochemical drugs. In 2019, he was appointed as Associate Director, R&D of the Group and Deputy General Manager of Zhaoke Guangzhou and is fully responsible for the research and development of new drugs of the Group.

陳躍生

中國地區行政總監，61歲

陳躍生先生服務本集團已逾二十年，曾出任多個職位，如兆科合肥董事及副總經理、本集團之營運總監以及兆科藥業(廣州)有限公司(「兆科廣州」)之副總經理。彼負責兆科合肥的日常運作，包括負責生產及質量管理等方面的工作。彼對藥廠質量管理系統及GMP生產擁有豐富經驗。於二零一八年十一月，彼獲委任為中國地區行政總監，負責本集團在中國的行政事務。

殷雷

集團研發中心副總監及兆科藥業(廣州)有限公司副總經理，47歲

殷雷先生持有安徽中醫藥大學學士學位，彼亦為執業藥師，於二零一四年加入本集團，負責研發新藥。彼一直從事藥物研發工作近二十年，在小分子藥物、多肽藥物、生化藥物領域領導多項成功案例。彼於二零一九年獲委任集團研發中心副總監及兆科廣州副總經理，全面負責集團新藥研發。

Directors and Key Personnel Profiles

董事及主要人員履歷

Xia Hongling

Deputy General Manager of Zhaoke Pharmaceutical (Hefei) Company Limited, aged 55

Ms. Xia Hongling holds a Bachelor's degree in Business Administration from the Renmin University of China and has the qualification of accountant in China. Before joining the Group, she had been responsible for the accounting and finance function with a large state-owned manufacturing enterprise for over 10 years. She joined the Group in 1997 and held various positions in accounting and logistics department in Zhaoke Hefei for over 20 years. She has extensive experience in accounting, finance and logistics management in pharmaceutical industry. She has been appointed as Deputy General Manager of Zhaoke Hefei since 2017.

夏泓凌

兆科藥業(合肥)有限公司副總經理，55歲

夏泓凌女士持有中國人民大學工商管理學士學位，並具有中國會計師資格。在加入本集團前，彼曾於一間大型國有製造企業擔任會計及財務職位超過十年。彼於一九九七年加入本集團，曾經在兆科合肥的會計及物流部門擔任多個職位超過二十年。彼在製藥行業的會計、財務及物流管理方面擁有豐富的經驗。彼於二零一七年獲委任為兆科合肥副總經理。

Report of the Directors

董事會報告

The Directors submit their report with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the principal activities of the Group are the developing, manufacturing and sale and marketing of pharmaceutical products.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 6 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position, including a discussion of the principal risks and uncertainties facing the Group, as well as the outlook for the Group's business, are provided in the "Chairman's Statement" (pages 11 to 17) and the "Management Discussion and Analysis" (pages 18 to 33) sections. Particulars of significant events affecting the Group that have occurred since the end of the year ended 31 December 2019, if applicable, can also be found in the aforesaid sections and the notes to the consolidated financial statements (pages 104 to 292). Description of the principal risks and uncertainties faced by the Group can be found in the section headed "Key Risks and Uncertainties" below. Description of the Group's relationships with its key stakeholders is included in the section headed "Relationships with Employees, Customers and Suppliers". Furthermore, principal corporate governance practices adopted by the Group and details regarding the Group's compliance with relevant laws and regulations which have a significant impact on the Group are provided in the "Corporate Governance Report" section (pages 72 to 82).

This discussion forms part of this report of the Directors.

董事欣然提呈本集團截至二零一九年十二月三十一日止年度的年報以及經審核財務綜合報表。

主要業務及分部業務分析

本公司主要業務是投資控股，而本集團主要業務是開發、製造、銷售及推廣藥品。

本集團本年度按業務及地區分類進行之表現分析載於綜合財務報表附註6。

業務回顧

對本集團業務的中肯審視及就年內本集團表現的討論與分析、有關其業績及財務狀況的重大因素(包括對本集團面臨的主要風險及不明朗因素的討論)，以及本集團的業務前景，已載列於「主席報告」一節(第11至17頁)及「管理層討論與分析」一節(第18至33頁)。自截至二零一九年十二月三十一日止年度末起影響本集團的重大事件詳情(如適用)，可參見上述章節及綜合財務報表附註(第104至292頁)。有關本集團面臨的主要風險及不明朗因素的詳情，可參閱下文「主要風險及不明朗因素」一節。有關本集團與其主要權益人的關係詳情已載於「與僱員、客戶及供應商之關係」一節。此外，有關本集團採納的主要企業管治常規及本集團遵守對其具有重大影響的相關法律及法規的詳情，已載於「企業管治報告」一節(第72至82頁)。

此討論構成此董事會報告的一部分。

Report of the Directors

董事會報告

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Company and of the Group as at 31 December 2019 are set out in the financial statements on pages 95 to 292.

The Board has resolved to recommend a final dividend for the year ended 31 December 2019 (the “**Final Dividend**”) equivalent to HK\$0.038 per share in cash (2018: HK\$0.084 per share) to the shareholders whose names appear on the register of members of the Company as at the close of business on 1 June 2020. Together with the interim dividend of HK\$0.018 per share (2018: HK\$0.034 per share) paid on 30 September 2019, total distribution of dividend by the Company for the year ended 31 December 2019 will be HK\$0.056 per share (2018: HK\$0.118 per share).

Subject to the passing of the relevant resolution at the forthcoming annual general meeting of the Company, it is expected that the Final Dividend will be paid on 15 June 2020.

SUBSIDIARIES

Particulars of the Company’s principal subsidiaries are set out in note 51 to the consolidated financial statements.

ASSOCIATED COMPANIES

Particulars of the Group’s principal associated companies are set out in note 21 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 99 to 100. Details of movements in the reserves of the Company during the year are set out in note 52 to the consolidated financial statements.

業績及分配

本集團截至二零一九年十二月三十一日止年度的業績以及本公司及本集團於二零一九年十二月三十日的事務狀況已載於第95至292頁的財務報表。

董事會議決建議向於二零二零年六月一日營業時間結束時名列本公司股東名冊之股東派發截至二零一九年十二月三十一日止年度的末期股息(「末期股息」)每股0.038港元(二零一八年：每股0.084港元)。連同於二零一九年九月三十日派付的中期股息每股0.018港元(二零一八年：每股0.034港元)，截至二零一九年十二月三十一日止年度本公司派付之總股息將為每股0.056港元(二零一八年：每股0.118港元)。

待有關決議案於本公司即將舉行的股東週年大會上獲通過後，預計末期股息將於二零二零年六月十五日支付。

附屬公司

本公司主要附屬公司的詳情載於綜合財務報表附註51。

聯營公司

本集團聯營公司的詳情載於綜合財務報表附註21。

儲備

本年度內，本集團的儲備變動詳情則載於第99至100頁的綜合權益變動表內。本年度內，本公司的儲備變動詳情載於綜合財務報表附註52。

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserve available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to HK\$778,616,000 (2018: HK\$743,089,000). This includes the Company's share premium account in the amount of HK\$714,146,000 (2018: HK\$731,771,000) at 31 December 2019, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$3,324,000 (2018: HK\$1,359,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARES ISSUED, REPURCHASED AND CANCELLED

During the year, as a result of the exercise of share options under the Company's share option scheme adopted on 26 June 2002 and the new share option scheme adopted on 10 May 2012, a total of 280,000 shares of the Company (the "Shares"), fully paid, were issued for a total consideration of HK\$1,398,880.

Details of movements in the share capital of the Company during the year are set out in note 37 to the consolidated financial statements.

可供分派儲備

於二零一九年十二月三十一日，本公司按開曼群島公司法計算的可供分派儲備為778,616,000港元（二零一八年：743,089,000港元）。該筆款項包括於二零一九年十二月三十一日的本公司股份溢價為714,146,000港元（二零一八年：731,771,000港元），並將會在緊隨建議分派股息日期後，本公司將有能力在日常業務過程中償還其到期的債務時，方可作出分派。

慈善捐贈

於本年度內，本集團作出的慈善捐贈為3,324,000港元（二零一八年：1,359,000港元）。

物業、廠房及設備

本年度內，本集團的物業、廠房及設備之變動載於綜合財務報表附註17。

已發行、購回及註銷股份

年內，因根據本公司於二零零二年六月二十六日採納的購股權計劃及於二零一二年五月十日採納的新購股權計劃行使購股權，共計280,000股本公司已繳足股份（「股份」）獲發行，總代價為1,398,880港元。

本公司年內股本變動詳情載於綜合財務報表附註37。

Report of the Directors

董事會報告

BANK LOANS AND OTHER BORROWINGS

Particulars of the bank loans and other borrowings of the Group are set out in note 32 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the 2002 Share Option Scheme and New Share Option Scheme disclosed in the section headed "Share Option Scheme" below and note 42 to the consolidated financial statements, no equity-linked agreements were entered into by the Group, or existed during the year.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

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

During the year ended 31 December 2019, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month/Year		Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid (including expenses)
月/年		購回股份數目	已付每股最高價	已付每股最低價	已付價格總額
			HK\$	HK\$	HK\$
			港元	港元	港元
September 2019	二零一九年九月	1,931,000	4.58	4.18	8,655,084
October 2019	二零一九年十月	2,458,000	4.55	4.23	10,985,975
		<u>4,389,000</u>			<u>19,641,059</u>

銀行貸款及其他借款

有關本集團銀行貸款及其他借款的詳情載於綜合財務報表附註32。

權益掛鉤協議

除下文「購股權計劃」一節及綜合財務報表附註42所披露的二零零二年購股權計劃及新購股權計劃外，本集團年內並無訂立或存在權益掛鉤協議。

優先購買權

本公司的公司組織章程細則或開曼群島法律並無優先購買權的條文，致使本公司有責任須按現有股東的持股比例基準發行新股份。

稅項寬減及豁免

本公司並不知悉本公司擁有人可藉彼等持有本公司證券而獲任何稅項寬減及豁免。

購買、出售或贖回本公司上市證券

截至二零一九年十二月三十一日止年度，本公司於香港聯合交易所有限公司（「聯交所」）購回其自身股份之詳情如下：

The repurchase of the Company's shares by the Directors during the year under review were made pursuant to the mandate granted by the shareholders of the Company at the 2019 annual general meeting of the Company held on 20 May 2019 with a view to benefiting the shareholders thereof as a whole by enhancing the earnings per share of the Company.

The above repurchased shares were cancelled on 5 November 2019 and the issued share capital of the Company was reduced by the nominal value of these shares accordingly. The premium and transaction costs paid on the repurchase of the shares of HK\$19,422,000 and HK\$31,000 respectively were charged to the Company's share premium account.

Saved as disclosed above, there were no other purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2019.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

- Sales to the Group's five largest customers accounted for approximately 9.50% in aggregate for the Group's total revenue for the year (2018: 15.94%)
- Purchase from the Groups' five largest suppliers accounted for approximately 74.18% in aggregate for the Group's total purchases for the year (2018: 78.42%)
- The largest supplier of the Group accounted for approximately 23.16% of the Group's total purchases for the year (2018: 24.85%)

At no time during the year have the Directors, their associates (as defined in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange or any shareholder of the Company (who, to the knowledge of the Directors, owns more than 5% of the number of issued shares of the Company) had any interest in the Group's five major customers and suppliers.

董事於回顧年內購回本公司股份乃根據本公司股東於二零一九年五月二十日舉行的本公司二零一九年股東週年大會上授出的授權作出，旨在通過提高本公司每股盈利而使全體股東受益。

上述已購回股份於二零一九年十一月五日註銷，本公司的已發行股本相應減該等股份的面值。購回股份支付的溢價及交易費用分別為19,422,000港元及31,000港元，已於本公司股份溢價賬中扣除。

除上述披露者外，截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購回、出售或贖回本公司上市證券。

主要客戶及供應商

有關本集團於本財政年度應佔主要客戶及供應商的銷售及採購資料如下：

- 本集團五大客戶的銷售額佔本集團於本年度的總收益合共約9.50% (二零一八年：15.94%)
- 本集團五大供應商的採購額佔本集團於本年度的總採購額合共約74.18% (二零一八年：78.42%)
- 本集團最大供應商佔本集團於本年度的總採購額約23.16% (二零一八年：24.85%)

於本年度任何時間，本公司的董事、彼等的聯繫人士(定義見聯交所證券上市規則(「上市規則」))或任何股東(據董事所知擁有本公司已發行股份逾5%)於本集團的五大客戶及供應商中概無擁有任何權益。

Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has also purchased and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors.

DIRECTORS

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

Executive Directors

Lee Siu Fong, *Chairman*
Leelalertsuphakun Wanee, *Managing Director*
Li Xiaoyi, *Chief Executive Officer*

Non-executive Director

Simon Miles Ball

Independent Non-executive Directors

Chan Yau Ching, Bob
Lam Yat Cheong
Tsim Wah Keung, Karl

In accordance with Article 112 of the Company's Articles of Association, Dr. Li Xiaoyi, Mr. Simon Miles Ball and Mr. Lam Yat Cheong will retire at the forthcoming annual general meeting and, being eligible, have agreed to offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

獲准彌償條文

該惠及本公司董事的獲准許彌償條文現正生效，並曾於整個年度生效。本公司亦已整個年度內為董事購買及維持相關責任保險，為董事提供適當保障範圍。

董事

於本年度及截至本報告日期的董事如下：

執行董事

李小芳，*主席*
李燁妮，*董事總經理*
李小羿，*行政總裁*

非執行董事

Simon Miles Ball

獨立非執行董事

陳友正
林日昌
詹華強

根據本公司的公司組織章程細則第112條，李小羿博士、Simon Miles Ball先生及林日昌先生將於即將召開的股東週年大會上輪值告退，惟彼等將合資格並願意膺選連任。

董事的服務合約

概無董事與本公司訂立若在一一年內終止而須作出賠償的服務合約(法定賠償除外)。

Each of Ms. Lee Siu Fong (“**Ms. Lee**”) and Ms. Leelalertsuphakun Wanee (“**Ms. Leelalertsuphakun**”) has entered into a service contract both dated 14 January 2002 with the Company under which each of them has been appointed to act as an executive Director on a continuous basis until terminated by either party by giving to the other party not less than three months’ notice in writing. During the year, the monthly salaries and allowance for Ms. Lee and Ms. Leelalertsuphakun have been revised to HK\$394,107 and HK\$424,865 respectively.

Dr. Li Xiaoyi (“**Dr. Li**”) has a service contract with the Company since 1 September 2003 and after that the contract has been renewed. During the year, the monthly salaries and allowance has been revised to HK\$586,862. Both the Company and Dr. Li shall be entitled to terminate the contract by giving three months’ prior written notice. If both of the substantial shareholders, namely Ms. Lee and Ms. Leelalertsuphakun, and Dr. Li together, holding less than 30% of the issued share capital of the Company, Dr. Li shall in his absolute discretion terminate the contract and shall be entitled to the payment equivalent to the aggregate of his monthly salary for the remaining term as compensation or damages for or in respect of such termination.

Ms. Lee, Ms. Leelalertsuphakun and Dr. Li are executive Directors. In accordance with supplementary agreement dated 16 April 2017 signed between the Company and each of the executive Directors, employment terms of executive Directors have been revised as follows:

1. Executive Directors are entitled to annual management bonus 1.5% to 3.0% (determined based on the growth in net profits of the Group) on the net profit of the Group for the preceding financial year. Such sum of the management bonus will be shared between all the executive Directors in such proportion with reference to their monthly salary in the final month of the complete financial year.

李小芳女士(「**李女士**」)及李燁妮女士(「**李燁妮女士**」)已分別與本公司於二零零二年一月十四日訂立服務合約，據此彼等獲委任為執行董事，有關協議將持續有效，直至任何一方向另一方發出不少於三個月之書面通知以終止合約為止。於本年度，李女士及李燁妮女士之每月薪金及津貼已分別修訂為394,107港元及424,865港元。

李小羿博士(「**李博士**」)與本公司訂有服務合約，自二零零三年九月一日開始，其後該合約已經重續。於本年度，每月薪金及津貼已修訂為586,862港元。本公司及李博士均有權向對方發出不少於三個月之書面通知以終止合約。如主要股東李女士及李燁妮女士連同李博士共同持有少於本公司已發行股本之30%權益，李博士將可絕對酌情終止合約，並有權獲支付相當於其剩餘任期之月薪的總數作為終止合約之補償或賠償金。

執行董事為李女士、李燁妮女士及李博士。根據本公司與各執行董事於二零一七年四月十六日訂立之補充協議，執行董事之聘任條款已修訂如下：

1. 該等執行董事有權收取本集團前個財政年度之純利1.5%至3.0%(根據本集團純利增長釐定)之年度管理層花紅。有關管理層花紅將由所有執行董事按有關比例分享，而有關比例乃參考彼等於完整財政年度之最後一個月之月薪釐定。

Report of the Directors

董事會報告

2. The annual salary increment shall be equal to official inflation rate if the growth in net profits of the Group is equal to or less than 15%, or should the growth exceed 15%, the sum of the official inflation rate and half of the positive difference between the growth in net profits and the 15% threshold.
2. 倘若本集團純利之增長相等於或少於15%，則年度薪金增幅將相等於官方通貨膨脹率，或倘若本集團純利之增長超過15%，則年度薪金增幅將相等於官方通貨膨脹率加上純利增長率與15%下限間之正數差額之一半。
3. Each of executive Directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if he/she has engaged in continuous service with the Company for certain years.
3. 各執行董事倘若已持續服務本公司若干年，則將有權於退休時享有一次過款項及於退休後享有每月退休金。

Each of Mr. Lam Yat Cheong (“**Mr. Lam**”) and Dr. Tsim Wah Keung, Karl (“**Dr. Tsim**”) has been appointed on 1 July 2004 and 20 September 2004 respectively as an independent non-executive Director. Contract with Mr. Lam and Dr. Tsim has been renewed for three years from 1 July 2019 and 20 September 2019 respectively. Director’s fees for both of Mr. Lam and Dr. Tsim are HK\$144,000 per annum and bonus will not be paid.

林日昌先生(「**林先生**」)及詹華強博士(「**詹博士**」)分別於二零零四年七月一日及二零零四年九月二十日獲委任為獨立非執行董事。與林先生及詹博士之合約已重續三年，分別自二零一九年七月一日及二零一九年九月二十日起。林先生及詹博士之董事袍金為每年144,000港元，但不會獲支付花紅。

Dr. Chan Yau Ching, Bob has a three-year service contract with the Company from 12 October 2007. The contract has been renewed for three years from 12 October 2019. Director’s fee is HK\$144,000 per annum and bonus will not be paid.

陳友正博士已經與本公司訂立服務合約，其任期由二零零七年十月十二日開始，為期三年，而合約已由二零一九年十月十二日起再續三年。董事袍金為每年144,000港元，但不會獲支付花紅。

Mr. Simon Miles Ball has a three-year service contract with the Company from 29 December 2017. Director’s fee is HK\$144,000 per annum and bonus will not be paid.

Simon Miles Ball先生已與本公司訂立由二零一七年十二月二十九日起計為期三年之服務合約。董事袍金為每年144,000港元，但不會獲支付花紅。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND KEY PERSONNEL

Brief biographical details of the Directors and the key personnel are set out on pages 34 to 46.

COMPETING INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, or has any other conflict of interests with the Group during the year ended 31 December 2019.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as the interests disclosed in the section headed "Directors' and Chief Executive's Interests in Securities" below, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company or their respective spouses or children under 18 years of age or their associates to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

董事於重大交易、安排或合約的權益

於本年度年底或本年度內任何時間，本公司或其任何附屬公司，概無簽訂任何與本集團業務有關而董事於當中直接或間接擁有重大權益之重要交易、安排或合約。

董事及主要人員履歷詳情

董事及主要人員履歷詳情載於第34至第46頁。

競爭性權益

截至二零一九年十二月三十一日止年度，本公司概無董事、管理層股東或主要股東或其各自的任何聯繫人士從事(直接或間接)與或可能與本集團的業務構成競爭(定義見上市規則)的業務或擁有與本集團業務有任何其他利益衝突的業務。

董事購入股份之權利

除下文「董事及行政總裁於證券的權益」一節所披露的權益以外，本公司及其任何附屬公司均無於回顧年度內任何時間作出安排，致使本公司董事或行政總裁或彼等各自之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體之股份而得益。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2019, the Directors and the chief executive of the Company and their associates had the following interests in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules:

(a) Long position in Shares

Name of director 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	Total 總計	Approximate percentage of shareholding 持股概約百分比
Lee Siu Fong 李小芳	Beneficial owner 實益擁有人	1,684,375		
	Interest held jointly with Leelalertsuphakun Wanee 與李燁妮共同持有之權益	1,600,000		
	Interest of a controlled corporation (Note 1) 一家受控制法團的權益(附註1)	114,000,625	117,285,000	19.95%
Leelalertsuphakun Wanee 李燁妮	Beneficial owner 實益擁有人	3,305,000		
	Interest held jointly with Lee Siu Fong 與李小芳共同持有之權益	1,600,000		
	Interest of a controlled corporation (Note 1) 一家受控制法團的權益(附註1)	114,000,625	118,905,625	20.22%
Li Xiaoyi 李小羿	Beneficial owner 實益擁有人	41,092,766		
	Family interest (Note 2) 家族權益(附註2)	16,000,000		
	Others 其他	2,067,219	59,159,985	10.06%

董事及行政總裁於證券的權益

於二零一九年十二月三十一日，本公司董事及行政總裁或其各自的聯繫人士於本公司及其相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中擁有須記錄於根據證券及期貨條例第352條存置之登記冊，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的以下權益：

(a) 股份好倉

Report of the Directors

董事會報告

Name of director 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	Total 總計	Approximate percentage of shareholding 持股概約百分比
Chan Yau Ching, Bob 陳友正	Beneficial owner 實益擁有人	520,000	520,000	0.09%
Lam Yat Cheong 林日昌	Beneficial owner 實益擁有人	300,000	300,000	0.05%
Tsim Wah Keung, Karl 詹華強	Beneficial owner 實益擁有人	300,000	300,000	0.05%
Simon Miles Ball Simon Miles Ball	Beneficial owner 實益擁有人	46,500	46,500	0.01%

Notes:

- (1) 114,000,625 Shares are held through Huby Technology Limited (“**Huby Technology**”). Huby Technology is an investment holding company jointly owned by Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee.
- (2) These Shares are held by High Knowledge Investments Limited which is wholly owned by Dr. Li Xiaoyi’s spouse, Ms. Lue Shuk Ping, Vicky (“**Ms. Lue**”). The interest held by Ms. Lue is deemed to be part of the interest of Dr. Li Xiaoyi.

附註：

- (1) 114,000,625 股股份是透過 Huby Technology Limited (「**Huby Technology**」) 持有。Huby Technology 為投資控股公司，並由李小芳女士及李燁妮女士共同擁有。
- (2) 此等股份由 High Knowledge Investments Limited 持有。該公司由李博士的配偶呂淑冰女士(「**呂女士**」)全資擁有。呂女士持有的權益被視作李博士的部分權益。

Report of the Directors 董事會報告

(b) Long position in underlying shares – share options of the Company

Under the share option schemes of the Company, the following Directors of the Company have personal interest in options to subscribe for the Shares. Details of the share options granted to them are as follows:

Name of director	Date of grant	Exercisable period	Balance	During the year		Balance	Exercise price per share
			as at 1 January 2019	Granted	Exercised	as at 31 December 2019	
董事名稱	授出日期	行使期 (Notes) (附註)	於二零一九年一月一日的結餘	授出	行使	於二零一九年十二月三十一日的結餘	每股行使價 HK\$ 港元
Lee Siu Fong 李小芳	30 December 2013 二零一三年十二月三十日	(1)	538,000	–	–	538,000	7.300
	31 March 2015 二零一五年三月三十一日	(2)	446,000	–	–	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	–	–	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	–	–	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	–	–	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	–	592,000	–	592,000	7.324
			2,617,000	592,000	–	3,209,000	

(b) 於相關股份的好倉 – 本公司購股權

根據本公司的購股權計劃，下列本公司董事於可認購股份的購股權中擁有個人權益。授予彼等的購股權詳情如下：

Report of the Directors

董事會報告

Name of director	Date of grant	Exercisable period	Balance	During the year		Balance	Exercise price per share
			as at 1 January 2019	Granted	Exercised	as at 31 December 2019	
董事名稱	授出日期	行使期 (Notes) (附註)	於二零一九年一月一日的結餘	授出	行使	於二零一九年十二月三十一日的結餘	每股行使價 HK\$ 港元
Leelalertsuphakun Wanee 李焯妮	30 December 2013 二零一三年十二月三十日	(1)	338,000	–	–	338,000	7.300
	31 March 2015 二零一五年三月三十一日	(2)	446,000	–	–	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	–	–	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	–	–	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	–	–	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	–	592,000	–	592,000	7.324
				2,417,000	592,000	–	3,009,000
Li Xiaoyi 李小羿	31 March 2015 二零一五年三月三十一日	(2)	446,000	–	–	446,000	11.200
	31 March 2016 二零一六年三月三十一日	(3)	587,000	–	–	587,000	5.754
	13 April 2017 二零一七年四月十三日	(4)	590,000	–	–	590,000	7.548
	13 April 2018 二零一八年四月十三日	(5)	456,000	–	–	456,000	11.216
	15 April 2019 二零一九年四月十五日	(6)	–	592,000	–	592,000	7.324
				2,079,000	592,000	–	2,671,000

Report of the Directors

董事會報告

Notes:

- (1) Divided into 2 tranches exercisable from 30 June 2014 and 30 March 2015 respectively to 29 December 2023.
- (2) Divided into 2 tranches exercisable from 30 September 2015 and 30 June 2016 respectively to 30 March 2025.
- (3) Divided into 2 tranches exercisable from 30 September 2016 and 30 June 2017 respectively to 30 March 2026.
- (4) Divided into 2 tranches exercisable from 13 October 2017 and 13 July 2018 respectively to 12 April 2027.
- (5) Divided into 2 tranches exercisable from 13 October 2018 and 13 July 2019 respectively to 12 April 2028.
- (6) Divided into 2 tranches exercisable from 15 October 2019 and 15 July 2020 respectively to 14 April 2029.

(c) As at 31 December 2019, Dr. Li Xiaoyi had beneficial interest in (a) 12,740 ordinary shares in Powder Pharmaceuticals Incorporated; and (b) 830 share options which can be converted into 830 ordinary shares of Powder Pharmaceuticals Incorporated when exercised.

(d) Save as disclosed above, no interests and short positions were held or deemed to be taken to be held under Part XV of the SFO by any director or chief executive of the Company or their respective associates in the Shares and the underlying shares of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

附註：

- (1) 分拆成2批，分別由二零一四年六月三十日及二零一五年三月三十日至二零二三年十二月二十九日可行使。
- (2) 分拆成2批，分別由二零一五年九月三十日及二零一六年六月三十日至二零二五年三月三十日可行使。
- (3) 分拆成2批，分別由二零一六年九月三十日及二零一七年六月三十日至二零二六年三月三十日可行使。
- (4) 分拆成2批，分別由二零一七年十月十三日及二零一八年七月十三日至二零二七年四月十二日可行使。
- (5) 分拆成2批，分別由二零一八年十月十三日及二零一九年七月十三日至二零二八年四月十二日可行使。
- (6) 分拆成2批，分別由二零一九年十月十五日及二零二零年七月十五日至二零二九年四月十四日可行使。

(c) 於二零一九年十二月三十一日，李小羿博士(a)於普樂藥業有限公司的12,740股普通股中；及(b)於830股購股權在行使時可轉換為830股普樂藥業有限公司普通股中擁有實益權益。

(d) 除上文披露者外，本公司的任何董事或行政總裁或彼等各自的聯繫人士概無於本公司或其任何相聯法團的股份及相關股份中持有或根據證券及期貨條例第XV部被視為持有任何權益及淡倉，而須根據證券及期貨條例第XV部或標準守則知會本公司及聯交所或須根據證券及期貨條例第352條記入該條所指登記冊。

SHARE OPTION SCHEME

Pursuant to a written resolution passed by all shareholders of the Company on 26 June 2002, the Company adopted a share option scheme (the “**2002 Share Option Scheme**”). At the annual general meeting of the Company held on 10 May 2012, a new share option scheme of the Company (the “**New Share Option Scheme**”) was adopted upon expiry of the 2002 Share Option Scheme.

The total number of shares of the Company (the “**Shares**”) which may be issued upon exercise of all options to be granted under the New Share Option Scheme shall be subject to a maximum limit of 10% of the Shares in issue on 10 May 2012, the date on which the New Share Option Scheme is conditionally adopted and approved by the shareholders at the annual general meeting, which is 47,023,543 Shares. The total number of Shares available for issue under the New Share Option Scheme as at 31 December 2019 was 24,855,543 Shares.

As at 31 December 2019, the number of Shares in respect of which options had been granted and remained outstanding under the 2002 Share Option Scheme and New Share Option Scheme was 17,123,000 (2018: 15,627,000) Shares, representing 2.9% (2018: 2.6%) of the Shares in issue at that date.

Details of the Company’s share option schemes are set out in note 42 to the consolidated financial statements.

SHARE OPTION SCHEME OF A SUBSIDIARY

A share option scheme of a subsidiary of the Company, CVie Therapeutics Company Limited, was approved by the shareholders of the Company on 12 November 2012 (“**CVie’s Scheme**”). Details of the CVie’s Scheme are set out in note 42 to the consolidated financial statements.

購股權計劃

根據本公司全體股東於二零零二年六月二十六日通過的書面決議案，本公司採納一項購股權計劃(「**二零零二年購股權計劃**」)。於二零一二年五月十日舉行之本公司股東週年大會上，本公司於二零零二年購股權計劃屆滿時採納一項新購股權計劃(「**新購股權計劃**」)。

於行使根據新購股權計劃授出的所有購股權後可予發行的本公司股份(「**股份**」)總數受限於二零一二年五月十日(新購股權計劃獲有條件採納及經股東於股東週年大會上批准的日期)已發行股份的10%最高上限(47,023,543股股份)。於二零一九年十二月三十一日，根據新購股權計劃可予發行的股份總數為24,855,543股股份。

於二零一九年十二月三十一日，有關根據二零零二年購股權計劃及新購股權計劃已授出及尚未行使的購股權所涉及的股份數目為17,123,000股(二零一八年：15,627,000股)，佔該日期已發行股份數目的2.9%(二零一八年：2.6%)。

本公司購股權計劃的詳情載於綜合財務報表附註42。

一家附屬公司之購股權計劃

於二零一二年十一月十二日，本公司附屬公司中國生命藥物治療有限公司的購股權計劃獲本公司股東批准(「**中國生命藥物計劃**」)。中國生命藥物計劃的詳情載於綜合財務報表附註42。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2019, the following parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO:

(a) Long position in Shares

主要股東於證券的權益

於二零一九年十二月三十一日，下列人士／公司(本公司董事或行政總裁除外)擁有根據證券及期貨條例第XV部第2及3分部須予知會本公司，及根據證券及期貨條例第336條須紀錄在本公司所置存股東名冊的於本公司的股份或相關股份中的權益或淡倉：

(a) 股份好倉

Name 姓名	Capacity 性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 持股概約百分比
Huby Technology Limited	Beneficial owner	114,000,625	19.39%
Huby Technology Limited	實益擁有人		
Assicurazioni Generali S.p.A	Interest of a controlled corporation	81,405,000	13.85%
Assicurazioni Generali S.p.A	一家受控制法團的權益		
Li Zhenfu	Interest of a controlled corporation	81,405,000	13.85%
Li Zhenfu	一家受控制法團的權益		
Lion River I N.V.	Interest of a controlled corporation	81,405,000	13.85%
Lion River I N.V.	一家受控制法團的權益		
GL Partners Capital Management Limited	Interest of a controlled corporation	76,165,488	12.96%
GL Partners Capital Management Limited	一家受控制法團的權益		
Apta Finance S.A.	Interest of a controlled corporation	58,503,898	9.95%
Apta Finance S.A.	一家受控制法團的權益		
Cavazza Paolo	Interest of a controlled corporation	58,503,898	9.95%
Cavazza Paolo	一家受控制法團的權益		
Paponi Claudia	Family interest	58,503,898	9.95%
Paponi Claudia	家族權益		
GSR Capital Joy Corporation	Beneficial owner	37,209,935	6.33%
GSR Capital Joy Corporation	實益擁有人		
Golden Sand Capital Ltd	Interest of a controlled corporation	37,209,935	6.33%
Golden Sand Capital Ltd	一家受控制法團的權益		
Wu Sonny	Interest of a controlled corporation	37,209,935	6.33%
Wu Sonny	一家受控制法團的權益		

Report of the Directors 董事會報告

Name 姓名	Capacity 性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 持股概約百分比
High Knowledge Investments Limited	Beneficial owner (Note 1)	16,000,000	2.72%
High Knowledge Investments Limited	實益擁有人(附註1)		
Lue Shuk Ping, Vicky 呂淑冰	Interest of a controlled corporation (Note 1) 一家受控制法團的權益(附註1)	16,000,000	2.72%
	Family interest (Note 2) 家族權益(附註2)	43,159,985	7.34%

Notes:

- (1) These Shares are legally owned by High Knowledge Investments Limited, which is entirely and beneficially owned by Dr. Li Xiaoyi's spouse, Ms. Lue.
- (2) These Shares are owned by Ms. Lue's spouse, Dr. Li Xiaoyi.

附註：

- (1) 此等股份由 High Knowledge Investments Limited 合法擁有，該公司由李小羿博士的配偶呂女士全部及實益擁有。
- (2) 該等股份由呂女士的配偶李小羿博士擁有。

(b) Long position in underlying shares — share options of the Company

(b) 相關股份好倉—本公司的購股權

Name 姓名	Capacity 性質	Number of ordinary shares held 所持相關股份數目	Approximate percentage of shareholding 持股概約百分比
Lue Shuk Ping, Vicky 呂淑冰	Family interest (Note 1) 家族權益(附註1)	2,671,000	0.45%

Note:

- (1) These share options are owned by Ms. Lue's spouse, Dr. Li Xiaoyi.

附註：

- (1) 該等購股權由呂女士的配偶李小羿博士擁有。

(c) Short position in Shares

No short positions of other persons and substantial shareholders in the Shares or underlying shares of the Company and its associated corporations were recorded in the register.

(c) 於股份之淡倉

本公司及其聯營公司的股東名冊內概無記錄其他人士及主要股東於股份或相關股份中的淡倉。

Report of the Directors 董事會報告

Saved as disclosed above, as at 31 December 2019, the Directors are not aware of any other person or corporation having an interest or short position in Shares and underlying shares of the Company which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is available to the Company the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares during the year and up to the date of this annual report.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2019, the Group conducted certain transactions with parties deemed as "related parties" under applicable accounting standards. The details of these transactions are set out in note 50 to the consolidated financial statements. Save for the transactions mentioned in the section headed "Connected Transactions and Continuing Connected Transactions" which is subject to announcement and disclosure requirements under Chapter 14A of the Listing Rules, certain transactions mentioned in note 50 to the consolidated financial statements also constituted connected transactions or continuing connecting transactions as defined in Chapter 14A of the Listing Rules but are exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected transactions and continuing connected transactions, and details of which have been disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange.

除上文披露者外，於二零一九年十二月三十一日，董事概不知悉任何其他人士或法團於本公司股份及相關股份擁有須根據證券及期貨條例第XV部第2及3分部的條文作出披露的權益或淡倉。

充足公眾持股量

根據本公司可查閱的資料，於本年度及直至本年報日期，公眾所持本公司股份比例超逾公司已發行股份總數的25%。

關連人士交易

於截至二零一九年十二月三十一日止年度，本集團曾與根據適用會計準則被視作「關連人士」進行若干交易。該等交易之詳情載於綜合財務報表附註50。除「關連交易及持續關連交易」一節所述交易須遵守上市規則第14A章有關公告及披露規定外，綜合財務報表附註50所述若干交易亦構成上市規則第14A章所述之關連交易或持續關連交易，惟獲豁免遵守上市規則第14A章之有關披露規定。

關連交易及持續關連交易

於本年度內，本公司及本集團曾進行下列關連交易及持續關連交易，而有關詳情已遵照聯交所證券上市規則第14A章之規定作出披露。

Connected Transactions

1. Advance of shareholder loans to Powder Pharmaceuticals Incorporated (“PPI”), an associate of the Group

During the year ended 31 December 2019, the following shareholder loans were provided by the Group to PPI:

Advance date 墊付日期	Term 年期	Interest rate per annum 年息率	Loan amount in original currency 原貨幣貸款額	Loan amount 貸款額
27 March 2019 二零一九年三月二十七日	1 year 一年	4% 4厘	HK\$3,000,000 3,000,000港元	HK\$3,000,000 3,000,000港元
14 June 2019 二零一九年六月十四日	1 year 一年	4% 4厘	HK\$3,000,000 3,000,000港元	HK\$3,000,000 3,000,000港元
19 July 2019 二零一九年七月十九日	1 year 一年	4% 4厘	HK\$25,056,000 25,056,000港元	HK\$25,056,000 25,056,000港元
27 September 2019 二零一九年九月二十七日	1 year 一年	4% 4厘	HK\$3,000,000 3,000,000港元	HK\$3,000,000 3,000,000港元
18 November 2019 二零一九年十一月十八日	1 year 一年	4% 4厘	HK\$8,000,000 8,000,000港元	HK\$8,000,000 8,000,000港元

Details of these transactions have been disclosed in the Company’s announcement dated 27 March 2019, 14 June 2019, 19 July 2019, 27 September 2019 and 18 November 2019.

GL Partners Capital Management Limited (“**GL Partners**”) is a substantial shareholder of the Company. The Company and GL Partners are both shareholders of PPI at the same time, while GL Partners, being a connected person of the Company, is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of PPI. Therefore PPI is a commonly held entity under the Listing Rules. Therefore, advance of shareholder loans to PPI constitutes a connected transaction.

As at 31 December 2019, the Group had interest in 33.92% of issued share capital of PPI.

關連交易

1. 向本集團聯營公司普樂藥業有限公司 (「普樂」) 墊付股東貸款及提供財務擔保

於截至二零一九年十二月三十一日止年度，本集團向普樂提供之股東貸款如下：

該等交易詳情已於本公司日期為二零一九年三月二十七日、二零一九年六月十四日、二零一九年七月十九日、二零一九年九月二十七日及二零一九年十一月十八日之公告內披露。

GL Partners Capital Management Limited (「**GL Partners**」) 為本公司之主要股東。本公司及GL Partners同時均為普樂之股東，而GL Partners (其為本公司之關連人士) 有權在普樂的任何股東大會上行使或操控行使10%或以上的投票權。因此，根據上市規則的定義，普樂為一個共同持有的實體，所以，故向普樂墊付股東貸款構成關連交易。

於二零一九年十二月三十一日，本集團持有普樂已發行股本之33.92%的權益。

Continuing Connected Transactions

1. Provision of financial guarantee to PPI, as associate of the Group

On 14 March 2019, the Company as guarantor entered into a corporate guarantee in favour of a bank as a security for the provision of a revolving loan facility of up to HK\$8,000,000, a demand loan facility of up to HK\$40,000,000 and an overdraft facility of up to HK\$4,000,000 (the “Facility”), provided that the total outstanding balance of the overdraft facility and revolving loan facility shall not at any time exceed HK\$8,000,000, to Powder Pharmaceuticals Incorporated for the purpose of funding its normal commercial operation.

The above continuing connected transactions have been reviewed by the independent non-executive Directors and they have confirmed that the transactions:

- a. have been entered into in the usual and ordinary course of businesses of the Company and its subsidiaries;
- b. are conducted on normal commercial terms;
- c. are entered into in accordance with the terms of relevant agreements that are fair and reasonable and in the interests of Shareholders as a whole; and
- d. have not exceeded the cap disclosed in previous announcements.

The Company’s auditor, HLM CPA Limited, also has confirmed that the above continuing connected transactions:

- a. have received the approval of the Company’s Board of Directors;
- b. have been entered into in accordance with the relevant agreement governing the transactions; and

持續關連交易

1. 向本集團聯營公司普樂提供財務擔保

於二零一九年三月十四日，本公司以擔保人身份以某銀行為受益人訂立企業擔保，作為獲提供一筆最多為8,000,000港元的循環貸款融資、一筆最多為40,000,000港元的需要貸款融資及一筆最多為4,000,000港元透支融資（「該融資」）的抵押，惟透支融資及循環貸款融資的未償還結餘總額於任何時間不可超過8,000,000港元，該融資乃用作撥資普樂藥業有限公司的日常商業運作。

上述持續關連交易已獲獨立非執行董事審閱並確認該等交易乃：

- a. 在本公司及其附屬公司一般及日常業務過程中訂立；
- b. 以一般商業條款進行；
- c. 乃按照有關協議的條款訂立，公平合理，並符合股東整體利益；及
- d. 並無超過先前公告所披露之上限。

本公司核數師恒健會計師行有限公司亦已確認上述持續關連交易：

- a. 已獲本公司董事會批准；
- b. 乃根據規管該等交易之有關協議訂立；及

- c. have not exceeded the cap disclosed in previous announcements.

Save as disclosed above, there was no other transaction requiring disclosure of connected transactions and continuing connected transactions in accordance with the requirements of the Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors are independent.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 9 to 10.

KEY RISKS AND UNCERTAINTIES

The Board acknowledges its responsibility for the effectiveness of the internal control and risk management systems of the Group, which are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

Business Risk

The Group's business risks include rapid change in the general market conditions, downturn pressure on the overall economy of China and price competition from other market players. The Board is responsible for the overall management of the business and review of material business decisions involving material risks exposures from time to time.

Financial Risk

The Group adopts financial risk management policies to manage its currency risk, interest rate risk, credit risk, and liquidity risk. The Board also reviews monthly management accounts, capital structure and key operating data of the Group.

- c. 並無超過先前公告所披露之上限。

除上文所披露者外，按照上市規則的規定概無其他交易須予披露為關連交易及持續關連交易。

獨立性的確認

本公司已接獲上市規則第3.13條所規定各獨立非執行董事的年度獨立性確認書，並認為全體獨立非執行董事均屬獨立。

五年財務摘要

本集團過去五個財政年度的已公佈業績及資產及負債摘要載於第9頁至第10頁。

主要風險及不明朗因素

董事會知悉其維持本集團內部控制及風險管理系統有效性的責任。該等系統旨在管理未能達成業務目標的風險，並針對重大失實陳述或損失提供合理的保證。

業務風險

本集團的業務風險包括整體市場狀況的急劇變化、中國整體經濟的下行壓力及其他市場對手的價格競爭。董事會負責業務的整體管理以及檢討涉及不時的重大風險披露的重大業務決策。

財務風險

本集團採納財務風險管理政策管理其貨幣風險、利率風險、信貸風險及流動資金風險。董事會亦每月檢討本集團的管理賬目、資本架構及主要營運數據。

Report of the Directors

董事會報告

Compliance Risk

The Board adopts procedures to ensure the Group is in compliance with the applicable laws, rules and regulations. The Group engages professional advisers and consultants to keep the Group abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also adopts a strict policy in prohibiting any unauthorised use or dissemination of confidential or inside information.

Operational Risk

The Group adopts procedures to manage its operational risk such as inadequate management efficiency, inefficient raw material procurement and production facilities utilisation. The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering business, financial, compliance and operational risks of the Group and is satisfied that such systems are effective and adequate.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The sustainability of the Group's business relies on the growth of the Group's employees. Remuneration packages of the employees are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group.

合規風險

董事會亦採取程序確保本集團遵守適用法律、規則及法規。本集團委聘專業諮詢人員及顧問以讓本集團緊貼監管環境的最新發展，包括法律、財務、環境及營運發展。本集團亦採取嚴格政策，禁止任何未經授權使用或發佈機密資料或內幕消息。

營運風險

本集團採取多項程序管理其營運風險，如管理效率不足、原料採購效率低及生產設施的使用。董事會已就本集團內部控制及風險管理系統的有效性進行檢討，涵蓋本集團的業務、財務、合規及營運風險，且信納該等系統屬有效充足。

與僱員、客戶及供應商之關係

本集團業務的可持續發展依賴於本集團員工的成長。僱員薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資通常會每年根據表現評估及其他相關因素檢討。

除薪金外，本集團另設有其他員工福利，包括強積金、醫療保險及與表現掛鉤之花紅。本集團亦會向合資格僱員授出購股權。

Relationship is the fundamentals of business. The Group fully understands this principal and thus maintain good relationship with the customers to fulfil their immediate and long-term need.

The Group strives to maintain fair and co-operating relationship with the suppliers.

SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing its business prudently and executing management decisions with due care and attention. Over the years, the Group has been fully committed to environmental protection. Periodic internal control meetings are held to review environmental issues in the production plants to update environmental laws and regulations and to make valuable suggestions and recommendations for improvement.

COMPLIANCE WITH REGULATIONS

The Group is not aware of any instances of material breach of or non-compliance with the applicable laws and regulations such as the Hong Kong Companies Ordinance (Cap. 622), Listing Rules, and other applicable local laws and regulations in various jurisdictions during the year ended 31 December 2019 and up to the date of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE REPORT

The Environmental, Social and Corporate Governance Report prepared in accordance with Appendix 27 of the Listing Rules will be published on the websites of the Company and the Stock Exchange within three months after the publication of this annual report.

關係乃業務的根本。本集團深明此理，與客戶保持密切關係以滿足其目前及長期之需要。

本集團致力與供應商維持公平及合作之關係。

社會責任與服務及環境政策

本集團致力於業務的長期可持續發展以及業務經營所在社區。本集團所追求的經營方針是審慎處理業務並以適切的關懷及照顧執行管理決策。多年以來，本集團一直全力實踐對環境保護的承諾。定期舉辦內部控制會議，以檢討生產廠房的環境事務，並回顧最新的環境法律及法規，以及就改善環境提出寶貴建議與意見。

遵守法規

於截至二零一九年十二月三十一日止年度及直至本年報日期，本集團並不知悉任何實例嚴重違反或不遵守適用之法律及法規，如香港公司條例(第622章)、上市規則以及於不同司法管轄區適用之其他當地法律及法規。

環境、社會及企業管治報告

根據上市規則附錄27編製的環境、社會及企業管治報告將於本年報刊發後三個月內於本公司及聯交所網站刊發。

STAFF RETIREMENT SCHEME

The group companies operated in Hong Kong are required to participate in a defined contribution retirement scheme set up in accordance with the Hong Kong Mandatory Provident Fund Ordinance (Cap. 485). Under the scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries up to a maximum of HK\$1,500 (the "Mandatory Contributions"), and are charged to the profit or loss as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65 years old, death or total incapacity.

In addition, pursuant to the government regulations in the PRC, the employees of the group companies operated in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. Those group companies are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement is to make the specified contributions.

Executive Directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if they have engaged in continuous service with the Company for certain years.

Particulars of the scheme of the Group are set out in note 41 to the consolidated financial statements.

員工退休計劃

本集團在香港營運的公司須根據香港強積金條例(香港法例第485章)參與定額供款退休計劃。根據計劃,僱員須每月按月薪5%供款(最多為1,500港元),並可選擇作出額外供款。僱主每月供款為僱員月薪5%(最多為1,500港元)(「強制供款」),並根據計劃的規定於支付時在損益中扣除。該計劃的資產與本集團的資產分開持有,並存放於獨立管理的基金內。僱員於65歲退休、身故或完全喪失工作能力時,可取回僱主全部強制供款。

此外,中國政府規定,本集團於中國營運公司之僱員為中國政府運作之國家管理退休福利計劃之成員。該等集團公司均須按工資成本之特定百分比向退休福利計劃供款,以便為福利提供資金。本集團就退休福利僅須承擔之責任為作出特定供款。

執行董事倘若已持續服務本公司指定年期,將有權於退休時享有一次過款項及於退休後享有每月退休金。

本集團計劃的詳情載於綜合財務報表附註41。

AUDITOR

The consolidated financial statements for the year ended 31 December 2019 have been audited by HLM CPA Limited who will retire and, being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Lee Siu Fong
Chairman

Hong Kong, 26 March 2020

核數師

本公司截至二零一九年十二月三十一日止年度綜合財務報表已由恒健會計師行有限公司審核，其將退任，惟符合資格並將願意於應屆本公司股東週年大會上膺選連任。

代表董事會

李小芳
主席

香港，二零二零年三月二十六日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to uphold good corporate governance to safeguard the interests of our shareholders, investors, customers and staff.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2019, with deviations from provision A.5 of the CG Code.

Under provision A.5 of the CG Code, a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of Directors. The Board as a whole is responsible for the appointment of its own members. The Board does not establish a nomination committee and is not considering to establish the same in view of the small size of the Board. The Chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidates recommended by the Chairman and make recommendation the appointment, re-election and retirement of the Directors. Candidates are appointed to the Board on the basis of their skill, competence, experience and diversity of perspectives that they can contribute to the Company.

Looking forward, the Board will continue to conduct reviews on the Company's corporate governance practices from time to time to ensure compliance with the CG Code.

企業管治報告

董事會相信，企業管治對本公司的成功甚為重要，並已採納多項措施，以維持良好的企業管治，保障我們股東、投資者、客戶及員工的利益。

企業管治常規

除偏離上市規則附錄十四所載的企業管治常規守則(「企業管治守則」)第A.5條外，本公司於截至二零一九年十二月三十一日止整個財政年度一直遵守企業管治守則。

根據企業管治守則條文第A.5條，應成立提名委員會，以就董事委任及重新委任向董事會作出建議。董事會作為整體負責委任其本身成員。董事會並無成立提名委員會，且鑒於董事會規模小，不考慮成立提名委員會。董事會主席負責物色適當人選，並向董事會建議合資格人選以供考慮。董事會將審閱主席所建議的人選，並就董事的委任、重選及退任作出建議。候選人根據彼等可為本公司作出貢獻的技能、資格、經驗及觀點的多樣性委任加入董事會。

展望未來，董事會將會繼續不時檢討本公司企業管治常規，以確保符合企業管治守則。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

During the year ended 31 December 2019, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with such Model Code and required standard of dealing throughout the year ended 31 December 2019.

BOARD OF DIRECTORS

The non-executive Director provides the Group with a wide range of expertise and knowledge in the pharmaceutical sector. The independent non-executive Directors are persons of high calibre; with academic and professional qualifications in the areas of accounting, financial and pharmaceutical field. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

The Company has a Board diversity policy whereby it recognises and embraces the benefits of a diversity of Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

The list of Directors and their roles and functions is posted on the websites of the Company and the Stock Exchange.

The Chairman and Chief Executive Officer of the Company is Ms. Lee Siu Fong and Dr. Li Xiaoyi, respectively.

遵守董事進行證券交易的標準守則

於截至二零一九年十二月三十一日止年度，本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）。本公司已向全體董事作出特定查詢，而於截至二零一九年十二月三十一日止整個年度內，本公司並不知悉有任何並無遵守該標準守則及必備交易標準的事項。

董事會

非執行董事為本集團提供醫藥領域的廣泛專長及知識。獨立非執行董事為高素質人才；擁有會計、金融及醫藥領域的學術及專業資格。憑藉彼等在其他公司擔任高級職位所獲得的經驗，彼等為有效履行董事會職責及責任提供了強而有力的支持。

本公司已制定董事會成員多元化政策，以認可及包括多名董事會成員的利益，致力確保董事會具備適合本公司業務需求的技能、經驗及多元化觀點。所有董事會成員的委任將繼續按個別情況作出，並充分顧及董事會成員多元化的裨益。甄選人選將根據一系列多元化觀點進行，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。

董事名單及彼等的角色及職能登載於本公司網站及聯交所網站。

本公司的主席及行政總裁分別為李小芳女士及李小羿博士。

Corporate Governance Report

企業管治報告

The roles of the Chairman and Chief Executive Officer are segregated and are not exercised by the same individual.

主席及行政總裁的角色乃分開，並非由同一人士行使。

The Board formulates overall strategic plans and key policies of the Group, monitors its financial performance, maintains effective oversight over the management, risks assessment, controls over business operations and ensures good corporate governance and compliance with legal and regulatory requirements. Responsibility in relation to daily operations and execution of the strategic business plans are delegated to each of the executive Directors and senior management.

董事會制定本集團的總體策略規劃及重大政策、監管其財務表現、維持對管理、風險評估的有效監督、對業務經營控制，並確保良好的公司管治及遵守法律法規及監管規定。日常運作與執行策略業務計劃的責任委派予各執行董事及高級管理層。

During the year ended 31 December 2019, 29 Board meetings and 1 shareholders meeting were held and the attendance of individual Director at these meetings is set out below:

截至二零一九年十二月三十一日止年度，本年度曾舉行二十九次董事會會議及一次股東大會，以下為各董事出席會議的記錄：

Attendees	Number of Board meeting attended/ Total	Number of shareholders meeting attended/ Total
與會者	出席董事會會議 次數／總次數	出席股東大會 次數／總次數
Executive Directors		
執行董事		
Lee Siu Fong (<i>Chairman</i>) 李小芳(主席)	29/29	1/1
Leelalertsuphakun Wanee (<i>Managing Director</i>) 李燁妮(董事總經理)	29/29	1/1
Li Xiaoyi (<i>Chief Executive Officer</i>) 李小羿(行政總裁)	29/29	1/1
Non-executive Director		
非執行董事		
Simon Miles Ball Simon Miles Ball	10/29	0/1
Independent non-executive Directors		
獨立非執行董事		
Chan Yau Ching, Bob 陳友正	29/29	1/1
Lam Yat Cheong 林日昌	27/29	0/1
Tsim Wah Keung, Karl 詹華強	29/29	0/1

The Company's auditor, HLM CPA Limited, also attended the shareholders meeting.

During the year under review, a meeting was held between the Chairman and all independent non-executive Directors in accordance with provision A.2.7 of the CG Code.

NON-EXECUTIVE DIRECTORS

All non-executive Directors are appointed for a specific term, subject to retirement by rotation at least once every three years.

All the independent non-executive Directors have confirmed in writing to the Company that they have met all the guidelines for assessing their independence as set out in Rule 3.13 of the Listing Rules. Notwithstanding that certain of the independent non-executive Directors have served on the Board for more than nine years, in view that they have demonstrated the attributes as independent non-executive Directors during their tenure in office and taking into account their written confirmation of independence as regards Rule 3.13 of the Listing Rules, the Company considers that all the independent non-executive Directors to be independent and believes that their continued service as independent non-executive Directors will be beneficial to the Company and the Shareholders.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Group regularly updates Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary in the discharge of their duties. In addition, the Group has been encouraging Directors to attend training courses or via online aids or reading relevant materials on the latest development of applicable laws, rules and regulations so that they can continuously update and further enhance their knowledge and skills.

本公司的核數師恒健會計師行有限公司亦出席股東大會。

於回顧年度，主席與所有獨立非執行董事根據企業管治守則第A.2.7條舉行了一次會議。

非執行董事

所有非執行董事均獲委任一個固定年期，且須至少每三年輪值退任一次。

所有獨立非執行董事已向本公司書面確認，彼等已符合上市規則第3.13條所載評估彼等獨立性的所有指引。儘管若干獨立非執行董事於董事會服務超過9年，鑒於彼等於任期內已證明為獨立非執行董事之優點，並已考慮彼等就上市規則第3.13條之書面確認，本公司認為所有獨立非執行董事均屬獨立，並相信彼等作為獨立非執行董事之持續服務將對本公司及股東有利。

董事培訓及專業發展

本集團定期知會董事有關上市規則及與彼等履行職務時所需事項相關的其他適用法律及監管規定的最新發展。此外，本集團一直鼓勵董事出席有關適用法律、規則及規例最新發展的培訓課程或網上資源或閱讀相關資料，使彼等可持續進修及進一步提高其相關知識及技能。

Corporate Governance Report

企業管治報告

Records of the Directors' training during 2019 are as follows:

董事於二零一九年的培訓記錄如下：

Directors	Type of continuous professional development training
董事	持續專業發展培訓類別
Executive Directors	
執行董事	
Lee Siu Fong (<i>Chairman</i>) 李小芳(主席)	(i) & (ii)
Leelalertsuphakun Wanee (<i>Managing Director</i>) 李燁妮(董事總經理)	(i) & (ii)
Li Xiaoyi (<i>Chief Executive Officer</i>) 李小羿(行政總裁)	(i) & (ii)
Non-executive Director	
非執行董事	
Simon Miles Ball	(i) & (ii)
Simon Miles Ball	(i) & (ii)
Independent non-executive Directors	
獨立非執行董事	
Chan Yau Ching, Bob 陳友正	(i) & (ii)
Lam Yat Cheong 林日昌	(i) & (ii)
Tsim Wah Keung, Karl 詹華強	(i) & (ii)

(i) Attending seminar(s) or training session(s).

(i) 出席座講會或培訓課程。

(ii) Reading newspapers, journals and updates relating to the Company's business or Directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements, etc.

(ii) 閱讀有關本公司業務或董事職責、上市規則及其他適用監管規定的最新發展之報章、期刊及最新資料。

AUDIT COMMITTEE AND ACCOUNTABILITY

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group's performance and prospects. The Board is also responsible for preparing the accounts of the Group, which give a true and fair view of the financial position of the Group on a going concern basis.

The Company set up an audit committee with written terms of reference in compliance with Rules 3.21 and the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process, internal control and risks management system of the Group.

The audit committee is to serve as a focal point for communication between other Directors, the external auditors, the internal auditors (where an internal audit function exists) of the Company, and the management as regards their duties relating to financial and other reporting, risk management, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time.

審核委員會及問責

董事會負責呈列本集團表現及前景的客觀、清晰及全面評估。董事會亦負責以持續經營基準編製真實兼公平地反映本集團財務狀況的本集團賬目。

本公司設立了審核委員會，並以書面形式制定其職權範圍，以符合上市規則第3.21條以及附錄十四所載之企業管治守則。審核委員會的主要職責為檢討及監督本集團的財務申報程序、內部監控系統及風險管理。

審核委員會乃作為其他董事、外聘核數師、內部核數師(倘存在內部審核職能)及管理層之間的溝通橋樑，關乎彼等職責中相關的財務及其他報告、風險管理、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜。審核委員會乃為協助董事會獨立檢討本集團財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。

Corporate Governance Report 企業管治報告

The audit committee comprises three members, Dr. Chan Yau Ching, Bob (chairman of the audit committee), Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl, who are the independent non-executive Directors of the Company. In the financial year ended 31 December 2019, four audit committee meetings were held to review and comment on the Group's draft annual, interim and quarterly financial reports, met with external auditor and provided advices and recommendations to the Board. The individual attendance record of each member is as follows:

審核委員會由三名成員組成，即陳友正博士（審核委員會主席）、林日昌先生及詹華強博士，彼等均為本公司的獨立非執行董事。截至二零一九年十二月三十一日止財政年度，舉行了四次審核委員會會議，以審閱本集團的年度、半年度及季度財務報告草案並提供意見，與外聘核數師舉行會議，並向董事會提供意見及推薦意見。每名成員的個別出席記錄如下：

Attendees	Number of audit committee meeting attended/ Total	Attendance percentage
與會者	出席審核委員會會議次數/ 總次數	出席率
Chan Yau Ching, Bob 陳友正	4/4	100%
Lam Yat Cheong 林日昌	4/4	100%
Tsim Wah Keung, Karl 詹華強	4/4	100%

REMUNERATION COMMITTEE

A remuneration committee has been established in February 2012 in accordance with the requirement of Appendix 14 of the Listing Rules. The remuneration committee of the Company comprises two independent non-executive Directors and one executive Director.

薪酬委員會

薪酬委員會於二零一二年二月根據上市規則附錄十四的規定成立。本公司的薪酬委員會包括兩名獨立非執行董事及一名執行董事。

Dr. Tsim Wah Keung, Karl is the chairman of the remuneration committee and Ms. Leelalertsuphakun Wanee and Dr. Chan Yau Ching, Bob are members of the remuneration committee. The Company has adopted the model to make recommendations to the Board to determine the remuneration packages of individual executive Director and senior management. The major roles and functions of the Company's remuneration committee are as follows:

- a. Establish and apply a formal and transparent procedure for setting policy on remuneration for executive Directors and senior management, and for fixing the remuneration packages for all Directors and senior management; and
- b. Ensure that procedures and principles for fixing packages of all Directors and senior management are proper so that the levels of remuneration of Directors commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain the Directors and senior management but not excessive.

The terms of reference of the remuneration committee are posted on the websites of the Company and the Stock Exchange. The remuneration committee meets at least once a year. During the year ended 31 December 2019, 1 meeting are held by the remuneration committee and all the committee member attended the meeting to approve the annual bonus payable to executive Directors for the financial year 2018 and the monthly salary of executive Directors during the year under review.

Pursuant to code provision B.1.5 of the CG Code, the Board has resolved that the senior management of the Company comprise only the Executive Directors of the Company. Please refer to note 12 to the consolidated financial statements for details of the remuneration payable to the Directors.

詹華強博士乃該委員會的主席，而李燁妮女士及陳友正博士乃薪酬委員會的成員。本公司已採納向董事會提供建議之模式，以釐定個別執行董事及高級管理層的薪酬待遇。本公司的薪酬委員會的主要角色及職能如下：

- a. 建立及應用正式透明程序以設定有關執行董事及高級管理人員的酬金的政策，並釐定所有董事及高級管理人員的薪酬待遇；及
- b. 確保釐定所有董事及高級管理人員的程序及原則均為正確，以致董事酬金水平與彼等的資格及能力相稱，及有關薪酬足以吸引及挽留董事及高級管理人員，但不過多。

薪酬委員會的職權範圍登載於本公司網站及聯交所網站。薪酬委員會至少每年舉行一次會議。於截至二零一九年十二月三十一日止年度，薪酬委員會舉行一次會議，而所有委員會成員出席該會議，以批准二零一八年財政年度應付執行董事之年度獎金以及審核年度內執行董事之每月薪金。

根據企業管治守則第B.1.5條，董事議決本公司高級管理層只包括本公司執行董事。有關應付董事酬金的詳情請參閱綜合財務報表附註12。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

The company secretary's biography is set out in the section under "Directors and Key Personnel Profiles" of this annual report. During the year ended 31 December 2019, the company secretary has taken no less than 15 hours of professional training to update his skills and knowledge.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control and risk management systems over the Group's asset and shareholders' interests, as well as for reviewing such systems' effectiveness. Such systems are designed to provide reasonable, but not absolute, assurance against misstatement or loss, and to manage risks of failure in the Group's operational systems. The systems include a well-established organisational structure with clearly defined lines of responsibility and authority, which is designed to safeguard assets from inappropriate use, maintain proper accounts, ensure compliance with regulations and regulate the handling and dissemination of inside information of the Group.

For the year ended 31 December 2019, the Board has, through the audit committee with the Group's internal audit team and the assistance of the management, conducted a review of the Group's internal control and risk management system, including without limitation to financial control, operational control, and compliance control. The Board assesses the effectiveness of internal controls by considering reviews performed by the audit committee, executive management and auditors.

The Board is of the view that the internal control and risk management systems are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

公司秘書

公司秘書履歷載於本年度「董事及主要人員履歷」一節。於截至二零一九年十二月三十一日止年度，公司秘書共接受不少於15小時更新其技能及知識的專業培訓。

內部控制及風險管理

董事會負責維持本集團資產及股東權益的健全及有效內部監控及風險管理系統，以及檢討有關系統的有效性。設計有關系統旨在提供避免錯誤陳述或損失的合理（但並非絕對）保證，並管理本集團營運系統的失敗風險。系統包括建立已久、清晰界定責任及權限的組織架構，設計該架構旨在保護資產免受不適當使用、維持妥當賬目、確保遵守規例以及控制本集團內幕消息的處理與發佈。

於截至二零一九年十二月三十一日止年度，董事會已透過審核委員會在本集團內部審核團隊與管理層的協助下對本集團的內部監控及風險管理系統（包括（但不限於）財務監控、營運監控及合規監控）進行審閱。董事會經考慮審核委員會、行政管理人員及核數師所執行的審閱，評估內部監控的有效性。

董事會認為內部監控及風險管理系統有效，並無違規、不當行為、欺詐或其他不足之處以顯示本集團內部監控系統的有效性存在重大缺失。

AUDITOR'S REMUNERATION

Total auditor's remuneration for the fiscal year 2019 in relation to statutory audit work of the Group amounted to HK\$1,326,000 of which a sum of HK\$1,132,000 was paid to HLM CPA Limited.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy (including but not limited to the Group's financial results, cash flow position, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans), dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

CONVENING OF EXTRAORDINARY GENERAL MEETINGS ON REQUISITION BY SHAREHOLDERS

Shareholders shall have the right to request the Board to convene an extraordinary general meeting ("EGM") of the Company. Two or more shareholders holding in aggregate of not less than one-tenth (10%) of the paid up capital of the Company which carries the right of voting at the general meeting of the Company may send a written request to the Board of the Company to request for an EGM. The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the registered office of the Company.

Shareholders who wish to move a resolution at general meetings may follow the procedures set out in the preceding paragraph.

核數師酬金

於二零一九財政年度，有關本集團法定核數服務的核數師總酬金為1,326,000港元，其中1,132,000港元乃支付予恒健會計師行有限公司。

股息政策

本公司已採納支付股息的股息政策。視乎本公司及本集團的財務狀況以及股息政策所載的條件及因素(包括但不限於本集團的財務業績、現金流量狀況、業務狀況及策略、未來營運及盈利、資本要求以及支出計劃)，董事會可在財政年度內建議及／或宣派股息，而財政年度的任何末期股息將由股東批准。

應股東請求召開股東特別大會

股東將有權要求董事會召開本公司的股東特別大會(「股東特別大會」)。合共持有本公司附帶本公司股東大會的投票權的繳足股本不少於十分之一(10%)的兩名或以上股東可以書面形式向本公司董事會發出請求召開股東特別大會。由有關股東正式簽署的書面請求必須陳述該大會的目的，且必須遞交至本公司的註冊辦事處。

欲於股東大會上動議一項決議案的股東可遵循上段所載的程序。

Corporate Governance Report

企業管治報告

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

Lee's Pharmaceutical Holdings Limited
1/F, Building 20E, Phase 3
Hong Kong Science Park, Shatin, Hong Kong
Telephone: (852) 2314 1282
Fax: (852) 2314 1708
Email: investor@leespharm.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2019, there was no significant change in the Company's constitutional documents, and these documents are published on the websites of the Company and the Stock Exchange.

指導股東向董事會作出查詢的程序

股東可於任何時間以書面形式透過公司秘書向董事會作出查詢及提出關注，而公司秘書的聯繫方式詳情如下：

李氏大藥廠控股有限公司
香港沙田香港科學園
第三期20E大樓一樓
電話：(852) 2314 1282
傳真：(852) 2314 1708
電郵：investor@leespharm.com

股東亦可於本公司股東大會上向董事會作出查詢。

憲制文件

於截至二零一九年十二月三十一日止年度，本公司的組織章程憲制文件並無變動，而有關憲制文件已登載於本公司網站及聯交所網站。

Independent Auditor's Report

獨立核數師報告

恒健會計師行有限公司

HLM CPA LIMITED

Certified Public Accountants

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香港灣仔莊士敦道181號
大有大廈15樓1501–8室
Tel 電話: (852) 3103 6980
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E-mail 電郵: info@hlm.com.hk

TO THE MEMBERS OF LEE'S PHARMACEUTICAL
HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

致李氏大藥廠控股有限公司各股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

We have audited the consolidated financial statements of Lee's Pharmaceutical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 95 to 292, which comprise the consolidated statement of financial position as at 31 December 2019, and consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師已完成審核李氏大藥廠控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)載於第95至第292頁之綜合財務報表，當中載有於二零一九年十二月三十一日之綜合財務狀況表及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、綜合權益變動表及綜合現金流量表以及綜合財務報表之附註，包括主要會計政策概要。

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

本核數師認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團在二零一九年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSA**s”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Revenue recognition (refer to notes 5 and 6 to the consolidated financial statements)

The Group’s revenue amounted to HK\$1,219 million for the year ended 31 December 2019. Sales of goods are recognised as revenue when goods are delivered and titles have been passed.

We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue.

意見基礎

本核數師已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審核。根據該等準則，本核數師的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節中詳述。根據香港會計師公會「**職業會計師道德守則**」(「**守則**」)，本核數師獨立於貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得的審核憑證足夠及能適當地為本核數師的意見提供基礎。

關鍵審核事項

關鍵審核事項為本核數師的專業判斷中，審核本期綜合財務報表中最重要的事項。本核數師於審核綜合財務報表時整體處理此等事項及就此編成意見，而不會就此等事項單獨發表意見。

收益確認 (參閱綜合財務報表附註5及6)

貴集團於截至二零一九年十二月三十一日止年度的收益為1,219百萬港元。銷售貨品於交付貨品及所有權已易手時予以確認。

我們將對收益確認識別為關鍵審計事項，乃由於收益為貴集團關鍵業績指標之一，因此存在操縱收益確認時點的內在風險。

Independent Auditor's Report

獨立核數師報告

Our response

Our main procedures in relation to revenue recognition included:

- Obtaining evidence regarding the transfer of effective control of ownership.
- Testing the key internal controls over revenue recognition, and assessing whether the accounting policy related to revenue recognition was applied appropriately and consistently throughout the year.
- On a sample basis, making selections from sales records and delivery records, and tracing to their contracts, delivery orders and customer's acknowledgement of receipts, and paying special attention to samples before and after the end of the reporting period to assess whether the relevant revenue was recognised in the correct period.

Based on our procedures described, we found that the amount and timing of the revenue recorded were supported by available evidence.

Valuation of retirement benefits on defined benefit plan (refer to note 41 to the consolidated financial statements)

The Group entered into service contracts with the executive directors to provide certain retirement benefits. There is judgement in determining valuation of the retirement benefits as recorded at the end of the reporting period. The valuation is based on a number of assumptions including discount rate, growth rate of salary and life expectancy.

我們的回應

我們有關收益確認的主要程序包括：

- 取得有效控制擁有權轉移的憑證。
- 測試與收益確認相關的關鍵內部控制，並評估收益確認的相關會計政策在本年度是否適當且一貫地運用。
- 以抽查基礎，從銷售記錄及交付記錄中作出甄選，追查與該筆銷售相關的合同、交付單及客戶確認收據，特別關注報告期完結前後的樣本，以評估相關收益是否在正確的會計期間確認。

根據上述程序，我們發現所記錄收益的金額及時間可由現有憑證進行佐證。

對定額福利計劃之退休福利進行估值 (參閱綜合財務報表附註41)

貴集團與執行董事訂有服務合約以提供若干退休福利。在釐定退休福利於報告期完結時之估值須作出判斷。有關估值乃以多項假設為基礎，包括貼現率、薪金增長率及預期壽命。

Independent Auditor's Report

獨立核數師報告

Our response

Our main procedures in relation to the valuation of the retirement benefits on defined benefit plan included:

- Assessing the independence and competence of the independent external valuer appointed by the Group to calculate the fair value of the retirement benefits.
- Assessing the accuracy and relevance of the input data provided by management to the independent external valuer by challenging and corroborating the market data and information from similar transactions from independent sources.
- Evaluating appropriateness of the methodology and assumptions used by the independent external valuer.
- Testing mathematical accuracy of the underlying valuation.

We found the methodology and key assumptions to be reasonable.

Intangible assets recognition and impairment assessment ***(refer to note 18 to the consolidated financial statements)***

As at 31 December 2019, the Group reported intangible assets of HK\$695 million, of which HK\$468 million were capitalised development expenditure and HK\$227 million were license fees.

Development expenditure mainly comprised of development of pharmaceutical products. The Group capitalised eligible product development costs upon meeting the criteria as described in Hong Kong Accounting Standard 38 “Intangible Assets” (“**HKAS 38**”). Capitalisation criteria assessment requires significant management judgement and there is measurement uncertainty at inception and throughout the lives of the individual projects.

我們的回應

我們有關定額福利計劃之退休福利估值的主要程序包括：

- 評估 貴集團為計算退休福利公平值委聘的獨立外部估值師的獨立性及能力。
- 通過質詢及核實源自獨立來源之類似交易的市場數據及資料，評估管理層向獨立外部估值師提供的輸入數據是否準確及相關。
- 評估獨立外部估值師所採用方法與假設的合適程度。
- 測試相關估值計算之算術準確性。

我們發現該等方法及主要假設屬合理。

無形資產確認及減值評估 ***(參閱綜合財務報表附註18)***

於二零一九年十二月三十一日，貴集團錄得無形資產695百萬港元，當中468百萬港元為已撥充資本之開發支出及227百萬港元為專利費。

開發支出主要包括開發醫藥產品。貴集團在合資格產品開發成本符合香港會計準則第38號「無形資產」(「**香港會計準則第38號**」)所述條件時將之撥充資本。評定資本化條件須作出重大管理判斷，且個別項目開始及整個年期均涉及計量上的不明朗性。

Independent Auditor's Report

獨立核數師報告

Management is required to assess at the end of each reporting period whether any indicator of impairment exists, which requires significant management judgement and assumptions with reference to the ability to use or sell the products, its future market or economic development.

Our response

Our main procedures in relation to the recognition of intangible assets included:

- Gaining an understanding of the business process undertaken by management to assess the appropriate accounting treatment for each project.
- Assessing the reasonableness of recognition and eligibility criteria for intangible assets by challenging the key assumptions used or estimates made in capitalising the cost.
- Testing on a sample basis the expenditure capitalised against source documents and signed contracts.
- Assessing the ownership of license fees.

Our main procedures in relation to the impairment assessment of intangible assets included:

- Assessing management's determination of the impairment based on our understanding of the nature of the Group's business.
- Assessing whether there are any indicators of impairment by understanding the business, rationale for the products under development.
- Discussing with and interviewing the responsible staff and managers on the progress and future prospects of respective development projects.
- Selecting products with significant development cost and request for independent valuation to be done to substantiate their carrying amounts.

管理層須在每個報告期完結時評估是否有任何減值跡像存在，而有關評估是需要按使用或銷售產品能力、未來市場或經濟發展作出重要管理判斷及假設。

我們的回應

我們有關確認無形資產的主要程序包括：

- 瞭解管理層所從事的業務程序，以評估各項目的合適會計處理方法。
- 通過質詢將成本撥充資本時所使用的主要假設或估計，評定無形資產確認的合理性及合格性準則。
- 以抽查基礎，為撥充資本的開支追查文件及所簽署合約。
- 評定專利費的擁有權。

我們有關無形資產減值評估的主要程序包括：

- 根據我們對貴集團業務性質的認識，評定管理層所釐定的減值。
- 通過瞭解業務及發展中產品的基礎理論，評定是否出現任何減值跡像。
- 就相關發展項目的進展及未來前景與負責員工及經理進行討論及面談。
- 甄選研發成本重大的產品以及為求核實有關賬面值而要求進行獨立估值。

Independent Auditor's Report 獨立核數師報告

Based on our procedures described, we found the recognition and impairment assessment on intangible assets to be reasonable.

Impairment assessment of goodwill (refer to note 20 to the consolidated financial statements)

Management is required to assess at the end of each reporting period whether there is any indicator that goodwill may be impaired. If any such indicator exists, the management shall estimate the recoverable amount of the asset.

Our response

Our main procedures in relation to the impairment assessment of goodwill included:

- Assessing management's determination of the Group's cash-generating units based on our understanding of the nature of the business and the economic environment in which the cash-generating units operate.
- Based on our knowledge of the business and industry, challenging the reasonableness of the underlying key assumptions and data used in the cash flow forecasts (including revenue growth rate, operating profit, and discount rate used).

Based on our procedures described, we found the estimations of management in relation to goodwill are supported by plausible evidence.

根據上述程序，我們發現無形資產的確認與減值評估屬合理。

商譽之減值評估 (參閱綜合財務報表附註20)

管理層須在每個報告期完結時評估商譽是否有任何減值跡像存在。倘若有任何跡像存在，管理層須估計有關資產的可收回金額。

我們的回應

我們有關評估商譽減值的主要程序包括：

- 根據我們對 貴集團現金產生單位經營所在業務性質與經濟環境的認識，評定管理層對現金產生單位的釐定。
- 根據我們對業務及行業的認識，質詢現金流量預測所用的相關主要假設及數據（包括所用之收益增長率、經營溢利及貼現率）之合理性。

根據上述程序，我們發現管理層對有關商譽的估計可由合理的憑證進行佐證。

Fair value measurement of unlisted investments held as financial assets at fair value through other comprehensive income (refer to note 23 to the consolidated financial statements)

The Group held several unlisted investments on a combination of market observable inputs and valuation techniques. The Group's fair value measurement of the financial assets arising from the unobservable inputs used in determining the fair value of the unlisted investments was grouped under Level 3 of fair value hierarchy.

As at 31 December 2019, the Group held several unlisted investments which were measured at fair value amounted to HK\$136 million, representing 3.74% of the Group's total assets as at 31 December 2019. These unlisted investments had significant unobservable inputs in the valuation, and hence were categorised within Level 3 of fair value hierarchy.

The valuations of these unlisted investments are conducted by an independent qualified valuer. The appropriateness of the valuation is dependent on determination of different valuation techniques and certain key assumptions. With different valuation techniques and assumptions applied, the valuation result can vary significantly.

As the unlisted investments are considered significant due to the size of the balance and the inherent judgement involved in determining the fair value measurement, is considered as a key audit matter.

The fair value was determined using market approach, income approach and reference to the prices of underlying investment portfolio quoted by administrator. The determination of fair value measurement requires the management to exercise their judgement to ensure the appropriateness of the estimates and assumptions.

持作按公平值透過其他全面收益列賬財務資產之非上市投資之公平值計量 (參閱綜合財務報表附註23)

貴集團持有若干混合多種市場可觀測數據及估值技術的非上市投資。在釐定非上市投資公平值時所使用的不可觀測數據所產生財務資產，貴集團對於在計量有關公平值時乃歸屬於第三級公平值等級的組別內。

於二零一九年十二月三十一日，貴集團持有若干以公平值計量之非上市投資136百萬港元，佔本集團於二零一九年十二月三十一日資產總值之3.74%。該等非上市投資的估值採用了重大不可觀測數據，故分類於第三級公平值等級的組別內。

該等非上市投資的估值由獨立合資格估值師進行。估值的合適性取決於不同估值技術的釐定與若干關鍵假設。視乎不同估值技術與所應用的假設，估值結果可能有很大的差異。

由於計量非上市投資公平值所涉及的結餘規模與固有判斷視為屬重大，故被視為重大審核事項。

公平值的計量採用市場法、收入法及參考基金管理人所報的相關投資組合價格。釐定所計量公平值須管理層在確保估計及假設的合適性上作出判斷。

Independent Auditor's Report

獨立核數師報告

Our response

Our procedures in relation to management's fair value measurement of unlisted investments included:

- Evaluating the independent professional valuer's competence, capabilities and objectivity.
- Focusing on the valuation methodologies and assumptions of unlisted fund investments that were classified as level 3 in the fair value hierarchy and involving valuation specialists in evaluating and assessing:
 - the valuation techniques through comparison with the valuation techniques that are commonly used in the market;
 - the validation of observable inputs using external market data; and
 - the reasonableness of management's assumptions.
- Checking the accuracy and reasonableness of the input data provided by management to the independent professional valuer.
- Review sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.

Based on our procedures described, we found the impairment assessment on unlisted investments adopted by management to be reasonable.

我們的回應

我們有關管理層對非上市投資的公平值計量的程序包括：

- 評估獨立專業估值師的技能、能力及客觀性。
- 關注在公平值等級中被歸類為第三級的非上市基金投資的估值方法及假設，並讓估值專家參與估值及評估：
 - 通過與市場上常用的估值技術比較估值技術；
 - 使用外部市場數據驗證可觀察輸入數據；及
 - 管理層假設的合理性。
- 檢查管理層向獨立專業估值師提供的輸入數據的準確性和合理性。
- 考慮到該等關鍵假設中合理可能的上行或下行變化的潛在影響，檢討敏感度分析。

根據上述程序，我們發現管理層就非上市投資所採納的減值評估屬合理。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及本核數師報告。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對其他資料發表任何形式的鑒證結論。

審核綜合財務報表時，本核數師的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本核數師於審計過程中所瞭解的情況有重大抵觸，或者是否似乎有重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料有重大錯誤陳述，本核數師須報告該事實。於此方面，本核數師沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據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的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為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的內部監控負責。

Independent Auditor's Report 獨立核數師報告

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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

於編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督 貴集團財務報告過程。

核數師就審計綜合財務報表須承擔的責任

本核數師的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有本核數師意見的核數師報告。本核數師僅向 閣下(作為整體)按照協定的委聘條款報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負有或承擔任何責任。合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，本核數師運用專業判斷，於整個審核過程中保持專業懷疑態度。本核數師亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為本核數師的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述的風險更高。

Independent Auditor's Report 獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本核數師總結認為存在重大不確定因素，本核數師需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本核數師的意見。本核數師的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。本核數師須負責指導、監督及執行集團的審核工作。本核數師須為本核數師的審核意見承擔全部責任。

Independent Auditor's Report 獨立核數師報告

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

HLM CPA Limited

Certified Public Accountants

Chan Lap Chi

Practising Certificate Number: P04084

Hong Kong, 26 March 2020

本核數師與治理層就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現進行溝通,包括本核數師於審核期間識別出內部監控的任何重大缺陷。

本核數師亦向治理層提交聲明,說明本核數師已遵守有關獨立性的道德要求,並就所有被合理認為可能影響本核數師的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會溝通。

本核數師從與治理層溝通的事項中,決定哪些事項對本期綜合財務報表的審核工作最為重要,因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項,或於極罕有的情況下,本核數師認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露,否則本核數師會於核數師報告中描述此等事項。

恒健會計師行有限公司

香港執業會計師

陳立志

執業證書編號: P04084

香港,二零二零年三月二十六日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Revenue	收益	5	1,218,913	1,137,626
Cost of sales	銷售成本		(420,657)	(391,255)
Gross profit	毛利		798,256	746,371
Other income	其他收益	8	75,694	52,069
Other gains and losses, net	其他收益及虧損淨額	9	(91,680)	239,156
Selling and distribution expenses	銷售及分銷費用		(251,759)	(221,740)
Administrative expenses	行政費用		(239,088)	(188,926)
Provision for impairment loss on financial assets, net	財務資產減值虧損撥備淨額		(73)	(6,823)
Research and development expenses	研究及開發費用		(149,945)	(153,171)
Profit from operations	經營溢利	10	141,405	466,936
Finance costs	財務成本	11	(6,624)	(4,710)
Share of results of associates	分佔聯營公司業績		(11,895)	(15,842)
Profit before taxation	除稅前溢利		122,886	446,384
Taxation	稅項	14	(59,541)	(56,621)
Profit for the year	本年度溢利		63,345	389,763
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人		125,553	418,269
Non-controlling interests	非控股權益		(62,208)	(28,506)
			63,345	389,763
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
Basic	基本	16	21.22	70.67
Diluted	攤薄	16	21.21	70.28

The notes on pages 104 to 292 form an integral part of these consolidated financial statements.

第104頁至第292頁之附註構成此等綜合財務報表之一部份。

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 2019

截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year	本年度溢利	63,345	389,763
Other comprehensive (expense) income:	其他全面(開支)收益：		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange differences on translation of financial statements of overseas subsidiaries	海外附屬公司財務報表換算之匯兌差額	(18,714)	(48,269)
Reclassification of other reserves upon deemed disposal of an associate	於視為出售一間聯營公司時重新分類其他儲備	-	428
Share of other comprehensive income (expense) of associates	分佔聯營公司之其他全面收益(開支)	18	(1,287)
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類至損益之項目：		
Fair value changes of financial assets at fair value through other comprehensive income	按公平值透過其他全面收益列賬的財務資產之公平值變動	(45,297)	71,138
Other comprehensive (expense) income for the year, net of tax	本年度其他全面(開支)收益，扣除稅項	(63,993)	22,010
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	(648)	411,773
Total comprehensive income (expense) for the year attributable to:	下列人士應佔本年度全面收益(開支)總額：		
Owners of the Company	本公司擁有人	65,988	433,130
Non-controlling interests	非控股權益	(66,636)	(21,357)
		(648)	411,773

The notes on pages 104 to 292 form an integral part of these consolidated financial statements.

第104頁至第292頁之附註構成此等綜合財務報表之一部份。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019
於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	796,309	608,639
Intangible assets	無形資產	18	694,617	587,049
Lease premium for land	土地租賃費用	19	—	132,024
Goodwill	商譽	20	3,900	3,900
Interests in associates	於聯營公司之權益	21	15,802	27,623
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務 資產	22	59,217	36,362
Financial assets at fair value through other comprehensive income	按公平值透過其他全面收益 列賬的財務資產	23	614,921	606,415
Deferred tax assets	遞延稅項資產	36	14,198	—
			2,198,964	2,002,012
Current assets	流動資產			
Lease premium for land	土地租賃費用	19	—	2,913
Inventories	存貨	24	255,585	211,673
Trade receivables	應收貿易賬款	25	153,039	149,495
Other receivables, deposits and prepayments	其他應收款項、按金及預付 款項	26	174,440	98,639
Advance to associates	墊付予聯營公司之款項	28	42,738	38,713
Loan receivables	應收貸款	27	—	26,990
Pledged bank deposits	已抵押銀行存款	29	40,345	46,524
Time deposits	定期存款	29	410,136	207,298
Cash and bank balances	現金及銀行結餘	29	364,994	222,296
			1,441,277	1,004,541
Current liabilities	流動負債			
Trade payables	應付貿易賬款	30	80,145	66,079
Other payables and accruals	其他應付款項及應計費用	31	605,187	447,757
Bank and other borrowings	銀行及其他借款	32	144,834	129,234
Lease liabilities/Obligations under finance leases	租賃負債／融資租賃承擔	33, 34	9,745	858
Tax payables	應付稅項		68,582	32,897
			908,493	676,825
Net current assets	流動資產淨值		532,784	327,716
Total assets less current liabilities	資產總值減流動負債		2,731,748	2,329,728

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019
於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	37	29,396	29,601
Reserves	儲備	38	2,266,504	2,180,942
Equity attributable to the owners of the Company	本公司擁有人應佔權益		2,295,900	2,210,543
Non-controlling interests	非控股權益	40	181,538	27,526
Total equity	總權益		2,477,438	2,238,069
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	36	71,631	27,895
Lease liabilities/Obligations under finance leases	租賃負債／融資租賃承擔	33, 34	13,364	782
Derivative financial liabilities	衍生財務負債	35	80,085	–
Retirement benefits	退休福利	41	89,230	62,982
			254,310	91,659
			2,731,748	2,329,728

The notes on pages 104 to 292 form an integral part of these consolidated financial statements.

第104頁至第292頁之附註構成此等綜合財務報表之一部份。

The consolidated financial statements on pages 95 to 292 were approved and authorised for issue by the Board of Directors on 26 March 2020 and are signed on its behalf by:

第95頁至第292頁所載綜合財務報表已於二零二零年三月二十六日經董事會核准及授權公佈，並由下列董事代表簽署：

Lee Siu Fong
李小芳
DIRECTOR
董事

Leelalertsuphakun Wanee
李燁妮
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔								Attributable to non-controlling interests		Total
		Share capital	Share premium	Merger difference	Share-based compensation reserve	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits	Sub-total		
		股本	股份溢價	合併差額	以股份支付之酬金儲備	其他儲備	投資重估儲備	匯兌儲備	保留溢利	小計	非控股權益應佔	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	29,601	731,771	9,200	18,661	64,787	33,726	(80,236)	1,403,033	2,210,543	27,526	2,238,069
Employee share option benefits	僱員購股權福利	-	-	-	5,461	-	-	-	-	5,461	-	5,461
Exercise of share options	行使購股權	14	1,828	-	(447)	-	-	-	-	1,395	-	1,395
Share of reserve of an associate	分佔一間聯營公司之儲備	-	-	-	-	56	-	-	-	56	-	56
Share options lapsed in an associate	分佔一間聯營公司失效之購股權	-	-	-	-	(2)	-	-	2	-	-	-
Gain on deemed disposal of interests in subsidiaries (Note 51.3)	視為出售附屬公司權益之收益 (附註51.3)	-	-	-	-	92,545	-	-	-	92,545	218,412	310,957
Capital contribution from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	2,236	2,236
Repurchase and cancellation of ordinary shares (Note 37)	購回及註銷普通股(附註37)	(219)	(19,453)	-	-	-	-	-	-	(19,672)	-	(19,672)
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	-	-	-	-	125,553	125,553	(62,208)	63,345
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of overseas subsidiaries	- 海外附屬公司財務報表換算之匯兌差額	-	-	-	-	-	-	(17,471)	-	(17,471)	(1,243)	(18,714)
- Share of other comprehensive income of associates	- 分佔聯營公司之其他全面收益	-	-	-	-	18	-	-	-	18	-	18
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬的財務資產之公平值變動	-	-	-	-	-	(42,112)	-	-	(42,112)	(3,185)	(45,297)
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	18	(42,112)	(17,471)	125,553	65,988	(66,636)	(648)
2018 final dividend paid (Note 15)	已付二零一八年末期股息(附註15)	-	-	-	-	-	-	-	(49,754)	(49,754)	-	(49,754)
2019 interim dividend paid (Note 15)	已付二零一九年中期股息(附註15)	-	-	-	-	-	-	-	(10,662)	(10,662)	-	(10,662)
At 31 December 2019	於二零一九年十二月三十一日	29,396	714,146	9,200	23,675	157,404	(8,386)	(97,707)	1,468,172	2,295,900	181,538	2,477,438

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔								Attributable to non-controlling interests		Total
		Share capital	Share premium	Merger difference	Share-based compensation reserve	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits	Sub-total		
		股本	股份溢價	合併差額	以股份支付之酬金儲備	其他儲備	投資重估儲備	匯兌儲備	保留溢利	小計	非控股權益應佔	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	29,547	724,868	9,200	15,368	41,407	(30,421)	(31,809)	1,046,186	1,804,346	(7,414)	1,796,932
Employee share option benefits	僱員購股權福利	-	-	-	4,996	-	-	-	-	4,996	-	4,996
Exercise of share options	行使購股權	54	6,903	-	(1,582)	-	-	-	-	5,375	-	5,375
Share of share-based compensation reserve of a subsidiary	分佔一間附屬公司以股份支付之酬金儲備	-	-	-	22	-	-	-	-	22	18	40
Share of reserve of an associate	分佔一間聯營公司之儲備	-	-	-	-	57	-	-	-	57	-	57
Share options lapsed in an associate	分佔一間聯營公司失效之購股權	-	-	-	-	(3)	-	-	3	-	-	-
Share options lapsed in a subsidiary	分佔一間附屬公司失效之購股權	-	-	-	(143)	-	-	-	143	-	-	-
Gain on partial disposal of interests in a subsidiary	出售部分附屬公司權益之收益	-	-	-	-	24,185	-	-	-	24,185	(4,024)	20,161
Capital contribution from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	60,303	60,303
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	-	-	-	-	418,269	418,269	(28,506)	389,763
Other comprehensive (expense) income for the year	本年度其他全面(開支)收益	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of overseas subsidiary	- 海外附屬公司財務報表換算之匯兌差額	-	-	-	-	-	-	(48,427)	-	(48,427)	158	(48,269)
- Share of other comprehensive expense of associates	- 分佔聯營公司之其他全面開支	-	-	-	-	(1,287)	-	-	-	(1,287)	-	(1,287)
- Reclassification of other reserves upon deemed disposal of an associate	- 於視為出售一間聯營公司時重新分類其他儲備	-	-	-	-	428	-	-	-	428	-	428
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬的財務資產之公平值變動	-	-	-	-	-	64,147	-	-	64,147	6,991	71,138
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	-	(859)	64,147	(48,427)	418,269	433,130	(21,357)	411,773
2017 final dividend paid (Note 15)	已付二零一七年末期股息(附註15)	-	-	-	-	-	-	-	(41,439)	(41,439)	-	(41,439)
2018 interim dividend paid (Note 15)	已付二零一八年中末期股息(附註15)	-	-	-	-	-	-	-	(20,129)	(20,129)	-	(20,129)
At 31 December 2018	於二零一八年十二月三十一日	29,601	731,771	9,200	18,661	64,787	33,726	(80,236)	1,403,033	2,210,543	27,526	2,238,069

The notes on pages 104 to 292 form an integral part of these consolidated financial statements.

第104頁至第292頁之附註構成此等綜合財務報表之一部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (經重列)
	Notes 附註			
Operating activities	經營業務			
Profit before taxation	除稅前溢利		122,886	446,384
Adjustments for:	就下列項目作出調整：			
Amortisation of intangible assets	無形資產之攤銷	18	9,491	9,390
Amortisation of lease premium for land	土地租賃費用攤銷	19	—	3,028
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17	84,651	55,687
Fair value gain in derivative financial liabilities	衍生財務負債之公平值收益	9	(6,551)	—
Fair value loss (gain) in financial assets at fair value through profit or loss, net	按公平值透過損益列賬之財務資產之公平值虧損(收益)淨額	9	4,705	(29,152)
Foreign exchange (gain) loss, net	外幣匯兌(收益)虧損淨額	9	(2,071)	8,634
Gain on deemed disposal of associates	視為出售聯營公司之收益	9	—	(216,392)
Gain on disposal of intangible assets	出售無形資產之收益	9	—	(3,805)
Gain on realisation of loan receivables	實現應收貸款之收益	9	(22,200)	—
Interest expenses	利息開支	11	5,759	4,161
Interest income from bank and pledged bank deposits	銀行及已抵押銀行存款之利息收入	8	(8,529)	(6,895)
Interest income from convertible instrument and loan receivables	可換股工具及應收貸款之利息收入	8	(943)	(1,482)
Interest income from guaranteed investments measured at amortised cost	以攤銷成本計量之擔保投資之利息收入	8	—	(112)
Interest income from advance to associates	墊付予聯營公司款項之利息收入	8	(1,544)	(1,339)
Impairment of intangible assets	無形資產之減值	9	117,652	1,365
(Gain) loss on disposal of plant and equipment	出售廠房及設備之(收益)虧損	9	(67)	9
Provision for (reversal of) allowance for expected credit loss	預期信貸虧損撥備(撥回)	25	73	(156)
Provision for slow moving stock	滯銷存貨撥備		4,191	697
Provision for retirement benefits	退休福利撥備	41	26,248	6,972
Share-based payments	以股份支付之款項	42	5,461	5,036
Share of results of associates	分佔聯營公司業績		11,895	15,842
Rewards to employees in the form of listed shares	以上市股份形式獎勵僱員	23	—	10,667
Write-off of other receivables	撇銷其他應收款項	26	—	6,979
Write-off of expired stock	撇銷過期存貨		918	3,912
Write-off of property, plant and equipment	撇銷物業、廠房及設備	9	212	185

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (經重列)
		Notes 附註	
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量		
		352,237	319,615
Increase in inventories	存貨增加	(53,239)	(66,768)
Increase in trade receivables	應收貿易賬款增加	(7,846)	(75,578)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(77,498)	(8,506)
Decrease (increase) in pledged bank deposits	已抵押銀行存款減少(增加)	6,179	(18,609)
Increase in trade payables	應付貿易賬款增加	14,105	40,133
Increase in other payables and accruals	其他應付款項及應計費用增加	163,843	176,373
Cash from operations	經營所產生的現金	397,781	366,660
Interest paid	已付利息	(4,592)	(4,160)
Income tax refund	退回所得稅	14,795	52
Income tax paid	已付所得稅	(8,031)	(41,302)
Net cash generated from operating activities	經營業務產生的現金淨額	399,953	321,250
Investing activities	投資活動		
Additions of development cost and license fee	開發成本及專利費增加	18 (242,366)	(175,737)
Advancement to associates	給予聯營公司之預付款項	(8,000)	(44,751)
Acquisition of financial assets at fair value through other comprehensive income	收購按公平值透過其他全面收益列賬的財務資產	23 (30,793)	(31,150)
Acquisition of financial assets at fair value through profit or loss	收購按公平值透過損益列賬的財務資產	(1,551)	(5,913)
Decrease (increase) in time deposits with initial terms of over three months	初期超過三個月之定期存款之減少(增加)	123,606	(164,155)
Increase in convertible instrument	可換股工具增加	-	(3,724)
Total interest received	已收利息總額	7,737	8,310
Increase in loans receivables	應收貸款增加	(7,800)	(47,765)
Purchase of plant and equipment	購入廠房及設備	(64,335)	(71,912)
Payment for construction in progress	在建工程付款	(53,877)	(58,199)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	126	774
Proceeds from disposal of intangible assets	出售無形資產之所得款項	-	11,631
Proceeds from redemption of held-to-maturity financial assets	贖回持至到期日財務資產之所得款項	-	5,938
Repayment from associates	由聯營公司償還	5,519	4,989
Repayment from loan receivables	應收貸款償還	12,723	1,241
Net cash outflow from acquisition of a subsidiary	收購一間附屬公司產生的現金流出淨額	39 (2,400)	-

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (經重列)
Net cash used in investing activities	投資活動使用的現金淨額		(261,411)	(570,423)
Financing activities	融資活動			
New loans raised	新增貸款	45	68,713	101,750
Repayment of loans	償還貸款	45	(53,677)	(71,332)
Proceeds from obligations under finance leases	融資租賃承擔所得款項	45	—	1,427
Repayment of lease liabilities/obligations under finance leases	償還租賃負債/融資租賃承擔	45	(12,380)	(788)
Net proceeds from issue of ordinary shares upon exercise of share options	購股權行使時發行普通股所得款項淨額	37	1,395	5,375
Capital contribution from non-controlling interests	非控股權益出資	40	2,236	60,303
Net proceeds from deemed/partial disposal of interests in subsidiaries without losing control	視為/部份出售附屬公司權益(並無失去控制權)之所得款項淨額	51.3	397,593	20,161
Payment on repurchase and cancellation of ordinary shares	購回及註銷普通股之付款	37	(19,672)	—
Dividend paid	已付股息	15	(60,416)	(61,568)
Net cash generated from financing activities	融資活動產生的現金淨額		323,792	55,328
Net increase (decrease) in cash and cash equivalents	現金及現金等值增加(減少)淨額		462,334	(193,845)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等值		222,296	396,144
Effect of foreign exchange rate changes	外幣匯率變動之影響		8,886	19,997
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等值		693,516	222,296
Analysis of cash and cash equivalents	現金及現金等值分析			
Cash and bank balances	現金及銀行結餘		364,994	222,296
Time deposits	定期存款		410,136	207,298
			775,130	429,594
Less: Time deposits with maturity over three months	減: 三個月後到期之定期存款		(81,614)	(207,298)
			693,516	222,296

The notes on pages 104 to 292 form an integral part of these consolidated financial statements.

第104頁至第292頁之附註構成此等綜合財務報表之一部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION

Lee's Pharmaceutical Holdings Limited (the “**Company**”) is a limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in this annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are the developing, manufacturing and sales and marketing of pharmaceutical products.

The consolidated financial statements are presented in Hong Kong Dollars (HK\$), which is also the functional currency of the Company.

1. 一般資料

李氏大藥廠控股有限公司(「**本公司**」)為於開曼群島註冊成立的有限公司，而其股份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於本年報「公司資料」內披露。

本公司及其附屬公司(統稱「**本集團**」)的主要業務為開發、製造及銷售藥品及藥品市場推廣。

此等綜合財務報表乃以港元(港元)呈列，而港元亦為本公司之功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to Hong Kong Accounting Standards (“HKASs”) and HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new and amendments to HKASs and HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant for the preparation of the Group’s consolidated financial statements:

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

Except as described below, the application of the other new and amendments to HKASs and HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂

本年度強制性生效的新增香港會計準則（「香港會計準則」）及香港財務報告準則（「香港財務報告準則」）及其修訂

於本年度內，本集團首次應用香港會計師公會所頒佈之就編製本集團之綜合財務報表而言有關之下列新增香港會計準則及香港財務報告準則（「香港財務報告準則」）及其修訂。

香港財務報告準則第16號	租賃
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
香港會計準則第19號之修訂	計劃修訂、縮減或結清
香港會計準則第28號之修訂	於聯營公司及合營公司之長期權益
香港財務報告準則第9號之修訂	具有負補償之提前付款特徵
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進

除下文所述者外，於本年度應用其他新增香港會計準則及香港財務報告準則及其修訂對本集團現有及過往年度的財務狀況及表現及／或該等綜合財務報表所載的披露並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” and the related interpretations.

Definition of a lease

The Group has elected 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. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」

本集團於本年度首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋。

租賃之定義

本集團已選擇實際可行方法，將香港財務報告準則第16號應用以就過往於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「釐定安排是否包含租賃」時識別為租賃的合約，而非將此準則應用於過往並未確認為包含租賃的合約。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃之定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期（二零一九年一月一日）確認。

於二零一九年一月一日，本集團採用香港財務報告準則第16號第C8(b)(ii)過渡確認額外的租賃負債及使用權資產，其金額等於通過任何預付或應計租賃付款調整的相關租賃負債。首次應用日期的任何差額均於期初保留溢利中確認，且並無重列比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

於過渡時根據香港財務報告準則第16號應用經修訂追溯方法時，本集團在與各個租賃合約有關範圍內，按逐項租賃原則對以往根據香港會計準則第17號分類為經營租賃採用以下實際可行方法：

- i. 採用香港會計準則第37號「撥備、或然負債及或然資產」作為減值審閱的替代方法，評估租賃是否有虧損；
- ii. 選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- iii. 於首次應用日期計量使用權資產時撇除初始直接成本；
- iv. 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率；及
- v. 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 2.83%.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

當確認先前分類為經營租賃之租賃的租賃負債時，本集團已於首次應用日期採用相關集團實體的增量借款利率。所採用之加權平均增量借款利率為2.83%。

	Note 附註	At 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	11,958
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率折讓的租賃負債	11,636
Less: Recognition exemption – short-term leases	減：確認豁免 — 短期租賃	(2,378)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後確認有關經營租賃的租賃負債	9,258
Add: Obligations under finance leases recognised at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃承擔	(b) 1,640
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	10,898
Analysed as:	分析為：	
Current	流動	5,669
Non-current	非流動	5,229
		10,898

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

HKFRS 16 “Leases” (Continued)

香港財務報告準則第16號「租賃」（續）

As a lessee (Continued)

作為承租人（續）

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

於二零一九年一月一日使用權資產之賬面價值包括以下各項：

	Notes 附註	Right-of- use assets 使用權資產 HK\$'000 千港元
Included in “Property, plant and equipment”:	包括在「物業、廠房及設備」中：	
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後與已確認經營租賃相關的使用權資產	9,659
Reclassified from lease premium for land	自土地租賃費用重新分類	134,937
Adjustment included in property, plant and equipment under HKAS 17	根據香港會計準則第17號計入物業、廠房及設備的調整	
– Assets previously held under finance leases	– 先前按融資租賃持有的資產	3,090
		147,686
By class:	按類別劃分：	
Leasehold land	租賃土地	134,937
Leased premises	租賃物業	9,659
Motor vehicles	汽車	3,090
		147,686

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

The following table summarises the impact of transition to HKFRS 16 on retained profits at 1 January 2019.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

下表概述過渡至香港財務報告準則第16號對二零一九年一月一日保留溢利的影響。

			Impacts of adopting HKFRS 16 at 1 January 2019 於二零一九年 一月一日 採用香港財務 報告準則第16號 的影響
		Note 附註	HK\$'000 千港元
Retained profits	保留溢利		
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後與已確認經營租賃相關的使用權資產		9,659
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後與已確認經營租賃相關的租賃負債		(9,258)
Adjustment on prepaid lease payment	調整預付租賃款項	(c)	(401)
Impact at 1 January 2019	於二零一九年一月一日的影響		-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

Notes:

- (a) Upfront payments for leasehold lands were classified as lease premium for land as at 31 December 2018. Upon application of HKFRS 16, the non-current and current portions of lease premium for land amounting to HK\$132,024,000 and HK\$2,913,000 respectively were reclassified to right-of-use assets.
- (b) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under leases as at 1 January 2019 amounting to HK\$3,090,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK\$858,000 and HK\$782,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.
- (c) *Rent-free period*

These relate to prepaid lease payment for leases of properties in which the lessors provided rent-free period. The carrying amount of the prepaid lease payment as at 1 January 2019 was adjusted to right-of-use assets at transition.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

附註：

- (a) 租賃土地的預付款於二零一八年十二月三十一日分類為土地租賃費用。於應用香港財務報告準則第16號後，土地租賃費用的非流動及流動部分（分別為132,024,000港元及2,913,000港元）重新分類為使用權資產。
- (b) 就先前融資租賃下的資產而言，本集團已將於二零一九年一月一日仍在租賃下的相關資產（賬面值3,090,000港元）重新分類為使用權資產。此外，本集團於二零一九年一月一日將融資租賃約承擔858,000港元及782,000港元重新分類為租賃負債，分別為流動負債及非流動負債。
- (c) *免租期*

該等與出租人提供免租期之物業租賃的預付租賃款項有關。於二零一九年一月一日，預付租賃款項之賬面值已於過渡時調整至使用權資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

於二零一九年一月一日之綜合財務狀況表中確認的金額已作出以下調整。不受變動影響的項目並未包括在內。

		Carrying amount previously reported at 31 December 2018	Impacts of adopting HKFRS 16	Carrying amount under HKFRS 16 at 1 January 2019
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
	Notes	(audited)		(restated)
	附註	(經審核)		(經重列)
Property, plant and equipment	物業、廠房及設備	608,639	144,596	753,235
Lease premium for land – non-current	土地租賃費用—非流動	(a) 132,024	(132,024)	–
Lease premium for land – current	土地租賃費用—流動	(a) 2,913	(2,913)	–
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	(c) 98,639	(401)	98,238
Obligations under finance leases – current	融資租賃承擔—流動	(b) (858)	858	–
Obligations under finance leases – non-current	融資租賃承擔—非流動	(b) (782)	782	–
Lease liabilities – current	租賃負債—流動	–	(5,669)	(5,669)
Lease liabilities – non-current	租賃負債—非流動	–	(5,229)	(5,229)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases” (Continued)

As a lessee (Continued)

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

New and amendments to HKASs and HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKASs and HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第16號「租賃」（續）

作為承租人（續）

附註：就按間接方法呈報截至二零一九年十二月三十一日止年度經營活動產生之現金流量而言，營運資金之變動已根據以上二零一九年一月一日的期初綜合財務狀況表計算。

已頒佈但尚未生效之新增香港會計準則及香港財務報告準則及其修訂

本集團並無提早採納下列已頒佈但尚未行生效之新增香港會計準則及香港財務報告準則以及其修訂：

香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	基準利率改革 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者及其聯營公司或合營企業之間的資產出售或注資 ⁴

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKASs and HKFRSs in issue but not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted
- 2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier application permitted
- 3 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted
- 4 Effective for annual periods beginning on or after a date to be determined

In addition to the above new and amendments to HKASs and HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments “the Amendments to References to the Conceptual Framework in HKFRS Standards” will be effective for annual periods beginning on or after 1 January 2020.

The Group has already commenced an assessment of the impact of these new and amendments to HKASs and HKFRSs but is not yet in a position to state whether these new and amendments to HKASs and HKFRSs would have a material impact on its results of operations and financial position.

2. 應用新增香港財務報告準則（「香港財務報告準則」）及其修訂（續）

已頒佈但尚未生效之新增香港會計準則及香港財務報告準則及其修訂（續）

- 1 於二零二零年一月一日或之後開始的年度期間生效，可提早採納
- 2 對收購日期於二零二零年一月一日或之後開始的首個年度報告期開始或之後進行的業務合併及資產收購有效，可提早採納
- 3 於二零二一年一月一日或之後開始的年度期間生效，可提早採納
- 4 於將予釐定之日期或之後開始的年度期間生效

除上述新增香港會計準則及香港財務報告準則以及其修訂外，一份經修訂財務報告概念框架於二零一八年亦獲發佈。其後續修訂「香港財務報告準則中對概念框架的提述的修訂」將於二零二零年一月一日或之後開始的年度期間生效。

本集團已開始評估該等新增香港會計準則及香港財務報告準則以及其修訂的影響，但尚無法說明該等香港會計準則及香港財務報告準則以及其修訂是否會對其經營業績及財務狀況產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In additions, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance (“**CO**”).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

3. 主要會計政策

合規聲明

此等綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。此外，此等綜合財務報表包括香港聯合交易所有限公司證券上市規則（「**上市規則**」）及香港公司條例（「**公司條例**」）規定之適用披露資料。

編製基準

此等綜合財務報表是根據歷史成本慣例而編製，惟誠如下述會計政策所解釋，於各報告期間結束時，若干財務工具乃按公平值計量。

歷史成本一般基於為交換貨品及服務而給予之代價之公平值。

公平值指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格乃直接觀察到的結果，或是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的該等特徵。於此等綜合財務報表中計量及／或披露的公平值均按此基準予以釐定，惟香港財務報告準則第2號「以股份支付之款項」範圍內的以股份為基礎的支付交易、香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（應用香港財務報告準則第16號之前）及與公平值類似但並非公平值的計量（如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 主要會計政策(續)

編製基準(續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據乃實體於計量日可取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據乃就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據乃資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

本綜合財務報表包括本公司及本公司及其附屬公司控制的實體的財務報表。倘本公司同時符合以下標準，則本公司取得控制權：

- 對被投資方擁有權力；
- 面對或擁有自其參與被投資方產生之可變回報之風險或權利；及
- 有能力行使其權力以影響其回報時。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

3. 主要會計政策(續)

綜合基準(續)

倘事實及情況表明上述控制之三個要素的其中一項或多項出現變化，則本集團將重新評估其是否對投資對象擁有控制權。

對一間附屬公司之綜合入賬乃由本集團獲得對該附屬公司之控制權開始，並於本集團失去對該附屬公司之控制權時終止。具體而言，年內所收購或出售之附屬公司收益及開支乃由本集團獲得控制權日期起包含於綜合損益表內，直至本集團失去對該附屬公司之控制權日終止。

損益及其他全面收益之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額乃歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益擁有虧絀結餘。

倘有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策(續)

綜合基準(續)

與本集團各成員公司間交易有關之所有集團內公司間資產及負債、權益、收益、開支及現金流量乃於綜合賬目時全面對銷。

附屬公司的非控股權益與本集團於當中的權益分開呈列，而該等權益代表其持有人於清盤時有權按相關附屬公司的資產淨值比例分配現有所有權權益。

本集團於現有附屬公司之擁有權權益之變動

本集團於附屬公司權益之變動並無導致本集團失去該等附屬公司之控制權，會作為權益交易入賬。本集團權益之相關部份及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動包括根據本集團與非控股權益之權益比例重新劃撥本集團與非控股權益之相關儲備。

獲調整的非控股權益金額與所支付或收取代價的公平值之間的任何差額直接於權益確認並歸屬於本公司擁有人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. Gain or loss on derecognition is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate.

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 control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司之擁有權益之變動(續)

當本集團失去一間附屬公司之控制權時，該附屬公司之資產及負債以及非控股權益(如有)將終止確認。解除確認之盈虧於損益內確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債之賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港財務報告準則第9號，於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時於聯營公司之投資成本。

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，而計算為本集團轉撥之資產及本集團產生之負債(至被收購公司之前擁有人及本集團於交換被收購公司之控制權所發行之股權)於收購日期之公平值總和。與收購事項有關所產生之成本一般於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

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 “Income 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;
- 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; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 主要會計政策(續)

業務合併(續)

於收購日期，所收購之可識別資產與所承擔之負債按彼等之公平值確認，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資產或負債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「僱員福利」確認及計量；
- 與被收購公司的以股份支付之款項安排或本集團所訂立以取代被收購公司的以股份支付之款項安排有關之負債或股本工具乃於收購日期根據香港財務報告準則第2號「以股份支付之款項」計量；
- 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)根據該準則計量；及
- 租賃負債按剩餘租賃付款額(定義見香港財務報告準則第16號)之現值確認及計量，猶如所收購租賃為收購日期之新租賃一樣，惟(a)租賃期於收購日期12個月內終止；或(b)相關資產價值低的租賃除外。使用權資產按與相關租賃負債之相同金額確認及計量，並進行調整以反映與市場條款相比的有利或不利租賃條款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reassessment, 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.

When 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.

3. 主要會計政策(續)

業務合併(續)

商譽按所轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和減所收購的可識別資產及所承擔負債於收購日期的淨額後，所超出的差額計值。倘經過重估後，所收購的可識別資產與所承擔負債的淨額高於轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和，則差額即時於損益內確認為議價購買收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔相關附屬公司的淨資產之非控股權益，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或按公平值計量。計量基準視乎每項交易而作出選擇。

倘本集團於業務合併中轉讓之代價包括或然代價安排，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)可回顧調整。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 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that does 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 (i.e. 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 would be accounted for on the same basis as would be required if the Group had disposed directly of 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.

3. 主要會計政策(續)

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申報日期重新計量，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申報日期重新計量公平值，而相應之收益或虧損於損益表中確認。

倘業務合併分階段達成，本集團先前於被收購方持有之股權重新計量至收購日期之公平值(即本集團取得控制權之日)，而所產生的收益或虧損(如有)在適當時計入損益或其他全面收益中。先前於其他全面收益中確認並根據香港財務報告準則第9號計量之收購日期前於被收購方權益產生的金額將以與本集團直接處置先前持有之權益所需的相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期間尚未完成，則本集團報告未能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，以及確認額外資產或負債，以反映於收購日期已存在而據所知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 2019
截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

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 groups 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 to which goodwill has been allocated is tested for impairment annually or more frequently when there is indicator that the unit may be impaired. If the recoverable amount of the cash-generating unit 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. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

3. 主要會計政策(續)

於附屬公司之投資

於附屬公司之投資乃按成本值扣減任何已識別之減值虧損後計入本公司財務狀況表。附屬公司之業績乃由本公司按已收及應收股息基準予以入賬。

商譽

收購業務產生之商譽按於業務收購結束時確定之成本值(見上文會計政策)減累計減值虧損(如有)列賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的各個集團的現金產生單位或現金產生單位組合，而該單位或單位組合指就內部管理目的監控商譽的最低水平且不超過經營分部。

本集團會每年或更頻密地於有關單位可能出現減值跡象時對商譽獲分配之現金產生單位進行減值測試。倘現金產生單位之可收回金額低於其賬面值，本集團會首先分配減值虧損以削減任何商譽之賬面值，然後根據單位中每項資產之賬面值按比例削減其他資產之賬面值。商譽之任何減值虧損會直接於損益表內確認。商譽之減值虧損不會於其後期間撥回。

出售有關現金產生單位時，商譽應佔之金額乃於釐定出售之損益金額時入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (Continued)

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. 主要會計政策(續)

商譽(續)

本集團有關收購聯營公司所產生商譽之政策闡述如下。

聯營公司投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力為參與被投資方財務及經營政策決定但不控制或共同控制該等政策之權力。

聯營公司之業績及資產與負債乃採用權益會計法計入此等綜合財務報表。以權益會計法處理之聯營公司財務報表乃按與本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後作出調整，以確認本集團分佔之聯營公司損益及其他全面收益。聯營企業資產淨值（並非損益及其他全面收益）變動不會入賬，除非有關變動導致本集團所持擁有權益出現變動。當本集團分佔之聯營公司虧損超過本集團於該聯營公司之權益（其包括實質上構成本集團於該聯營公司之投資淨額一部份之任何長期權益）時，本集團不再繼續確認其分佔之進一步虧損。僅當本集團已產生法定或推定責任或代表該聯營公司作出付款時，方會確認額外虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

聯營公司投資(續)

於聯營公司之投資乃自該被投資方成為聯營公司之日起採用權益法入賬。於收購聯營公司投資時，該投資成本超出本集團分佔該被投資方之可識別資產及負債之公平淨值之任何部份乃確認為商譽，該商譽計入該投資之賬面值。本集團分佔可識別資產及負債之公平淨值超過該投資成本之任何部份經重新評估後即時於收購該投資期間之損益中確認。

本集團會評估是否在客觀證據顯示聯營公司之權益可能出現減值。如存在任何客觀證據，根據香港會計準則第36號作為單一資產對該投資(包括商譽)之全部賬面值進行減值測試，方法為比較其可收回金額(使用價值與公平值減出售成本兩者之較高者)與其賬面值。已確認的任何減值虧損不會分配至構成該投資賬面值之一部份的任何資產(包括商譽)。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該投資虧損之任何撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. 主要會計政策(續)

聯營公司投資(續)

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的損益於損益確認。倘根據香港財務報告準則第9號之範圍，本集團保留於聯營公司之權益且該保留權益為財務資產，則本集團會於該日按公平值計量保留權益，而該公平值則被視為於初步確認時之公平值。聯營公司之賬面值於權益法終止當日與任何保留權益及出售聯營公司之相關權益之所得款項公平值間之差額。此外，本集團會將先前在其他全面收入就該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收入確認之收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於出售／部份出售有關聯營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘本集團削減其於聯營公司之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (Continued)

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

3. 主要會計政策(續)

聯營公司投資(續)

倘集團實體與本集團之聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利及虧損。

客戶合約之收益

本集團於達成履約責任時(即當特定履約責任相關的貨品或服務之「控制權」轉移至客戶時)確認收入。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件而控制權隨時間轉移，收入則可參考完成相關履約責任的進度而按時間確認：

- 客戶於本集團履約時同時收取及享用本集團履約所提供的利益；
- 本集團於履約時，本集團的履約創建及增強客戶控制的資產；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. 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. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the Group applies the practical expedient in HKFRS 15 of not adjusting the transaction price for the effects of any significant financing component.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. 主要會計政策(續)

客戶合約之收益(續)

- 本集團的履約未能創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

倘合約載有向客戶提供超過一年的重大財務利益、轉移貨物或服務之財務成份，則收入按應收金額的現值計量，並採用於合約開始時在本集團與有關客戶的個別財務交易中反映的貼現率進行貼現。倘合約載有向本集團提供重大財務利益之財務成份，則根據該合約確認的收入包括根據實際利率法合約責任附有的利息開支。倘合約由付款至轉移承諾貨物或服務之期間為一年或更短，則本集團採利香港財務報告準則第15號的實際權宜方法，並無就重大財務成分之任何影響調整交易價。

除此之外，於客戶獲得明確貨品或服務控制權時確認收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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

Manufacturing of proprietary products and trading of licensed-in products

Revenue from manufacturing of proprietary products and trading of licensed-in products are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product and accepted by the customers. No right of return by customers is allowed based on either contractual terms or in business practices. Revenue is thus recognised when the products are delivered to the customers and the customers accepted the products. There is generally only one performance obligation and the consideration include no variable amount. Invoices are usually payable ranging between 30 and 120 days.

Other income

Services is recognised at the point in time when control of the asset is transferred to the customer, generally on services have been rendered to customers. Invoices for above services are generally issued on completion of services rendered.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策(續)

客戶合約之收益(續)

本集團收益及其他收入確認政策的進一步詳情如下：

製造專利產品及買賣引進產品

製造專利產品的收入及買賣引進產品乃於資產的控制權轉移到客戶時確認收益，一般乃指產品運付到客戶及獲客戶接納之時。無論合約條款或商業慣例，客戶均無退貨權。因此，收益會在產品付運到客戶並獲客戶接納產品時確認。一般而言，此僅為一次性履約責任，而代價並不包括可變金額。發票通常須在30至120日內支付。

其他收入

服務會在資產控制權轉移至客戶時確認，一般乃指向客戶提供服務時。上述服務的發票通常會在完成提供服務時發出。

利息收入就未償還本金根據適用利率按時間基準累計，而該利率為按財務資產之預計年期將估計未來現金收入準確貼現至該資產於初始確認時之賬面淨值之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Contract balances

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. 主要會計政策(續)

客戶合約之收益(續)

合約結餘

合約資產指本集團尚未擁有向客戶轉移貨品或服務而收取代價的無條件權利。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款僅需隨時間流逝到期收回。

合約負債指本集團向客戶轉移本集團已自客戶收取代價(或應收代價金額)的貨品或服務的責任。倘客戶於本集團向該客戶轉移貨物或服務前支付代價，合約負債於付款或款項到期時(以較早者為準)確認。合約負債於本集團根據合約履約時確認為收益。

與相同合約有關的合約資產及合約負債以淨額基準入賬及呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Upon application of HKFRS 16 in accordance with transitions in note 2

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

- (a) Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 主要會計政策(續)

租賃

根據附註2之過渡應用香港財務報告準則第16號

租賃之定義

如果合同賦予在一段時期內控制一項已識別資產的使用的權利以代價換取，則該合同是一項租賃或包含一項租賃。

對於首次應用日期或之後訂立或修訂或業務合併產生的合同，本集團根據香港財務報告準則第16號項下的定義，於開始日、修訂日或收購日(如適用)評估合同是否是一項租賃或包含一項租賃。除非合同條款和條件在後續發生變更，否則不會對此類合同進行重新評估。

本集團作為承租人

- (a) 將代價分攤至合同的各組成部分

倘合同包含一個租賃成分以及一個或多個額外的租賃或非租賃成分，則本集團應基於租賃成分的相關單獨價格及非租賃成分的單獨價格總和，將合同中的代價在各租賃成分之間進行分攤。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon application of HKFRS 16 in accordance with transitions in note 2 (Continued)

The Group as a lessee (Continued)

(b) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment and premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

(c) Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 主要會計政策(續)

租賃(續)

根據附註2之過渡應用香港財務報告準則第16號(續)

本集團作為承租人(續)

(b) 短期租賃及低價值資產租賃

本集團對從租賃日開始日租賃期為12個月或更短的租賃及不包含購買選擇權的租賃機器及設備以及物業應用短期租賃的確認豁免。本集團亦對低價值資產租賃應用該項豁免。短期租賃和低價值資產租賃的付款額在租賃期內採用直線法確認為費用。

(c) 使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 在租賃期開始日或之前支付的任何租賃付款額，減去所取得的任何租賃獎勵金額；
- 本集團發生的任何初始直接成本；及
- 本集團拆卸及移除相關資產、復原相關資產所在地或將相關資產恢復至租賃條款和條件所規定的狀態所發生的預計成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon application of HKFRS 16 in accordance with transitions in note 2 (Continued)

The Group as a lessee (Continued)

(c) Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

(d) Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” (“**HKFRS 9**”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. 主要會計政策(續)

租賃(續)

根據附註2之過渡應用香港財務報告準則第16號(續)

本集團作為承租人(續)

(c) 使用權資產(續)

使用權資產按成本減去任何累計折舊和減值損失進行計量，並對租賃負債的任何重新計量作出調整。

對於本集團可合理確定在租賃期結束時取得相關租賃資產所有權的使用權資產，自租賃期開始日至使用壽命結束的期間內計提折舊。否則，使用權資產應按估計使用壽命和租賃期兩者中的較短者以直線法計提折舊。

當本集團於租賃期結束時獲得相關租賃資產的所有權時，於行使購股權後，相關使用權資產的成本以及相關的累計折舊及減值損失將轉移至物業、廠房及設備。

本集團於「物業、廠房及設備」呈列使用權資產，即於對應相關資產(倘擁有)所屬的相同項目內呈列。

(d) 可退回租賃按金

已支付的可退回租賃按金根據香港財務報告準則第9號「財務工具」(「**香港財務報告準則第9號**」)進行核算，並且按公平值進行初始計量。初始確認時的公平值調整視為額外租賃付款並計入使用權資產的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon application of HKFRS 16 in accordance with transitions in note 2 (Continued)

The Group as a lessee (Continued)

(e) Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 主要會計政策(續)

租賃(續)

根據附註2之過渡應用香港財務報告準則第16號(續)

本集團作為承租人(續)

(e) 租賃負債

於在租賃期開始日，本集團應當按該日尚未支付的租賃付款額現值確認及計量租賃負債。在計算租賃付款額的現值時，如果不易於確定租賃的內含利率，本集團則使用租賃期開始日的增量借款利率。

租賃付款包括：

- 固定付款額(包括實質上的固定付款額)，減去應收的租賃獎勵措施金額；
- 取決於指數或費率的可變租賃付款額，初步計量時使用開始日期的指數或利率；
- 本集團預期應支付的剩餘價值擔保金額；
- 倘本集團合理確定將行使購買選擇權的行權價；及
- 終止租賃的罰款金額，如果租賃期反映出本集團將行使終止租賃的選擇權。

租賃期開始日之後，租賃負債通過利息增加和租賃付款額進行調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon application of HKFRS 16 in accordance with transitions in note 2 (Continued)

The Group as a lessee (Continued)

(e) Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 主要會計政策(續)

租賃(續)

根據附註2之過渡應用香港財務報告準則第16號(續)

本集團作為承租人(續)

(e) 租賃負債(續)

如果符合下述兩種情況之一，本集團對租賃負債進行重新計量(並對相關使用權資產進行相應調整)：

- 租賃期發生變化或對行使購買選擇權的評估發生變化，在此情況下，使用重新評估日修改後的折現率對修正後的租賃付款額進行折現重新計量相關的租賃負債。
- 租賃付款因市場租金審查後的市場租金變化／保證剩餘價值下的預期付款而變化，在此情況下，使用初始折現率對修正後的租賃付款額進行折現來重新計量相關的租賃負債。

本集團於綜合財務狀況表中將租賃負債作為單獨的項目呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon application of HKFRS 16 in accordance with transitions in note 2 (Continued)

The Group as a lessee (Continued)

(f) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 主要會計政策(續)

租賃(續)

根據附註2之過渡應用香港財務報告準則第16號(續)

本集團作為承租人(續)

(f) 租賃修改

如果符合以下條件，本集團將租賃修改作為一項單獨租賃進行會計處理：

- 該修改通過增加對一項或多項相關資產的使用權擴大了租賃範圍；及
- 租賃代價增加的金額與針對擴大租賃範圍的單獨價格及為反映特定合同的具體情況而對單獨價格作出的任何適當的調整相稱。

對於不作為一項單獨租賃進行會計處理的租賃修改，在租賃修改的生效日，本集團根據修改後租賃的租賃期，通過使用修改後的折現率對修改後的租賃付款額進行折現以重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，對出租人的租賃負債及租賃獎勵的重新計量進行會計處理。當修改後的合同包含租賃組成部分和一個或多個其他租賃或非租賃組成部分時，本集團會根據租賃組成部分的相對獨立價格及非租賃組成部分的總獨立價格將修改後的合同中的代價分配至每個租賃組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Prior to 1 January 2019

The Group as a lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3. 主要會計政策(續)

租賃(續)

於二零一九年一月一日之前

本集團作為承租人

當租賃條款將有關所有權之絕大部份風險及回報實質上轉移予承租人時，租賃乃分類為融資租賃。所有其他租賃乃分類為經營租賃。

按融資租賃持有之資產於租賃開始時按彼等之公平值或(如較低)最低租賃付款之現值確認為本集團之資產。出租人之相應負債於綜合財務狀況表列入為融資租賃承擔。

租賃付款於融資開支及融資租賃承擔減少間分攤，以至就負債餘額達致固定利率。財務費用即時於損益表確認，除非彼等直接由合資格資產應佔，於此情況下，彼等根據本集團有關借款成本之一般政策資本化(見下文之會計政策)。或然租金乃於產生期間內確認為開支。

經營租賃付款，包括收購根據經營租賃持有的土地的成本，於租期內按直線法確認為開支。經營租賃所產生之或然租金乃於產生期間內確認為一項開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Prior to 1 January 2019 (Continued)

The Group as a lessee (Continued)

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

3. 主要會計政策(續)

租賃(續)

於二零一九年一月一日之前(續)

本集團作為承租人(續)

與經營租賃有關的租賃獎勵措施被視為租賃付款之組成部分，而獎勵措施之總利益按直線法確認為租金開支之減少。

外幣

於編製各單獨集團實體的財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易初步按於交易日期之通行匯率記錄。於報告期間結束時，以外幣計值之貨幣項目按該日適用之通行匯率重新換算。以外幣計值並按公平值列賬之非貨幣項目乃按已釐定公平值之日期之通行匯率重新換算。根據以外幣為單位之歷史成本計量之非貨幣項目並不予以重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，於其產生期間在損益內確認，惟應收或應付一項境外業務之貨幣項目匯兌差額，既無計劃結算，或發生結算之可能性亦不大，故為境外業務投資淨額之一部份，於其他全面收益確認，並於出售或部分出售本集團權益時自權益重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 主要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃按報告期間結束時的適用匯率換算為本集團的呈列貨幣(即港元)，而其收入及支出乃按該期間的平均匯率換算，惟倘匯率於該年度內出現大幅波動則除外，在此情況下，採用交易日的匯率換算。所產生的匯兌差額(如有)乃於其他全面收益確認並根據匯兌儲備(歸屬於非控股權益(如適用))於權益累計。

於出售海外業務(即出售本集團於海外業務之全部權益，或部分出售涉及失去包含海外業務附屬公司之控制權或出售於聯營公司(包含海外業務)之權益，當中的保留權益成為財務資產時)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

此外，對於不會導致本集團失去對附屬公司控制權之附屬公司的部分出售，按比例分配的累計匯兌差額會重新分配予非控股權益且不計入損益。對於所有其他部分出售，按比例分配的累計匯兌差額會重新分配至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost to those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

外幣(續)

對收購海外業務產生之可識別收購資產所作之商譽及公平值調整作為該海外業務之資產及負債進行處理，並按各報告期間結束時現行之匯率換算。所產生之匯兌差額於其他全面收益中確認。

借貸成本

直接歸屬於收購、建造或生產合資格資產(為需用較長期間才可供其擬定用途或出售的資產)的借貸成本計入該等資產之成本，直至資產大致可用於其擬定用途或出售時為止。

有待於合資格資產支銷之有關特定借貸暫時投資所賺取之投資收入，自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其所產生期間於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策(續)

政府補助

政府補助直至合理保證本集團將遵守彼等所附帶的條件及該補助將獲接獲，方予以確認。

政府補助於本集團確認有關成本為開支期間有系統地於損益內確認，該補助擬用於補償相關成本。尤其是政府補助之主要條件指本集團購買、建設或收購非流動資產並確認於綜合財務狀況表中的相關資產之賬面值中扣除及按有關資產之使用期限有系統及理性地轉移至損益內。

作為已產生的開支或損失的補償而應收取或為了向本集團提供即時財務支持而無日後相關成本的政府補助乃於彼等成為應收的期間內在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits

Defined contribution plan

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under the Mandatory Provident Fund Scheme. The employer's monthly contribution is 5% of each employee's monthly salary with maximum amount of HK\$1,500 per month for each employee.

The pension schemes covering all the Group's employees in the People's Republic of China (the "PRC") and Taiwan are defined contribution schemes at various funding rates, and are in accordance with the local practices and regulations.

Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme) are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

For defined retirement benefits plan, the cost of providing benefits is determined by the valuation conducted by independent valuer at the end of the reporting period, amortised over the expected average remaining working lives of the participating directors.

The retirement benefits recognised in the consolidated statement of financial position represents the cost of providing benefits, based on the valuation.

3. 主要會計政策(續)

退休福利

定額供款計劃

本集團為其合資格的員工提供退休金福利。香港員工可獲得強制性公積金計劃的退休福利。僱主的每月供款是每位僱員月薪的5%，每位僱員每月最多獲供1,500港元。

本集團為所有中華人民共和國(「中國」)及台灣僱員而設的退休金計劃是按多個供款率定額供款的計劃，供款率按當地慣例及規定而制定。

用以支付界定之供款退休福利計劃(包括國家管理退休福利計劃及強制性公積金計劃)的款項於僱員已提供使彼等有權享受供款的服務時確認為開支。

定額福利計劃

就定額退休福利計劃而言，提供福利的成本乃按獨立估值師於報告期間結束時所進行的估值釐定，按參與董事的預期平均餘下工作年期予以攤銷。

於綜合財務狀況表內確認的退休福利指提供福利的成本(基於估值)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the service. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment arrangements

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42 to the consolidated financial statements.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based compensation reserve.

3. 主要會計政策(續)

短期僱員福利

短期僱員福利按預期就僱員提供服務所支付的福利的未折現金額確認。所有短期僱員福利確認為支出，惟另一項香港財務報告準則規定或允許將該其計入資產成本的情況則除外。

僱員福利(如工資及薪金、年假及病假)乃在扣除任何已付款額後確認為負債。

以股份支付之款項安排

以股權結算以股份支付之交易

向僱員及提供類似服務之其他人士作出以股權結算以股份支付之款項乃按授出日期股本工具之公平值計量。有關釐定以股本結算以股份支付之交易公平值之詳情載於綜合財務報表附註42。

不論所有非市場歸屬條件，以股權結算以股份支付之款項於授出日期所釐定之公平值乃根據本集團估計最終將會歸屬之股本工具，於歸屬期內按直線法撥作費用，而相應增加計入權益(以股份支付之酬金儲備)內。於各報告期間結束時，本集團會按照所有非市場歸屬條件修訂預期可歸屬之股本工具數目之估計。修正原有估計之影響(如有)於損益確認以至累計開支反映經修訂之估計，並對以股份支付之酬金儲備作出相應調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements (Continued)

Equity-settled share-based payment transactions (Continued)

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained profits.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

以股份支付之款項安排(續)

以股權結算以股份支付之交易(續)

當購股權獲行使時，之前已於以股份支付之酬金儲備內確認之金額將轉撥至股份溢價。當購股權於歸屬日期後失效或於屆滿日期仍未獲行使，之前已於以股份支付之酬金儲備內確認之金額將轉撥至保留溢利。

稅項

所得稅開支指現時應付的稅項及遞延稅項的總額。

現時稅項

現時應付的稅項是根據本年度的應課稅溢利計算。應課稅溢利與除稅前溢利／虧損有所不同，是由於應課稅溢利不包括於其他年度的應課稅或可予扣減的收入或開支，及為永遠毋須課稅或扣減的項目。本集團現時稅項之負債乃採用於報告期間結束前已實行或大致實行之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

稅項(續)

遞延稅項

遞延稅項確認為在綜合財務報表內資產與負債的賬面值與採用應課稅溢利計算的相應稅基的暫時差額。遞延稅項負債一般是就所有應課稅暫時差額確認入賬，而遞延稅項資產一般則會在預期應課稅溢利可供用作抵銷可予扣減暫時差額時確認為所有可扣減暫時差額。倘暫時差額是因一項交易涉及的資產及負債進行初步確認時(不包括業務合併)產生，而不會影響應課稅溢利或會計溢利，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額是因商譽進行初步確認時產生，則不會確認遞延稅項負債。

遞延稅項負債將會就與於附屬公司及聯營公司的投資相關的應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額的撥回，並預期該暫時差額將不會在可見將來撥回者除外。可扣減暫時差額產生之遞延稅項資產(與該等投資有關)可確認，惟僅以可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可見將來撥回為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. 主要會計政策(續)

稅項(續)

遞延稅項(續)

遞延稅項資產的賬面值是於各報告期間結束時進行檢討，並調低至預期將不可能有充裕的應課稅溢利以收回所有或部分資產。

倘負債可結算或資產可變現，遞延稅項資產及負債按預期於期間內可應用之稅率以於報告期間結束時已施行或大部分施行之稅率(及税法)之稅率為基準。

遞延稅項負債及資產之計量反映稅務影響，可由本集團於報告期間結束時預期之方式以收回或結算其資產及負債之賬面值。

對於稅項扣減歸屬於租賃負債之租賃交易，本集團對整個租賃交易採用香港會計準則第12號「所得稅」規定。與使用權資產及租賃負債有關的暫時性差異按淨額基準評估。對於租賃負債之本金部分，使用權資產之折舊額超出租賃付款的部分導致可扣減暫時性差異淨額。

當有合法執行權利許可將現時稅項資產與現時稅項負債抵銷且其與由同一稅務機關向同一應稅實體徵收之所得稅有關時，遞延稅項資產及負債可互相對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. 主要會計政策(續)

稅項(續)

年內現時及遞延稅項

現時及遞延稅項於損益確認，惟當其與在其他全面收益中確認或直接在權益中確認之項目相關，則現時及遞延稅項亦分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計方法而產生現時或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

於評估所得稅處理之任何不確定性時，本集團考慮相關稅務機關是否有可能接受個別集團實體於其所得稅申報中使用或擬使用的不確定稅務處理。如果可能，現時及遞延稅項之確定與所得稅申報中的稅務處理一致。如有關稅務機關不太可能接受不確定的稅務處理，則通過使用最可能的數額或預期值來反映每項不確定性的影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their useful lives, using the straight-line method, at the following rates per annum:

Buildings	5% – 20%
Leasehold improvement	20% – 33%
Plant and machinery	20% – 33%
Office and laboratory equipment and electronic equipment	20% – 33%
Motor vehicles	10% – 33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)

物業、廠房及設備

持有作生產或作提供貨品或服務之用，或用作行政用途之物業、廠房及設備(不包括下文所述之在建工程)乃有形資產，是按成本值減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

作生產、供應或行政用途之在建物業按成本值減任何已確認減值虧損列賬。成本包括直接歸因於將資產移至使其能夠以管理層預期的方式運作所必需的地點和條件的任何成本，以及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。該等資產之折舊於資產可投入擬定用途時開始按與其他物業資產相同之基準計算。

折舊予以確認，以按以下年率於估計可使用年期以直線法撇銷資產(在建工程除外)之成本減彼等之剩餘價值：

樓宇	5% – 20%
租賃物業裝修	20% – 33%
廠房及機器	20% – 33%
辦公室及研究所設備及電子設備	20% – 33%
汽車	10% – 33%

估計可使用年期、剩餘價值及折舊方法於每個報告期間結束時檢討，以使任何估計變動可按未來適用法基準列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

License fee (intangible assets acquired separately)

License fees are consideration paid for the license contracts and are carried at cost less accumulated amortisation and accumulated impairment losses. License fees with finite useful lives are amortised from the date they are ready for intended use over the remaining license period. The license period ranges from 3 to 10 years, with certain licenses contain renewal clause.

Both the period and method of amortisation are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

License fees with indefinite useful lives are carried at cost less accumulated impairment losses, if any.

3. 主要會計政策(續)

物業、廠房及設備(續)

當出售時或繼續使用該資產預期日後不會產生經濟利益時，物業、廠房及設備項目乃撇除確認。出售或報廢物業、廠房及設備項目所產生的收益或虧損是按資產出售所得款項與賬面值的差額釐定並於損益確認。

無形資產

專利費(獨立收購之無形資產)

專利費乃就專利合約支付之代價，並按成本減累計攤銷及累計減值虧損列賬。具有限定可使用年期之專利費乃自可作擬定用途日期起根據餘下專利期予以攤銷。專利期介乎三至十年，若干專利含有重續條款。

每年對攤銷期及攤銷方法進行審閱，而任何估計變動之影響按未來基準入賬。

具不限定可使用年期之專利費乃按成本減累計減值虧損(如有)列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Development cost (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.

An internally-generated intangible asset arising from development of licensed-in products or from the development phase of internal projects is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

3. 主要會計政策(續)

無形資產(續)

開發成本(內部產生無形資產－研發開支)

研究活動的支出在其產生的期間內列為一項開支。

僅當所有下列事項已獲證實，則由開發引進產品或從內部項目之開發階段產生之內部生成無形資產予以確認：

- 在技術可行性上能完成無形資產以供使用或出售；
- 有意完成無形資產及使用或出售資產的能力；
- 使用或出售無形資產的能力；
- 無形資產日後產生經濟利益的方式；
- 可動用適當科技、財務及其他資源完成開發及使用或出售無形資產；及
- 可於開發期間可靠計算無形資產應佔的開支時。

就內部產生的無形資產而初步確認之金額指從無形資產首次符合上文所列之確認條件日期起所發生之總金額。倘不能確認內部產生的無形資產，則開發開支會於發生期間內於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Development cost (internally-generated intangible assets – research and development expenditure) (Continued)

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation commences when the development of products completes. Amortisation of development cost of internal projects is over the estimated useful life of 5 years, while amortisation of development cost of licensed-in products is on the same basis as license fees.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. 主要會計政策(續)

無形資產(續)

開發成本(內部產生無形資產－研發開支)(續)

初步確認之後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損呈報。攤銷開始於完成產品開發。內部項目開發成本按估計可使用年期五年攤銷，而引進產品之開發成本乃按與專利費相同之基準予以攤銷。

於各報告期間結束時審閱估計可使用年期及攤銷方法，而任何估計變動之影響根據未來適用法予以入賬。

業務合併所收購之無形資產

業務合併所收購及與商譽分開確認之無形資產初步按收購日期之公平值(視為彼等的成本)確認。

於初步確認後，業務合併中所收購之無形資產乃按成本值減累計攤銷及累計減值虧損，按個別收購之無形資產之相同基準予以呈報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策(續)

無形資產(續)

終止確認無形資產

無形資產乃於出售時或當預期不會從使用或出售中獲得未來經濟利益時終止確認。終止確認無形資產所產生之盈虧(按出售所得款項淨額與資產賬面值間之差額計量)乃於資產終止確認時在損益中確認。

物業、廠房及設備，使用權資產以及無形資產(商譽除外)的減值

於各報告期間結束時，本集團對其具有無限使用期的物業、廠房及設備，使用權資產以及無形資產的賬面值進行審閱，以確定是否有任何跡象顯示這些資產已承受減值虧損。倘任何有關跡象表明出現減值，則資產之可收回金額予以估計，從而釐定減值虧損(如有)之程度。

物業、廠房及設備，使用權資產以及無形資產的可收回金額乃個別進行估計，倘無法估計個別資產之可收回金額，則本集團估計該資產所屬現金產生單位之可收回金額。

此外，本集團評估是否有跡象表明公司資產可能減值。倘有跡象表明減值，則當可識別合理一致分配基準時，公司資產亦分配至各個現金產生單位，否則，彼等會被分配至可識別合理一致分配基準的最小組別現金產生單位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

Recoverable amount is the higher of 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備，使用權資產以及無形資產(商譽除外)的減值(續)

可收回金額乃公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及未來現金流量預期未經調整之資產(或現金產生單位)有關風險。

倘估計資產(或現金產生單位)之可收回金額少於其賬面值，資產(或現金產生單位)之賬面值被削減至其可收回金額。對於無法按合理一致的基準分配至現金產生單位的公司資產或部分公司資產，本集團將一組現金產生單位之賬面值(包括分配至該組現金產生單位的公司資產或部分公司資產之賬面值)與該組現金產生單位的可收回金額進行比較。於分配減值虧損時，減值虧損首先用作撇減任何商譽之賬面值(如果適用)，然後根據單位或現金產生單位組別中每項資產的賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可確定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產或現金產生單位組別中。減值虧損即時於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. 主要會計政策(續)

物業、廠房及設備，使用權資產以及無形資產(商譽除外)的減值(續)

倘減值虧損其後撥回，則該資產(或現金產生單位或一組現金產生單位)之賬面值將增至重新估計之可收回金額，但所增加之賬面值不得超過資產(或現金產生單位或一組現金產生單位)於過去數年若未確認減值虧損所釐定之賬面值，而減值虧損撥回會即時於損益確認。

存貨

存貨是按成本及可變現淨值兩者的較低者列賬。存貨之成本乃按加權平均法予以釐定。可變現淨值指存貨之估計銷售價格減完成之所有估計成本及作出銷售之所需成本。

撥備

若本集團須就過往事件而承擔現有責任(法律上或建設性的)，及本集團有可能須履行該責任並對責任的金額可作出可靠估計時，則會確認撥備。

確認為撥備之金額為於報告期間結束時履行現時責任所需代價之最佳估計，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值之影響屬重大)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. 主要會計政策(續)

撥備(續)

當結算撥備所需之部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項金額可作可靠估算，則將應收款項確認為資產。

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即是否存在將取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

財務工具

當集團實體成為工具合約條款的一方時，會確認財務資產及財務負債。所有一般性購買或銷售財務資產按交易日期基準確認及取消確認。一般性購買或銷售為按於市場規定或慣例確立的時間期限內交付資產的財務資產的購買或銷售。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

財務工具(續)

財務資產及財務負債初步以公平值計量，惟客戶合約所產生的貿易應收賬款乃根據香港財務報告準則第15號作初步計量。直接歸屬於購置或發行財務資產及財務負債(按公平值透過損益列賬(「按公平值透過損益列賬」))之財務資產或財務負債除外)的交易費用在初始確認時於各財務資產或財務負債(視何者適用而定)的公平值計入或扣除。直接歸屬於購置按公平值透過損益列賬的財務資產或財務負債的交易費用立即在損益中確認。

實際利率法為計算財務資產或財務負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按財務資產或財務負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及款項(包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現)至賬面淨值的利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

3. 主要會計政策(續)

財務工具(續)

財務資產

財務資產之分類及其後計量

達成以下條件的財務資產其後以攤銷成本計量：

- 以收取合約現金流量為目的經營模式下持有的財務資產；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

達成以下條件的財務資產其後按公平值透過其他全面收益(「**按公平價值透過其他全面收益**」)計量：

- 以出售及收取合約現金流量財務資產為目的而持有資產的經營模式下持有的財務資產；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他財務資產隨後按公平值透過損益計量，惟倘非交易用途權益投資亦非於香港財務報告準則第3號「業務合併」適用的業務合併中收購方所確認的或然代價，於財務資產首次應用香港財務報告準則第9號／初始確認日期，本集團可不可撤銷地選擇在其他全面收益中呈列權益投資公平值的其後變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產之分類及其後計量(續)

財務資產被持作買賣，倘：

- 其購買主要用於在不久將來出售；或
- 於初步確認時其乃已識別財務工具組合之一部分，由本集團共同管理，並於近期顯示短期盈利實際模式；或
- 其乃衍生工具，既無被指定且實際上亦非對沖工具。

此外，本集團可不可撤回地指定一項須按攤銷成本或按公平價值透過其他全面收益計量之財務資產以按公平價值計入損益表計量，前提為有關指定可消除或大幅減少會計錯配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產之分類及其後計量(續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的財務資產及其後按公平值透過其他全面收益計量的債務工具／應收款項乃使用實際利息法確認利息收入。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。就其後出現信貸減值的財務資產而言，自下一報告期起，利息收入乃按財務資產攤銷成本應用實際利率予以確認。倘信貸減值財務工具的信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

- (ii) Equity instruments/partnership interests designated as at FVTOCI

Investments in equity instruments/partnership interest at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments/partnership interests, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

- (iii) Financial assets as at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

This category contains investments in life insurance policies. The Group accounts for the investments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產之分類及其後計量(續)

- (ii) 指定為按公平值透過其他全面收益列賬之權益工具／合夥權益

按公平值透過其他全面收益列賬之權益工具／合夥權益的投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於投資重估儲備累積；無須作減值評估。累計損益將不重新分類至出售股本投資／合夥權益之損益，並將轉為未分配利潤。

當本集團確認收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益。

- (iii) 按公平值透過損益計量之財務資產

未符合按攤銷成本或按公平值透過其他全面收益或指定為按公平值透過其他全面收益計量之財務資產，均按公平值透過損益計量。

該類別包括於人壽保險的投資。本集團對該等投資按公平值透過損益入賬。

按公平值透過損益計量之財務資產按各報告期間結束時的公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認之淨收益或虧損不包括該財務資產所賺取之任何股息或利息，並計入「其他收益及虧損」項目。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables (excluding prepayments and other items which were not financial instruments), deposits, loan receivables, advance to associates, pledged bank deposits, time deposits and cash and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值

本集團根據香港財務報告準則第9號對發生減值之財務資產(包括應收貿易賬款及其他應收款項(不包括預付款及其他非財務工具項目)、存款、應收貸款、墊付予聯營公司之款項、已抵押銀行存款、定期存款以及現金及銀行結餘)按預期信貸虧損(「**預期信貸虧損**」)模型進行減值評估。預期信貸虧損之金額於各報告日期更新，以反映自初始確認以來信貸風險之變動。

全期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)將預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就貿易應收款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損對使用適宜組別的撥備矩陣進行集體評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other instruments, the Group measures the loss allowance equal to 12 months ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期財務工具發生之違約風險與初始確認日起財務工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 財務工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加(續)

- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；及
- 導致債務人償還其債務能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過365天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明情況並非如此。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加(續)

儘管上文所述，倘債務工具釐定為於報告日期具有較低信貸風險，則本集團假設債務工具之信貸風險自初始確認以來並無顯著增加。倘出現以下情況，則債務工具被釐定為具有較低信貸風險：(i) 具有低違約風險；(ii) 借款人擁有雄厚實力，可於短期內履行其合約現金流量責任；及(iii) 經濟及業務狀況之長期不利變動可能但未必會削弱借款人履行其合約現金流量責任之能力。倘債務工具之內部或外部信貸評級為「投資級別」(根據國際通用釋義)，則本集團認為該債務工具存在較低信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(i) 信貸風險顯著增加(續)

就貸款承擔而言，本集團成為不可撤回承諾訂約方當日被視為就評估減值之初始確認日期。評估信貸風險是否自初始確認貸款承擔以來大幅增加時，本集團考慮與貸款承擔有關之貸款出現違約的風險變動；就財務擔保合約而言，本集團考慮指定債務人出現違約的風險變動。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)以確保標準能在金額逾期前識別信貸風險之顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers default has occurred when a financial asset is more than 365 days pass due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款時發生。

雖有上文所述，但本集團都認為，財務資產逾期超過365日則出現違約，除非本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

(iii) 信貸減值財務資產

財務資產在一項或以上違約事件(對該財務資產估計未來現金流量構成不利影響)發生時出現信貸減值。財務資產出現信貸減值的證據包括下列事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約(如違約或逾期事件)；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets (Continued)

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(iii) 信貸減值財務資產(續)

- 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；
- 借款人將可能陷入破產或其他財務重組；或
- 該財務資產因出現財務困難而消失活躍市場。

(iv) 撇銷政策

資料顯示對手方處於嚴重財務困難及無實際收回可能時(例如對手方被清盤或已進入破產程序時,以較早發生者為準),本集團則撇銷財務資產。經考慮法律意見後(倘合適),遭撇銷的財務資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損程度)及違約時風險之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按初始確認時釐定之實際利率貼現)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature of financial instruments (i.e. the Group's trade receivables and other receivables (excluding prepayment and other items which were not financial instruments), deposits, loan receivables, advance to associates, pledged bank deposits, time deposits and cash and bank balances;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income 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 amortised cost of the financial asset.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

倘預期信貸虧損按集體基準計量或考慮個別工具水平證據尚無法獲得的情況，則財務工具按以下基準歸類：

- 財務工具性質(即本集團應收貿易賬款及其他應收款(不包括預付款及其他非財務工具項目)、按金、應收貸款、墊付予聯營公司款項、已抵押銀行存款、定期存款以及現金及銀行結餘；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃按財務資產之賬面總值計算，除非該財務資產出現信貸減值，在此情況下，利息收入按財務資產之攤銷成本計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Except for financial assets at FVTOCI the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

除按公平值透過其他全面收益列賬的財務資產外，本集團透過調整其有關財務工具之賬面值而於損益確認所有財務工具之減值收益或虧損，惟應收貿易賬款例外，其透過虧損撥備賬確認相應調整。

終止確認財務資產

僅當從資產收取現金流之合約權利屆滿時，或當本集團轉讓財務資產及與資產所有權有關的全部風險及回報實質上已轉移至另一實體時，本集團才會終止確認財務資產。倘本集團既無轉移亦無保留所有權之大部份風險及報酬，並繼續控制已轉移之資產，則本集團確認其於該資產之保留權益，並確認其可能須支付之相關負債金額。倘本集團保留已轉移財務資產所有權之大部份風險及報酬，本集團繼續確認該財務資產，亦就已收取之所得款項確認有抵押借款。

於終止確認以攤銷計量之財務資產時，資產賬面值與已收及應收代價總和間之差額於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the fair value of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

終止確認財務資產(續)

終止確認分類為按公平值透過其他全面收益之債務工具投資時，先前投資重估儲備內累計之累計收益或虧損乃重新分類至損益。

當及僅當本集團之義務解除、取消或到期時，本集團終止確認財務負債。終止確認財務負債之公平值與已付及應付之代價之差額於損益確認。

於應用香港財務報告準則第9號後終止確認本集團選擇於初始確認時按公平值透過其他全面收益計量之股本工具投資時，先前於投資重估儲備內累計之累計收益或虧損不會重新分類至損益，但會轉撥至保留溢利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具

分類為債務或股本

集團實體發行之債務及股本工具根據所訂立之合約安排的實質內容以及財務負債及股本工具之定義歸類為財務負債或股本。

股本工具

股本工具乃證明於該實體之資產於扣除其所有負債後之剩餘權益之任何合約。本公司所發行之股本工具按已收取所得款項減直接發行成本確認。

購回本公司之自有權益工具直接於權益內確認及扣除。購買、出售、發行或註銷本公司自有權益工具的任何損益不於損益確認。

財務負債

所有財務負債其後均採用實際利率法按攤銷成本或按公平值透過其他全面收益計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

按公平值透過損益列賬之財務負債

倘財務負債持作買賣或於初步確認時被指定為按公平值透過損益列賬，則財務負債分類為按公平值透過損益列賬。

財務負債被列為持作買賣，倘：

- 主要因在近期購回而產生；或
- 於初步確認時其乃財務工具可識別資產組合一部分，由本集團共同管理，並於近期顯示短期盈利實際模式；或
- 其乃衍生工具，既非被指定且實際上亦非對沖工具。

財務負債(除持作買賣之財務負債)於初始確認時，可被指定為按公平值透過損益列賬，倘：

- 有關指定撤銷或大幅減低原會出現之計量或確認不一致之情況；或
- 該財務負債構成一組財務資產或財務負債或兩者之一部分，並根據本集團既定風險管理或投資策略按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract (asset or liability) to be designated as FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as derivative financial liabilities, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

按公平值透過損益列賬之財務負債(續)

- 該財務資產構成包含一種或以上內含衍生工具之合約之一部分，而香港財務報告準則第9號允許整份合併合約(資產或負債)指定為按公平值透過損益列賬。

對於指定為按公平值透過損益列賬之財務負債而言，由財務負債之信貸風險變動引起之財務負債公平值變動金額於其他全面收益確認，除非於其他全面收益確認該項財務負債信貸風險變動之影響將會導致或擴大損益的會計錯配。至於內含衍生工具(比如衍生財務負債)之財務負債而言，內含衍生工具之公平值變動乃不計入釐定其他全面收益將呈列之金額。經已於其他全面收益確認之財務負債信貸風險應佔公平值變動，其後不會重新分類至損益；反而會於終止確認財務負債時轉撥至保留溢利儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

Other financial liabilities (including trade payables, other payables (excluding receipt in advance and other tax payable), obligations under license contracts, retirement benefits and bank and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract issued by the Group is initially measured at their fair values and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

以攤銷成本計量之財務負債

其他財務負債(包括應付貿易賬款、其他應付賬款(不包括預收款及其他應付稅項)、專利合約承擔、退休金以及銀行及其他借款)其後使用實際利率法按攤銷成本計量。

財務擔保合約

財務擔保合約為發行人因指定債務人未能按債務工具之條款如期付款而須向合約持有人支付指定款項以補償其所遭受虧損之合約。

本集團所發行之財務擔保合約按其公平值初步計量，且倘並非指定為按公平值透過損益列賬，則隨後按以下較高者計量：

- 根據香港財務報告準則第9號釐定之合約責任金額；及
- 初步確認之金額減(如適用)根據收入確認政策確認之累計攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition – substantial modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

終止確認－財務負債之重大修訂

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會終止確認財務負債。終止確認的財務負債的賬面值與已付及應付代價之間的差額會於損益確認。

本集團會將與財務負債放款人有重大不同條款的交換當作原財務負債失效及確認新財務負債。現有或部份財務負債條款出現重大修訂(不論是否由於本集團有財政困難)應被當作原財務負債失效及確認新財務負債。

本集團認為，倘根據新條款現金流量經折讓現值(包括任何已付費用，扣除任何已收並使用原實際利率法折讓之任何費用)與原財務負債剩餘現金流量經折讓現值相差至少10%，則有關條款有重大差異。因此，有關債項工具的交換或條款修訂以失效入賬，所產生任何成本或開支乃確認為失效時的部份收益或虧損。如差異少於10%，則有關交換或修訂視為非重修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Non-substantial modifications of financial liabilities (under HKFRS 9 since 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

財務負債之非重大修訂(由二零一八年一月一日起根據香港財務報告準則第9號)

有關不造成終止確認的財務負債之非重大修訂，相關財務負債之賬面值以修訂合約現金流量之現值計算，按該財務負債之原始實際利率折現。產生的交易成本或費用按經修改財務負債之賬面值調整且於餘下期間攤銷。財務負債賬面值之任何調整於修改日期於損益中確認。

衍生財務工具

衍生工具於訂立衍生合同之日初步按公平值確認，之後於報告期結束時按公平值重新計量。所產生的收益或虧損於損益中確認。

抵銷財務資產及財務負債

於且僅於本集團當前有法定可執行權抵銷已確認金額，且擬以淨額基準結算或同時變現資產及清償負債時，方抵銷財務資產與財務負債及於財務狀況表呈列的淨額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and time deposits with banks and other financial institutions, having been within three months of maturity at acquisition.

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.
- (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) the entity is an associate or joint venture of the Group (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) the entity is a joint venture of a third entity and the Group is an associate of the third entity;

3. 主要會計政策(續)

現金及現金等值

現金及現金等值包括銀行及手頭現金以及存放於銀行及其他金融機構於收購時到期日為三個月內之定期存款。

關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團的主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)；
 - (ii) 該實體為本集團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) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而本集團為該第三方實體的聯營公司；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) (Continued)

- (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. If the Group is itself such a plan, the sponsoring employers are also 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); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. 主要會計政策(續)

關連人士(續)

(b) (續)

- (v) 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。倘本集團本身為該計劃，則營辦僱主亦與本集團有關連；
- (vi) 實體受(a)所界定人士控制或受共同控制；
- (vii) 於(a)(i)所界定人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；或
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團提供管理要員服務。

個體之近親家族成員為預期彼等於與實體進行交易時，可能影響該個體(或受該個體影響)之該等家族成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. 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.

Key sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須作出有關不可自其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被視為相關之其他因素。實際結果可能與此等估計有所不同。

估計及相關假設乃按持續經營基準予以檢討。會計估計之修訂倘若僅影響估計作出修訂之期間，則於作出修訂之期間內確認，或倘若修訂影響本期間及未來期間，則於修訂期間及未來期間內確認。

估計不明朗之主要來源

除涉及估計的重要判斷(見下文)外，以下為本公司董事在應用本集團會計政策時所作出之重要判斷，該等重要判斷會對綜合財務報表確認的金額產生最重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2019, the carrying amount of goodwill is HK\$3,900,000 (net of nil impairment loss) (31 December 2018: HK\$3,900,000, net of nil impairment loss). Details of the recoverable amount calculation are disclosed in note 20 to the consolidated financial statements.

Determination of impairment loss event and estimated impairment of trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on past-due status of debtors as groupings of various debtors on this basis demonstrate similar loss patterns with shared credit risk characteristics. 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.

4. 關鍵會計判斷及估計不明朗之主要來源(續)

估計不明朗之主要來源(續)

商譽之估計減值

本集團至少每年進行商譽減值測試，當中須估計已獲分配商譽的現金產生單位的使用價值。於估計使用價值時，本集團須估計現金產生單位的預計未來現金流量，並選擇適當貼現率，以計算該等現金流量的現值。於二零一九年十二月三十一日，商譽之賬面值為3,900,000港元(扣除減值虧損零)(二零一八年十二月三十一日：3,900,000港元(扣除減值虧損零))。有關可收回金額之詳情已於綜合財務報表附註20披露。

釐定減值虧損事項及估計貿易應收賬款之減值

本集團採用撥備矩陣計算貿易應收賬款的預期信貸虧損。透過按照此基準將具有類似虧損模式且有共同信貸風險特性的不同債務人歸類，以債務人逾期狀況計算撥備率。撥備矩陣乃基於本集團的歷史違約率，並考慮合理且可支持的前瞻性資料，減少不必要的成本及努力。於各報告期末，可觀察的歷史違約率會重新評估，並考慮前瞻性資料的變動。此外，結餘重大或具有信用減值的貿易應收賬款將個別評估預期信用虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Determination of impairment loss event and estimated impairment of trade receivables (Continued)

The provision of ECL is sensitive to changes in estimates. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2019, the carrying amount of trade receivables is HK\$153,039,000, net of allowance for ECL of HK\$440,000 (31 December 2018: HK\$149,495,000, net of the impairment loss of HK\$381,000).

Fair value measurements of financial instruments

As at 31 December 2019, certain of the Group's financial assets (including financial assets at FVTPL and financial assets at FVTOCI) and financial liabilities (including retirement benefits and derivative financial liabilities) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of the fair value measurement are disclosed in note 44 to the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗之主要來源(續)

估計不明朗之主要來源(續)

釐定減值虧損事項及估計貿易應收賬款之減值(續)

預期信貸虧損撥備對估計變動尤為敏感。倘實際未來現金流低於預期，則可能產生重大減值虧損。於二零一九年十二月三十一日，貿易應收賬款之賬面值為153,039,000港元，已扣除預期信貸虧損撥備440,000港元(二零一八年十二月三十一日：149,495,000港元，已扣除減值虧損381,000港元)。

財務工具之公平值計量

於二零一九年十二月三十一日，本集團若干財務資產(包括按公平值透過損益入賬的財務資產及按公平值透過其他全面收益入賬的財務資產)及財務負債(包括退休福利及衍生財務負債)按公平值計量，而該公平值乃根據使用估值技術的主要不可觀測輸入數據釐定。於確定相關估值技術及其相關輸入數據時須使用判斷及估計。倘有關該等因素的假設有所變動，則可能導致對該等工具的公平值作出重大調整。公平值計量的詳情披露於綜合財務報表附註44。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated impairment of intangible assets, property, plant and equipment and right of use assets

Being part of the principal activities, the Group acquired certain license fees and capitalised development cost relating to the development of pharmaceutical products, since these costs meet the recognition criteria of HKAS 38. The Group reviews the carrying amount of all intangible assets held at the end of the reporting period and HK\$117,652,000 (2018: HK\$1,365,000) impairment was considered necessary for these assets.

As at 31 December 2019, in view of impairment indicators, the Group performed impairment assessment on property, plant and equipment approximately HK\$641,225,000 and right-of-use assets property approximately HK\$155,084,000 (31 December 2018: property, plant and equipment approximately HK\$608,639,000) respectively. No impairment losses (31 December 2018: no) in respect of property, plant and equipment and right-of-use assets have been recognised respectively.

4. 關鍵會計判斷及估計不明朗之主要來源(續)

估計不明朗之主要來源(續)

無形資產，物業、廠房及設備以及使用權資產之估計減值

作為主要業務一部分，本集團收取若干與開發藥品有關之專利費及資本化開發成本，因為該等成本符合香港會計準則第38號之確認條件。本集團於報告期間結束時對所持有之全部無形資產之賬面值進行審閱，且認為須對該等資產減值117,652,000港元(二零一八年：1,365,000港元)。

於二零一九年十二月三十一日，就減值指標而言，本集團分別對物業、廠房及設備約641,225,000港元及使用權資產物業約155,084,000港元進行減值評估(二零一八年十二月三十一日：物業、廠房及設備約608,639,000港元)。物業、廠房及設備以及使用權資產並無減值虧損(二零一八年十二月三十一日：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Depreciation

The Group's net carrying amount of property, plant and equipment (including right-of-use assets) as at 31 December 2019 was approximately HK\$796,309,000 (31 December 2018: approximately HK\$608,639,000). The Group depreciates the property, plant and equipment, using the straight-line method, at the rate 5% to 33% per annum, commencing from the date the assets is placed into productive use. The estimated useful lives and dates that the Group places the assets into productive use reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the assets.

Share-based payments

The Group recognises share-based payments expense on options granted. Share-based payments expense is based on the estimated fair value of each option at its grant date, the estimation of which requires the directors to make assumptions about future volatility of the Group's stock price, future interest rates and the timing with respect to exercise of the options. The effects of a change in one or more of these variables could result in a materially different fair value. The fair value of the share options granted during the year was estimated at HK\$5,288,000 (2018: HK\$6,322,000) and the amount associated with share-based payments for the year ended 31 December 2019 is HK\$5,461,000 (2018: HK\$5,036,000).

4. 關鍵會計判斷及估計不明朗之主要來源(續)

估計不明朗之主要來源(續)

折舊

於二零一九年十二月三十一日，本集團物業、廠房及設備(包括使用權資產)的賬面淨值約為796,309,000港元(二零一八年十二月三十一日：約608,639,000港元)。從資產投入生產使用之日起，本集團採用直線法按每年5%至33%的比例對物業、廠房和設備進行折舊。本集團將資產投入生產使用的估計使用壽命和日期反映了董事對本集團擬從資產使用中獲得未來經濟利益的期間的估計。

以股份支付之款項

本集團就授出的購股權確認以股份支付之款項。以股份支付之款項乃根據各購股權於其授出日期的估計公平值計算，董事須就該估計對有關本集團股價的日後波幅、未來利率及有關行使購股權的時間作出假設。一項或以上該等變數的變動所帶來的影響可能令公平值出現重大差異。年內已授出之購股權的公平值估計為5,288,000港元(二零一八年：6,322,000港元)，而截至二零一九年十二月三十一日止年度與以股份支付之款項有關的金額為5,461,000港元(二零一八年：5,036,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

5. REVENUE

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers during the year which is recognised at point in time.

4. 關鍵會計判斷及估計不明朗之主要來源(續)

估計不明朗之主要來源(續)

所得稅

本集團須於多個司法權區繳納所得稅。於釐定不同司法權區所得稅撥備時，須作出重大判斷。若干交易和計算所涉及之最終稅項釐定並不確定。本集團根據對是否須繳納額外稅項之估計就預期稅項審計項目確認負債。倘此等事項之最終稅項結果與最初記錄之金額不同，該等差額將影響作出此等釐定期間之當期及遞延所得稅資產及負債。

5. 收益

收益指於某個時間點確認的本年度內本集團向外部客戶出售貨品的已收及應收款項淨額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on the types of good delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Proprietary products	–	Manufacturing and sales of self-developed pharmaceutical products
Licensed-in products	–	Trading of licensed-in pharmaceutical products

6. 分部資料

向本公司主席(即主要經營決策者)呈報以供作出資源分配及評估分部表現的資料側重於所交付貨品的類型。於達致本集團之可呈報分部時，並無彙集主要經營決策者所識別之經營分部。

具體而言，根據香港財務報告準則第8號，本集團之可呈報及經營分部如下：

專利產品	–	製造及銷售自行研發的藥品
引進產品	–	買賣引進的藥品

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

6. 分部資料(續)

分部收益及業績

本集團之收益及業績按可呈報及經營分部分析如下：

		Proprietary products 專利產品		Licensed-in products 引進產品		Consolidated 綜合	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment revenue	分部收益	535,627	519,557	683,286	618,069	1,218,913	1,137,626
Segment operating results	分部經營業績	251,376	250,533	195,821	157,706	447,197	408,239
Research and development expenses	研究及開發費用	(26,885)	(7,699)	(123,060)	(145,472)	(149,945)	(153,171)
Impairment of intangible assets	無形資產減值	–	–	(117,652)	(1,365)	(117,652)	(1,365)
Segment results	分部業績	224,491	242,834	(44,891)	10,869	179,600	253,703
Gain on deemed disposal of associates	視為出售聯營公司之收益					–	216,392
Unallocated income	未分配收入					19,262	40,725
Unallocated expenses	未分配開支					(57,457)	(43,884)
Profit from operations	經營溢利					141,405	466,936
Finance costs	財務成本					(6,624)	(4,710)
Profit before share of results of associates	分佔聯營公司業績前溢利					134,781	462,226
Share of results of associates	分佔聯營公司業績					(11,895)	(15,842)
Profit before taxation	除稅前溢利					122,886	446,384
Taxation	稅項					(59,541)	(56,621)
Profit for the year	本年度溢利					63,345	389,763

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2018: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represents the profit earned by each segment without allocation of central administration costs including directors' emoluments, transactions with associates, fair value changes of certain financial instruments at FVTPL, interest income, finance costs, share of results of associates, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

		Proprietary products 專利產品		Licensed-in products 引進產品		Consolidated 綜合	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment assets	分部資產	614,902	457,940	2,011,921	1,852,998	2,626,823	2,310,938
Unallocated assets	未分配資產					1,013,418	695,615
Total assets	資產總值					3,640,241	3,006,553
Segment liabilities	分部負債	286,811	194,306	421,630	321,170	708,441	515,476
Unallocated liabilities	未分配負債					454,362	253,008
Total liabilities	負債總額					1,162,803	768,484

6. 分部資料(續)

分部收益及業績(續)

上文呈報之分部收益乃來自外部客戶之收益。於本年度內並無分部間之交易(二零一八年：無)。

經營分部之會計政策與附註3所述本集團會計政策相同。分部業績乃指未分配中央行政成本(包括董事酬金、與聯營公司之交易、按公平值透過損益列賬之若干財務工具之公平值變動、利息收入、財務成本、分估聯營公司業績，以及所得稅開支)之情況，各分部所賺取之溢利。此為向主要經營決策者進行匯報以作資源分配及評估分部表現之方式。

分部資產及負債

本集團資產與負債按可呈報及經營分部之分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, deferred tax assets, part of lease premium for land/right-of-use assets and financial assets at FVTPL, advance to associates, loan receivables, pledged bank deposits, time deposits and cash and bank balances. Goodwill is allocated to segment of proprietary products; and
- all liabilities are allocated to operating segments other than bank and other borrowings, tax payables, deferred tax liabilities, derivative financial liabilities and retirement benefits.

6. 分部資料(續)

分部資產及負債(續)

為在分部間監控分部表現及分配資源：

- 所有資產乃分配至經營分部(不包括於聯營公司之權益、遞延稅項資產、部份土地租賃費用／使用權資產以及按公平值透過損益列賬的財務資產、墊付予聯營公司之款項、應收貸款、已抵押銀行存款、定期存款以及現金及銀行結餘)。商譽乃分配至專利產品分部；及
- 所有負債乃分配至經營分部(不包括銀行及其他借貸、應付稅項、遞延稅項負債、衍生財務負債及退休福利)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

6. 分部資料(續)

Other segment information (included in the measure of segment profit or loss or segment assets or regularly provided to the chief operating decision maker)

其他分部資料(包括分部損益或分部資產之計量或定期提供予主要經營決策者之資料)

	Proprietary products 專利產品		Licensed-in products 引進產品		Consolidated 綜合		
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	
Depreciation of property, plant and equipment (including right-of-use assets)	物業、廠房及設備(包括使用權資產)之折舊	39,447	30,685	45,204	25,002	84,651	55,687
Amortisation of intangible assets	無形資產之攤銷	–	–	9,491	9,390	9,491	9,390
Additions to non-current assets (Property, plant and equipment, and intangible assets) during the year	於本年度內非流動資產(物業、廠房及設備以及無形資產)之增加	172,277	127,489	213,099	178,359	385,376	305,848
Impairment of intangible assets	無形資產之減值	–	–	117,652	1,365	117,652	1,365

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Geographical information

During the years ended 31 December 2019 and 2018, more than 90% of the Group's revenue was derived from activities conducted in the PRC, no geographical information on revenue is presented. The Group's assets and liabilities for the year, analysed by geographical market, are as follows:

		The PRC		Hong Kong and others		Total	
		中國		香港及其他		總計	
		2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Total assets	資產總值	2,010,685	2,017,209	1,629,556	989,344	3,640,241	3,006,553
Total liabilities	負債總額	550,134	343,340	612,669	425,144	1,162,803	768,484

7. INFORMATION ABOUT MAJOR CUSTOMERS

For both the years ended 31 December 2019 and 2018, no single customer accounted for 10% or more of the Group's total revenue.

6. 分部資料(續)

地區資料

於截至二零一九年及二零一八年十二月三十一日止年度內，本集團逾90%之收益乃源自於中國經營之業務，故並無呈列按地區分類劃分之收益資料。本集團於本年度按地區市場分析之資產及負債如下：

7. 有關主要客戶之資料

於截至二零一九年及二零一八年十二月三十一日止兩個年度，概無單一客戶佔本集團總收益之10%或以上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. OTHER INCOME

8. 其他收益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on:	下列各項之利息收入：		
Bank and pledged bank deposits	銀行及已抵押銀行存款	8,529	6,895
Guaranteed investments measured at amortised cost	以攤銷成本計量之擔保投資	—	112
Advance to associates	墊付予聯營公司之款項	1,544	1,339
Convertible instrument and loan receivables	可換股工具及應收貸款	943	1,482
Total interest income	利息收入總額	11,016	9,828
Government development grants	政府開發補助	29,564	20,925
Rental income from an associate	來自聯營公司之租金收入	504	—
Incentives from vendor	供應商獎勵	2,116	—
Research and development income	研究及開發收入	30,320	18,957
Sales of research materials	出售研究材料	—	70
Sundry income	雜項收入	2,174	2,289
		75,694	52,069

The Group received the development grants from the local government as recognition of the Group's performance and development of high-technology pharmaceutical products.

本集團收到地方政府認可本集團表現及開發高科技藥品而授予的開發補助。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OTHER GAINS AND LOSSES, NET

9. 其他收益及虧損淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gain on disposal of intangible assets	出售無形資產之收益	–	3,805
Gain on deemed disposal of associates	視為出售聯營公司之收益	–	216,392
Impairment of intangible assets	無形資產之減值	(117,652)	(1,365)
Gain (loss) on disposal of plant and equipment	出售廠房及設備之收益(虧損)	67	(9)
Gain on realisation of loan receivables	實現應收貸款之收益	22,200	–
Fair value (loss) gain in financial assets at FVTPL, net	按公平值透過損益列賬之財務資產之公平值(虧損)收益淨額	(4,705)	29,152
Fair value gain in derivative financial liabilities	衍生財務負債之公平值收益	6,551	–
Write-off of property, plant and equipment	撇銷物業、廠房及設備	(212)	(185)
Foreign exchange gain (loss), net	外幣匯兌收益(虧損)淨額	2,071	(8,634)
		(91,680)	239,156

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

10. PROFIT FROM OPERATIONS

10. 經營溢利

Profit from operations has been arrived at after charging:

經營溢利已扣除下列各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation of property, plant and equipment (including right-of-use assets)	物業、廠房及設備(包括使用權資產)之折舊	84,651	55,687
Amortisation of lease premium for land	土地租賃費用之攤銷	-	3,028
Amortisation of intangible assets (included in cost of sales)	無形資產之攤銷(計入銷售成本)	9,491	9,390
Total depreciation and amortisation	折舊及攤銷總額	94,142	68,105
Auditors' remuneration	核數師酬金	1,326	1,183
Staff costs	員工成本	287,514	225,370
Share-based payments	以股份支付之款項	5,461	5,036
Research and development costs	研究及開發費用	149,945	153,171
Operating lease payments in respect of rented premises	有關租用物業之經營租賃付款	-	8,431
Cost of inventories charged to profit or loss	於損益扣除之存貨成本	397,244	371,244

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. FINANCE COSTS

11. 財務成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expenses on:	利息開支：		
Bank and other borrowings	銀行及其他借貸	5,067	4,099
Lease liabilities/Finance leases	租賃負債／融資租賃	692	62
Total interest expenses for financial liabilities not classified as FVTPL	並非分類為按公平值透過損益列賬的財務負債之利息開支總額	5,759	4,161
Bank charges	銀行費用	865	549
		6,624	4,710

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

12. 董事及主要行政人員酬金

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO is as follows:

根據適用上市規則及公司條例披露之董事及主要行政人員於本年度之酬金如下：

		Salaries, allowances, and other Fees	Discretionary remuneration	Employer's contributions to pension schemes	Sub-total	Retirement benefits	Equity-settled share option expense	2019 Total emoluments
		工資、津貼及其他酬金	酌情花紅	向退休金計劃作出之僱主供款	小計	退休福利	以股權結算購股權開支	二零一九年酬金總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive Directors	執行董事							
Lee Siu Fong	李少芳	-	5,625	-	5,643	9,838	1,091	16,572
Leelalertsuphakun Wanee	李偉妮	-	6,063	-	6,066	10,373	1,024	17,463
Li Xiaoyi (CEO)	李小平(行政總裁)	-	8,376	-	8,394	6,037	910	15,341
Non-executive Director	非執行董事							
Simon Miles Ball	Simon Miles Ball	144	-	-	144	-	-	144
Independent Non-executive Directors	獨立非執行董事							
Chan Yau Ching, Bob	陳友正	144	-	-	144	-	-	144
Lam Yat Cheong	林日昌	144	-	-	144	-	-	144
Tsim Wah Keung, Karl	詹華強	144	-	-	144	-	-	144
Total	總計	576	20,064	-	20,679	26,248	3,025	49,952

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

12. 董事及主要行政人員酬金(續)

		Fees	Salaries, allowances, and other remuneration	Discretionary bonus	Employer's contributions to pension schemes	Sub-total	Retirement benefits	Equity-settled share option expense	2018 Total emoluments
		袍金	工資、津貼及其他酬金	酌情花紅	向退休金計劃作出之僱主供款	小計	退休福利	以股權結算購股權開支	二零一八年酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors	執行董事								
Lee Siu Fong	李小芳	-	3,881	3,626	18	7,525	1,502	906	9,933
Leelalertsuphakun Wanee	李焯妮	-	4,184	3,910	18	8,112	4,127	839	13,078
Li Xiaoyi (CEO)	李小羿(行政總裁)	-	5,779	5,400	18	11,197	1,343	725	13,265
Non-executive Director	非執行董事								
Simon Miles Ball	Simon Miles Ball	144	-	-	-	144	-	-	144
Independent Non-executive Directors	獨立非執行董事								
Chan Yau Ching, Bob	陳友正	144	-	-	-	144	-	-	144
Lam Yat Cheong	林日昌	144	-	-	-	144	-	-	144
Tsim Wah Keung, Karl	詹華強	144	-	-	-	144	-	-	144
Total	總計	576	13,844	12,936	54	27,410	6,972	2,470	36,852

The directors' and chief executive's emoluments shown above were for their service in connection with the management of the affairs of the Company and the Group.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2018: Nil).

上文顯示之董事及主要行政人員酬金乃彼等於本公司及本集團管理事務有關之服務酬金。

於本年度內，並無董事或主要行政人員放棄或同意放棄任何酬金之安排(二零一八年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Certain executive directors of the Company are entitled to bonus payments which are determined based on a percentage of the Group's profit after tax for the year.

During the year, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share options scheme are set out in note 42 to the consolidated financial statements.

Transactions, arrangements or contracts in which directors of the Company have material interests

No transactions, arrangements or contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

Loans, quasi-loans and other dealings in favour of directors

No loans, quasi-loans and other dealings in favour of directors of the Company or body corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the year or at any time during the year (2018: Nil).

12. 董事及主要行政人員酬金(續)

本公司若干執行董事有權收取按本集團本年度除稅後溢利百分比計算之花紅。

於本年度內，若干董事就彼等向本集團提供之服務按本公司購股權計劃獲授予購股權。購股權計劃之詳情載於綜合財務報表附註42。

本公司董事擁有重大權益之交易、安排或合約

於本年度年末或本年度內任何時間，本公司或其附屬公司概無直接或間接訂立任何本公司董事於其中擁有重大權益的重大交易、安排或合約中(無論直接或間接)擁有重大權益(二零一八年：無)。

貸款、準貸款及董事獲益之其他交易

於本年度年末或本年度內任何時間，概無以本公司董事、董事控制法人團體、董事關聯實體為受益人之貸款、準貸款以及其他交易(二零一八年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

13. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group during the year included three (2018: three) directors, details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining two (2018: two) highest paid individuals who are neither a director nor chief executive of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,336	4,234
Employer's contributions to retirement benefit schemes	退休福利計劃僱主供款	36	36
Equity-settled share option expense	以股權結算之購股權費用	844	843
		5,216	5,113

The number of the highest paid individuals who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		2019 二零一九年 Number of individuals 人數	2018 二零一八年 Number of individuals 人數
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	1	1
		2	2

13. 五名最高薪人士

於本年度內，本集團五名最高薪酬人士當中，三名(二零一八年：三名)為本公司董事，其酬金已載於上文附註12。最高薪人士中其餘兩名人士(二零一八年：兩名)並非為本公司董事或主要行政人員，彼等的酬金如下：

最高薪人士(並非本公司董事)之薪酬介乎下列組別之人數如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

13. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

During the year, there were no share options granted to certain non-director and non-chief executive highest paid individuals in respect of their services to the Group under the share option scheme of the Company.

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 五名最高薪人士(續)

於本年度，並無向若干非董事及非主要行政人員的最高薪人士就彼等向本集團所提供服務按本公司購股權計劃授出購股權。

於本年度內，本集團並無付予五名最高薪人士酬金作為招攬其加入本集團，或於加入時的獎勵或離職補償。

14. TAXATION

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	現時稅項			
Hong Kong Profits Tax	香港利得稅		30,120	43,694
PRC Enterprise Income Tax	中國企業所得稅		3,569	25,326
			33,689	69,020
Over provision in prior years	過往年度超額撥備			
Hong Kong Profits Tax	香港利得稅		(1,688)	(2,298)
PRC Enterprise Income Tax	中國企業所得稅		(3,032)	(285)
			(4,720)	(2,583)
Deferred tax	遞延稅項			
Origination and reversal of temporary differences	產生及撥回暫時差額	36	30,572	(9,816)
			59,541	56,621

Hong Kong Profits Tax for the years ended 31 December 2019 and 2018 is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million according to the two-tiered profits tax rates regime.

根據利得稅兩級制，截至二零一九年及二零一八年十二月三十一日止年度的香港利得稅乃按8.25%(對於首2百萬港元估計應課稅溢利)及16.5%(對於2百萬港元以上估計應課稅溢利)計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. TAXATION (CONTINUED)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rates of the PRC subsidiaries range from 15% to 25% (2018: 15% to 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

14. 稅項(續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法之實施細則，中國附屬公司之稅率為15%至25%(二零一八年：15%至25%)。

於其他司法權區產生之稅項乃按有關司法權區之通行稅率計算。

本年度之稅項支出與綜合損益表內的除稅前溢利對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	除稅前溢利	122,886	446,384
Notional tax at the rates applicable to results in regions concern	按適用於相關地區業績之稅率計算的名義稅項	10,727	72,629
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	1,963	2,614
Tax effect of expenses not deductible for tax purpose	就稅項而言不可予扣減開支的稅項影響	34,864	12,981
Tax effect of income not taxable for tax purpose	就稅項而言毋須課稅收入的稅項影響	(3,951)	(46,858)
Over provision in prior years	過往年度超額撥備	(4,720)	(2,583)
Tax effect on temporary differences not recognised	未確認暫時差異的稅項影響	(268)	(131)
Tax effect of tax losses not recognised	未確認稅項虧損的稅項影響	47,914	24,412
Tax effect of preferential tax allowance	優惠稅寬免的稅項影響	(24,247)	(7,051)
Tax at other jurisdictions	其他司法權區之稅項	419	608
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(3,160)	-
Tax charge for the year	本年度之稅項支出	59,541	56,621

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. TAXATION (CONTINUED)

As at 31 December 2019, the Group has estimated unused tax losses of approximately HK\$562 million (2018: HK\$223 million) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profits streams.

15. DIVIDENDS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	於本年度確認作分派予本公司普通股股東之股息：		
2019 interim – HK\$0.018 (2018: 2018 interim dividend HK\$0.034) per share	二零一九年中期－每股0.018港元 (二零一八年：二零一八年年中期股息每股0.034港元)	10,662	20,129
2018 final – HK\$0.084 (2018: 2017 final dividend HK\$0.070) per share	二零一八年末期－每股0.084港元 (二零一八年：二零一七年末期股息每股0.070港元)	49,754	41,439
		60,416	61,568

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2019 of HK3.8 cents per share (2018: final dividend in respect of the year ended 31 December 2018 of HK8.4 cents per share), in an aggregate amount of approximately HK\$22,349,000 (2018: HK\$49,754,000) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting (“AGM”), and is not included as a dividend payable in the consolidated statement of financial position as at 31 December 2019.

14. 稅項(續)

於二零一九年十二月三十一日，本集團估計尚未動用之可供用作抵銷將來溢利的稅項虧損約為562百萬港元(二零一八年：223百萬港元)。由於未能預測將來溢利的來源，因此並無就估計稅項虧損確認遞延稅項資產。

15. 股息

於報告期完結後，董事已建議派發截至二零一九年十二月三十一日止年度之末期股息每股3.8港仙(二零一八年：截至二零一八年十二月三十一日止年度末期股息每股8.4港仙)合共約22,349,000港元(二零一八年：49,754,000港元)，惟須待股東於應屆股東週年大會(「股東週年大會」)上批准後，方可作實。該建議股息不作為二零一九年十二月三十一日綜合財務狀況表內之應付股息入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

16. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

16. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<i>Earnings:</i>	<i>盈利：</i>		
Net profit attributable to owners of the Company for the purpose of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司擁有人應佔溢利淨額	125,553	418,269
		2019 二零一九年 Share(s) '000 千股	2018 二零一八年 Share(s) '000 千股
<i>Number of shares:</i>	<i>股份數目：</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	591,573	591,841
Effect of dilutive potential ordinary shares:	普通股份潛在攤薄影響：		
Options	購股權	313	3,313
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	591,886	595,154

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Leasehold land	Leased premises	Leasehold improvement	Plant and machinery	Office and laboratory equipment and electronic equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃土地	租賃物業	租賃物業裝修	廠房及機器	辦公室及研究所設備及電子設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本									
At 1 January 2018	於二零一八年一月一日	246,623	-	-	20,791	98,658	62,381	12,412	270,839	711,704
Exchange rate adjustments	匯率調整	(14,638)	-	-	(923)	(7,743)	(4,291)	(417)	(11,063)	(39,075)
Reclassification	重新分類	-	-	-	-	(96)	96	-	-	-
Additions	添置	-	-	-	6,467	33,820	29,354	2,271	58,199	130,111
Transfer in (out)	轉入(出)	39,940	-	-	-	46,627	20,791	-	(107,358)	-
Disposals	出售	-	-	-	-	(11,062)	-	(163)	-	(11,225)
Write-off	撇銷	-	-	-	(1,093)	(194)	(3,667)	(466)	(35)	(5,455)
At 31 December 2018	於二零一八年十二月三十一日	271,925	-	-	25,242	160,010	104,664	13,637	210,582	786,060
Adjustments upon application of HKFRS 16	應用香港財務報告準則第16號所作之調整	-	145,666	9,659	-	-	-	-	-	155,325
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	271,925	145,666	9,659	25,242	160,010	104,664	13,637	210,582	941,385
Exchange rate adjustments	匯率調整	(4,576)	(2,700)	(312)	(692)	(4,256)	(2,156)	(136)	(3,739)	(18,567)
Reclassification	重新分類	(45,469)	-	-	4,634	40,802	33	-	-	-
Additions	添置	713	1,021	23,777	8,206	27,000	27,933	483	53,877	143,010
Transfer in (out)	轉入(出)	13,823	-	-	15,815	26,043	12,289	-	(67,970)	-
Disposals	出售	-	-	-	-	(63)	(191)	(460)	-	(714)
Write-off	撇銷	(50)	-	-	(626)	(1,689)	(3,798)	(814)	-	(6,977)
Modification of lease term	租賃期變更	-	-	(651)	-	-	-	-	-	(651)
At 31 December 2019	於二零一九年十二月三十一日	236,366	143,987	32,473	52,579	247,847	138,774	12,710	192,750	1,057,486

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

17. 物業、廠房及設備(續)

		Buildings	Leasehold land	Leased premises	Leasehold improvement	Plant and machinery	Office and laboratory equipment and electronic equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃土地	租賃物業	租賃物業裝修	廠房及機器	辦公室及研究所設備及電子設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值									
At 1 January 2018	於二零一八年一月一日	37,708	-	-	9,357	54,707	36,463	7,807	-	146,042
Exchange rate adjustments	匯率調整	(2,649)	-	-	(473)	(3,235)	(1,908)	(331)	-	(8,596)
Reclassification	重新分類	-	-	-	-	(9)	9	-	-	-
Charge for the year	本年度撥備	16,914	-	-	4,690	18,976	13,686	1,421	-	55,687
Eliminated upon disposal	出售後對銷	-	-	-	-	(10,280)	-	(162)	-	(10,442)
Eliminated upon write-off	撇銷後對銷	-	-	-	(1,023)	(156)	(3,625)	(466)	-	(5,270)
At 31 December 2018	於二零一八年十二月三十一日	51,973	-	-	12,551	60,003	44,625	8,269	-	177,421
Adjustments upon application of HKFRS 16	應用香港財務報告準則第16號所作之調整	-	10,729	-	-	-	-	-	-	10,729
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	51,973	10,729	-	12,551	60,003	44,625	8,269	-	188,150
Exchange rate adjustments	匯率調整	(863)	(239)	(52)	(249)	(1,788)	(899)	(114)	-	(4,204)
Reclassification	重新分類	(20,789)	-	-	232	20,531	26	-	-	-
Charge for the year	本年度撥備	14,095	2,901	8,505	6,808	29,358	21,738	1,246	-	84,651
Eliminated upon disposal	出售後對銷	-	-	-	-	(4)	(191)	(460)	-	(655)
Eliminated upon write-off	撇銷後對銷	(50)	-	-	(614)	(1,503)	(3,798)	(800)	-	(6,765)
At 31 December 2019	於二零一九年十二月三十一日	44,366	13,391	8,453	18,728	106,597	61,501	8,141	-	261,177
CARRYING AMOUNTS	賬面值									
At 31 December 2019	於二零一九年十二月三十一日	192,000	130,596	24,020	33,851	141,250	77,273	4,569	192,750	796,309
At 31 December 2018	於二零一八年十二月三十一日	219,952	-	-	12,691	100,007	60,039	5,368	210,582	608,639

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The buildings are situated in the PRC under medium-term leases.

As at 31 December 2018, included in HK\$5,368,000 motor vehicles there is an amount of HK\$3,090,000 in respect of assets held under finance leases.

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

17. 物業、廠房及設備(續)

位於中國的樓宇以中期租賃。

於二零一八年十二月三十一日，5,368,000港元汽車包括根據融資租賃持有之資產3,090,000港元。

本集團作為承租人

使用權資產(包括於物業、廠房及設備)

		Leasehold land 租賃土地 HK\$'000 千港元	Leased premises 租賃物業 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日				
Carrying amounts (Note)	賬面值(附註)	134,937	9,659	3,090	147,686
As at 31 December 2019	於二零一九年 十二月三十一日				
Carrying amounts	賬面值	130,596	24,020	468	155,084
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Depreciation charge	折舊費用	2,901	8,505	234	11,640

Note: Details on adoption of HKFRS 16 on 1 January 2019 are disclosed in note 2 to the consolidated financial statements.

附註：於二零一九年一月一日採納香港財務報告準則第16號的詳情已於綜合財務報表附註2披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group as lessee (Continued)

Right-of-use assets (included in the property, plant and equipment) (Continued)

		HK\$'000 千港元
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	與租賃期自首次應用香港財務報告準則第16號之日起12個月內到期的短期租賃及其他租賃相關的費用	3,199
Total cash outflow for leases	租賃現金流出總額	15,579
Additions to right-of-use assets	使用權資產添置	24,147

For both years, the Group leases various offices, warehouses and motor vehicles for its operations. Lease contracts are entered into for fixed term of 24 months to 5 years.

Certain leases of motor vehicle were accounted for as finance leases during the year ended 31 December 2018 and carried interest ranged from 3.72% per annum to 3.79% per annum. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several leasehold lands where its manufacturing facilities and office buildings are primarily located. The Group is the registered owner of these leasehold lands. Lump sum payments were made upfront to acquire these leasehold lands.

The Group regularly entered short-term leases for leased premises and equipment.

17. 物業、廠房及設備(續)

本集團作為承租人(續)

使用權資產(包括於物業、廠房及設備) (續)

於兩個年度，本集團租賃多項辦公室、倉庫及汽車作經營之用。租賃合約的固定期限為24個月至5年。

截至二零一八年十二月三十一日止年度，若干汽車租賃以融資租賃入賬，其年利率介乎3.72%至3.79%。租賃條款乃按個別基準協商確定，且包含各種不同的條款及條件。本集團於釐定租賃期及評估不可撤銷的期限時，採用合約之定義並確定合約可強制執行的期限。

此外，本集團擁有數塊租賃土地(其生產設施及辦公樓宇主要位於該等土地)。本集團為該等租賃土地的註冊擁有人。收購該等租賃土地已一次性支付一筆總價。

本集團定期訂立租賃物業及設備的短期租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. INTANGIBLE ASSETS

18. 無形資產

		License fee 專利費 HK\$'000 千港元	Development cost 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本			
At 1 January 2018	於二零一八年一月一日	204,137	306,304	510,441
Exchange rate adjustments	匯率調整	(3,417)	(15,946)	(19,363)
Additions	添置	38,731	137,006	175,737
Disposal	出售	(7,754)	(72)	(7,826)
Impairment	減值	(1,037)	(895)	(1,932)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	230,660	426,397	657,057
Exchange rate adjustments	匯率調整	(1,108)	(6,761)	(7,869)
Additions	添置	66,326	176,040	242,366
Impairment	減值	(24,112)	(116,876)	(140,988)
At 31 December 2019	於二零一九年十二月三十一日	271,766	478,800	750,566
AMORTISATION	攤銷			
At 1 January 2018	於二零一八年一月一日	50,556	11,247	61,803
Exchange rate adjustments	匯率調整	–	(618)	(618)
Charge for the year	本年度撥備	8,880	510	9,390
Eliminated upon impairment	減值後對銷	–	(567)	(567)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	59,436	10,572	70,008
Exchange rate adjustments	匯率調整	–	(214)	(214)
Charge for the year	本年度撥備	9,141	350	9,491
Eliminated upon impairment	減值後對銷	(23,336)	–	(23,336)
At 31 December 2019	於二零一九年十二月三十一日	45,241	10,708	55,949
CARRYING AMOUNTS	賬面值			
At 31 December 2019	於二零一九年十二月三十一日	226,525	468,092	694,617
At 31 December 2018	於二零一八年十二月三十一日	171,224	415,825	587,049

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

19. LEASE PREMIUM FOR LAND

19. 土地租賃費用

		2018 二零一八年 HK\$'000 千港元
Carrying amounts at 1 January	於一月一日之賬面值	145,597
Exchange rate adjustments	匯率調整	(7,632)
		137,965
Amortisation for the year	本年度攤銷	(3,028)
Carrying amounts at 31 December	於十二月三十一日之賬面值	134,937
Current portion of non-current assets	非流動資產之流動部分	(2,913)
Non-current portion	非流動部分	132,024

The leasehold land is held under medium-term lease and situated in the PRC.

位於中國的租賃土地以中期租賃持有。

20. GOODWILL

20. 商譽

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At cost	按成本		
Balance at beginning and at end of the year	於年初及年終之結餘	3,900	3,900

The goodwill tested for impairment is allocated to the cash-generating unit that constitutes Proprietary Products Business. The recoverable amount of proprietary products unit is determined based on a value in use calculated and represented by the management using cash flow projections based on financial budgets covering a five-year period. The discount rate applied to the cash flow projections is 10% per annum (2018: 10% per annum).

作減值測試之商譽乃分配至構成專利產品業務的現金產生單位。專利產品單位之可收回金額乃根據管理層採用現金流量預測按照涵蓋五年期之財務預算計算而呈列之使用價值釐定。應用於現金流量預測之貼現率為每年10%(二零一八年：每年10%)。

The value calculated by using the discount rate is higher than the carrying amount of the cash-generating unit; accordingly, the management of the Group determined that there is no impairment of the goodwill.

採用貼現率計算之價值高於現金產生單位之賬面值；因此，本集團管理層釐定並無商譽減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment, unlisted	投資成本，非上市	93,445	93,445
Share of post-acquisition loss and other comprehensive income, net of dividends received	分佔收購後虧損及其他全面收益，扣除已收股息	(77,866)	(65,990)
Share of associates' reserves	分佔聯營公司儲備	223	168
		15,802	27,623

Details of the Group's associates at the end of the reporting period are as follow:

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest held by the Group 本集團所持有之 所有權益比例		Proportion of voting rights held by the Group 本集團持有 投票權比例		Principal activities 主要業務
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Powder Pharmaceuticals Incorporated ("PPI") (Note a) 普樂藥業有限公司(「普樂」)(附註a)	British Virgin Islands/ Hong Kong 英屬處女群島/香港	33.92%	33.92%	33.92%	33.92%	Development, manufacture and sale of pharmaceutical products 開發、製造及銷售藥品
RIT Biotech (Holding) Company Limited ("RIT") (Note b) RIT Biotech (Holding) Company Limited (「RIT」)(附註b)	British Virgin Islands/ Hong Kong 英屬處女群島/香港	24.12%	24.12%	24.12%	24.12%	Operate a central pharmacy for compounding radiopharmaceuticals 經營複合放射性藥物的中央藥房

本集團於聯營公司之權益詳情如下：

於報告期間結束時，本集團聯營公司之詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

21. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- a. PPI has two wholly-owned subsidiaries, Powder Pharmaceuticals (HK) Co., Limited (incorporated in Hong Kong) and Powder (Guangzhou) Pharmaceuticals Co., Limited (incorporated in PRC), and are engaged in developing, manufacturing and trading of pharmaceutical products.
- b. RIT has a wholly-owned subsidiary, RIT Biotech Company Limited, which is incorporated in Hong Kong and engaged in operating a central pharmacy for compounding radiopharmaceuticals.

(i) Summarised financial information of associates

Summarised financial information in respect of the Group's associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

21. 於聯營公司之權益(續)

附註：

- a. 普樂擁有兩間全資附屬公司，為香港普樂藥業有限公司(於香港註冊成立)及普樂(廣州)藥業有限公司(於中國註冊成立)，主要從事開發、製造及買賣藥品。
- b. RIT之全資附屬公司為RIT Biotech Company Limited，於香港註冊成立及從事經營複合放射性藥物的中央藥房。

(i) 聯營公司之財務資料概要

有關本集團聯營公司之財務資料概要載列如下。以下財務資料概要為根據香港財務報告準則所編製之聯營公司財務報表所顯示之金額。

所有該等聯營公司均採用權益法於該等綜合財務報表中入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. INTERESTS IN ASSOCIATES (CONTINUED)

21. 於聯營公司之權益(續)

(i) Summarised financial information of associates (Continued)

(i) 聯營公司之財務資料概要(續)

		PPI 普樂		RIT RIT		CVie Taiwan * 中生台灣*	
		31 December 十二月三十一日		31 December 十二月三十一日		31 December 十二月三十一日	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Current assets	流動資產	23,461	6,332	4,959	22,848	N/A 不適用	N/A 不適用
Non-current assets	非流動資產	32,420	26,707	17,380	7,637	N/A 不適用	N/A 不適用
Current liabilities	流動負債	85,989	41,304	3,291	2,959	N/A 不適用	N/A 不適用
Non-current liabilities	非流動負債	6,302	-	1,812	859	N/A 不適用	N/A 不適用

		PPI 普樂		RIT RIT		CVie Taiwan * 中生台灣*	
		Year ended 截至年度		Year ended 截至年度		1 January 2019 to 31 December 2019	1 January 2018 to 21 December 2018
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	二零一九年 一月一日至 十二月三十一日	二零一八年 一月一日至 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	-	212	7,768	2,693	N/A 不適用	1,800
Loss from operations	經營虧損	(26,043)	(24,235)	(9,181)	(7,830)	N/A 不適用	(9,553)
Loss for the year/period	本年度/期間虧損	(28,364)	(24,375)	(9,431)	(8,154)	N/A 不適用	(10,344)
Other comprehensive income (expense)	其他全面收入(開支)	55	-	-	-	N/A 不適用	(2,596)
Total comprehensive expense for the year/period	本年度/期間全面開支總額	(28,309)	(24,375)	(9,431)	(8,154)	N/A 不適用	(12,940)
Dividend received during the year/period	本年度/期間內自聯營公司收取之股息	-	-	-	-	N/A 不適用	-

* CVie Therapeutics Limited ("CVie Taiwan") ceased to be the Group's associate during year 2018.

* 於二零一八年，中生醫藥股份有限公司(「中生台灣」)終止為本集團聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. INTERESTS IN ASSOCIATES (CONTINUED)

(i) Summarised financial information of associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associates in the consolidated financial statements:

21. 於聯營公司之權益(續)

(i) 聯營公司之財務資料概要(續)

上述財務資料概要與於綜合財務報表內確認之聯營公司權益之賬面值對賬如下：

	PPI 普樂		RIT RIT	
	31 December 十二月三十一日	31 December 十二月三十一日	31 December 十二月三十一日	31 December 十二月三十一日
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net (liabilities) assets (負債)資產淨值	(36,410)	(8,265)	17,236	26,667
Proportion of the Group's ownership interests 本集團所有權權益比例	33.92%	33.92%	24.12%	24.12%
Goodwill 商譽	23,995	23,995	—	—
Carrying amount of the Group's interests 本集團權益之賬面值	11,645	21,191	4,157	6,432

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公平值透過損益列賬的財務資產

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Investments in life insurance policies (Note a) 人壽保險保單投資(附註a)	3,651	3,588
Unlisted warrants (Note b) 非上市認股權證(附註b)	49,223	32,774
Club membership debenture (Note c) 會所會籍債券(附註c)	3,800	—
Convertible instruments (Note d) 可換股工具(附註d)	2,543	—
	59,217	36,362

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The fair value measurement of these assets are disclosed in note 44 to the consolidated financial statements.

Notes:

- a. These represents the life insurance policies with an insurance company to insure executive directors of the Company. Under the policy, the beneficiary and the policy holder is the Company. The Group is required to pay an one-off premium payment. The Group can terminate the policy at any time and receive cash based on the cash value of the policy at the date of withdrawal (“**Cash Value**”), which is determined by the premium payment plus accumulated interest earned minus the accumulated insurance charges, policy expense charges and a specified amount of surrender charge if the withdrawal is made between 1st to 15th policy year.
- b. These represent the warrants issued by both public and private companies operated in the biopharmaceutical sectors in the United States.
- c. The club membership debenture is stated at fair value which is determined by other quotation in similar market and is categorised as Level 2 of the three-level fair value hierarchy as defined under HKFRS 13.
- d. It refers to the unlisted convertible promissory notes issued by an overseas-listed biopharmaceutical company (the “**Issuer**”), with total principal amount of US\$200,000 (equivalent to approximately HK\$1,560,000), bearing 5% interest rate per annum and with maturity in 2024. Pursuant to the underlying agreement, the outstanding note amounts and unpaid interests could be converted into the Issuer’s common stock.

22. 按公平值透過損益列賬的財務資產(續)

該等資產之公平值計量披露於綜合財務報表附註44。

附註：

- a. 此乃本公司與一間保險公司訂立人壽保險保單，對本公司執行董事投保。根據保單，受益人及保單持有人為本公司。本集團須支付一次過保費。本集團可隨時終止保單，並基於保單於撤回日期的現金價值(「**現金價值**」)收回現金，有關現金價值乃按保費付款加上所賺取累計利息，再減累計保險費用、保單開支費用及特定金額的退保手續費(如於保單第1至15年撤回)釐定。
- b. 此乃由美國生物製藥業的公營及私營公司發出的認股權證。
- c. 會所會籍債券按近似市場之其他報價釐定的公平值列賬，並分類為香港財務報告準則第13號所界定之三級程度公平值等級中第2級。
- d. 此乃海外上市之生物製藥公司(「**發行人**」)發行的本金總額為200,000美元(相當於約1,560,000港元)之未上市可換股承兌票據，息率為每年5%，於2024年到期。根據相關協議，未償還票據金額及未支付利息可轉換為發行人之普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

23. 按公平值透過其他全面收益列賬的財務資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Equity securities listed outside Hong Kong (Notes a, c)	於香港以外地區上市之股本證券 (附註a、c)	478,594	490,652
Unlisted equity securities (Notes b, c)	非上市股本證券(附註b、c)	60,377	44,491
Unlisted partnership investments (Note d)	非上市合夥投資(附註d)	75,950	71,272
		614,921	606,415

The fair value measurement of these assets are disclosed in note 44 to the consolidated financial statements.

該等資產之公平值計量披露於綜合財務報表附註44。

Notes:

附註：

- | | |
|--|--|
| <p>a. The fair values of listed securities are based on quoted market closing prices available on the relevant exchanges as at the end of the reporting period.</p> | <p>a. 上市證券之公平值乃根據其在相關交易所於報告期間結束時之市場收市報價釐定。</p> |
| <p>b. These represent the Group's equity interests in private entities incorporated in Switzerland and the United States.</p> | <p>b. 此為本集團於瑞士及美國註冊成立之私人實體之股權。</p> |
| <p>c. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in financial assets at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.</p> | <p>c. 該等投資並非持作買賣，相反，該等投資乃持有作長期策略目的。本公司董事已選擇指定該等投資為按公平值透過其他全面收益列賬的財務資產，原因為彼等相信於損益內確認該等投資的公平值的短期波動將與本集團持有該等投資作長期目的並從長遠角度實現其表現潛力之策略不一致。</p> |
| <p>d. These represent partnership interests in private funds.</p> | <p>d. 此為於私人基金之合夥權益。</p> |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The movement of financial assets at FVTOCI for both years ended 31 December 2019 and 2018 are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of the year	於年初	606,415	201,826
Addition	添置	30,793	31,150
Converted from loan receivables	轉換自可換股貸款	23,010	46,524
Converted from convertible instrument	轉換自可換股工具	—	6,957
Proceeds from disposal of an associate	出售一間聯營公司所得款項	—	259,487
Rewards to employees in the form of listed shares	以上市股份形式獎勵僱員	—	(10,667)
Fair value (losses) gains on revaluation recognised, net	已確認重估公平值(虧損)收益淨額	(45,297)	71,138
At end of the year	於年終	614,921	606,415

In December 2019, the Group subscribed the common stock from Windtree Therapeutics Inc. (“Windtree”) at US\$5,000,000 (equivalent to approximately HK\$39,000,000). Part of the consideration was settled by conversion of US\$2,950,000 (equivalent to approximately HK\$23,010,000) loan receivables.

23. 按公平值透過其他全面收益列賬的財務資產(續)

截至二零一九年及二零一八年十二月三十一日止年度，按公平值透過其他全面收益列賬之財務資產變動如下：

於二零一九年十二月，本集團於 Windtree Therapeutics Inc. (「Windtree」) 認購普通股，按 5,000,000 美元(相當於約 39,000,000 港元)計值。部分代價已透過兌換 2,950,000 美元(相當於約 23,010,000 港元)的應收貸款結算。

24. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	49,024	16,224
Work-in-progress	在製品	45,248	35,811
Finished goods	製成品	161,313	159,638
		255,585	211,673

No inventories are carried at net realisable value at both 31 December 2019 and 2018.

24. 存貨

於二零一九年及二零一八年十二月三十一日，無存貨以可變現淨值列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

25. TRADE RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬款	153,479	149,876
Less: Allowances for ECL	減：預期信貸虧損撥備	(440)	(381)
		153,039	149,495

The credit period on sales of goods is 30–120 days. The Group has recognised an allowance for ECL of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for ECL are recognised against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates, and net of allowance for ECL at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0–30 days	0至30日	74,044	79,663
31–120 days	31至120日	67,541	51,751
121–180 days	121至180日	11,196	7,872
181–365 days	181至365日	222	10,206
Over 365 days and under 3 years	365日以上及三年以內	36	3
		153,039	149,495

25. 應收貿易賬款

貨品銷售之信貸期為30至120日。就所有超過365日之應收款項而言，本集團已確認100%預期信貸虧損撥備，原因為按過往經驗，逾期超過365日之應收款項無法收回。就逾期超過180日之應收貿易賬款而言，預期信貸虧損撥備乃根據估計不可收回款項撥備，而估計不可收回款項乃參考對方之過往違約經歷及對方現時財務狀況之分析釐定。

以下為應收貿易賬款於報告期完結日按賬齡之分析，並根據發票日期（與各自收入確認日期相若）呈列及扣除預期信貸虧損撥備：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE RECEIVABLES (CONTINUED)

The fair value of the Group's trade receivables at 31 December 2019 and 2018 approximates to their corresponding carrying amount.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for ECL because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging analysis of receivables that are past due but not impaired

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Overdue by:	逾期：		
1–180 days	1至180日	81,598	57,621
181–365 days	181至365日	48	23
		81,646	57,644

25. 應收貿易賬款(續)

於二零一九年及二零一八年十二月三十一日，本集團之應收貿易賬款之公平值與相關賬面值相若。

上文所披露之應收貿易賬款包括於報告期完結日時逾期但未確認預期信貸虧損撥備之款項，原因為信貸質素並無重大變動及有關款項仍被視為可收回。本集團並無就此等結餘持有任何抵押品或其他信用提升物品，亦無法律權利可以本集團結欠對方之任何款項作抵銷。

逾期但未減值之應收款項之賬齡分析

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

25. TRADE RECEIVABLES (CONTINUED)

Movement in allowance for ECL

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at beginning of the year	年初之結餘	381	561
Exchange rate adjustments	匯率調整	(8)	(24)
Write-off	撇銷	(6)	-
Provision for (reversal of) ECL	預期信貸虧損撥備(撥回)	73	(156)
Balance at the end of the year	年末之結餘	440	381

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Aging analysis of receivables that are past due and impaired

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Overdue by:	逾期：		
181–365 days	181至365日	48	23
Over 365 days and under 3 years	365日以上及三年以內	392	358
		440	381

25. 應收貿易賬款(續)

預期信貸虧損撥備變動

於釐定應收貿易賬款是否可收回時，本集團考慮應收貿易賬款自初步授出信貸日期起截至報告期完結日止之信貸質素之任何變動。由於客戶基礎大及無關連，故集中信貸風險有限。

已逾期及減值之應收款項之賬齡分析

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

26. 其他應收款項、按金及預付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Utilities and rental deposits	公共服務及租金按金	3,142	3,786
Prepayment for acquisition of plant and equipment, services and materials	添置廠房及設備、服務及材料之預付款項	100,851	69,451
Prepaid other tax	其他預付稅項	25,546	10,889
Others (Note)	其他(附註)	44,901	14,513
		174,440	98,639

Note: Others includes deposit for purchase and receivables from other debtors.

附註：其他包括購貨按金及來自其他債務人之應收款項。

During the reporting period, there is no provision for impairment loss (2018: HK\$6,979,000) on other receivable recognised in profit or loss.

於報告期間，暫無其他應收款項減值虧損撥備(二零一八年：6,979,000港元)已於損益確認。

27. LOAN RECEIVABLES

27. 應收貸款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unsecured, fixed-rate loan receivables	無抵押、固定利率應收貸款	—	26,990

The unsecured, fixed-rate loans bear interest at 4% per annum. During the year 2019, the loans were partially repaid and the remaining amount was converted into equity securities listed outside Hong Kong as disclosed in note 23 to the consolidated financial statements.

無抵押、固定利率貸款之利率為每年4厘。誠如綜合財務報表附註23所披露，於二零一九年，貸款已部分償還，剩餘金額轉換為於香港以外地區上市之股本證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

28. ADVANCE TO ASSOCIATES

This represents the loans to associates which carry interest rate of 4% (2018: 4%) per annum and are repayable within one year.

29. PLEDGED BANK DEPOSITS/ TIME DEPOSITS/CASH AND BANK BALANCES

As at 31 December 2019, pledged bank deposits represent the Group's security given to banks for facilities granted to the group entities and CVie Taiwan.

As at 31 December 2018, pledged bank deposits represent the Group's security given to a bank for the facilities granted to CVie Taiwan and Windtree.

The pledged bank deposits would be released within one year and therefore are classified as current assets.

Bank balances carry interest at market rates which are in range of 0.01% to 0.50% (2018: 0.01% to 0.50%) per annum. Time deposits carry interest rates in the range of 1.95% to 2.76% (2018: 1.89% to 2.10%) per annum. Pledged bank deposits carry interest rate in the range of 1.35% to 2.20% (2018: 0.40% to 3.08%) per annum.

28. 墊付予聯營公司之款項

此指向聯營公司借出之貸款，利率為每年4厘(二零一八年：4厘)，須於一年內償還。

29. 已抵押銀行存款／定期存款／ 現金及銀行結餘

於二零一九年十二月三十一日，已抵押銀行存款即本集團就集團實體及中生台灣獲銀行授予融資而作出的抵押品。

於二零一八年十二月三十一日，已抵押銀行存款即本集團就中生台灣及Windtree獲銀行授予融資而作出的抵押品。

已抵押銀行存款可於一年內解除，故分類為流動資產。

銀行結餘按市場利率計息，市場利率按每年介乎於0.01%至0.50%(二零一八年：0.01%至0.50%)。定期存款按每年介乎1.95%至2.76%(二零一八年：1.89%至2.10%)之利率計息。已抵押銀行存款按每年介乎1.35%至2.20%(二零一八年：0.40%至3.08%)之利率計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE PAYABLES

The fair value of the Group's trade payables at 31 December 2019 and 2018 approximates to their corresponding carrying amount.

The following is an aging analysis of trade payables at 31 December 2019 and 2018:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0–90 days	0至90日	79,948	44,609
91–180 days	91至180日	–	21,213
181–365 days	181至365日	–	115
Over 365 days	365日以上	197	142
		80,145	66,079

The average credit period on purchases of certain goods is 90 days. The Group has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

31. OTHER PAYABLES AND ACCRUALS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contract liabilities	合約負債	192,509	214,944
Sales guarantee deposits	銷售保證按金	148,768	88,941
Other payables for plant and equipment and services	廠房及設備與服務之其他應付款項	82,533	64,707
Other tax payables	其他應付稅項	11,701	4,002
Obligations under license contract	專利合約承擔	524	8,292
Accrued staff salaries and welfare	累計僱員薪酬及福利	37,481	25,019
Others (Note)	其他(附註)	131,671	41,852
		605,187	447,757

Note: Others includes payables to other creditors and accrued expenses.

30. 應付貿易賬款

本集團應付貿易賬款於二零一九年及二零一八年十二月三十一日之公平值與相關賬面值相若。

以下為於二零一九年及二零一八年十二月三十一日的應付貿易賬款的賬齡分析：

購買若干貨品的平均信貸期為90日。本集團有採取適當的財務風險政策，以確保所有應付款項於信貸時間框架內支付。

31. 其他應付款項及應計費用

附註：其他包括應付其他債權人之款項及應計費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BANK AND OTHER BORROWINGS

32. 銀行及其他借款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Secured bank borrowings classified as current liabilities (Note a)	分類為流動負債之有抵押銀行借款 (附註a)	113,806	127,483
Unsecured other borrowings classified as current liabilities (Note b)	分類為流動負債之無抵押其他借款 (附註b)	31,028	1,751
		144,834	129,234
Carrying amount of the borrowings are repayable (Note c):	應付借款之賬面值(附註c)：		
Within one year	於一年內	87,428	45,529
More than one year but not exceeding two years	超過一年但不超過兩年	21,406	26,337
More than two years but not exceeding five years	超過兩年但不超過五年	36,000	57,368
		144,834	129,234

Notes:

- As all the bank borrowings include a clause that gives the lenders the unconditional right to call the borrowings at any time ("**Repayment on Demand Clause**"), according to HK – Int 5 which requires the classification of whole borrowings containing the Repayment on Demand Clause as current liabilities, all the bank borrowings were classified as current liabilities.
- The unsecured loan is borrowing from non-controlling interests of an indirect non-wholly owned subsidiary of the Company which bore interest rate of 4% per annum and are repayable within one year.
- The table is based on the agreed repayment schedule provided by banks and agreed terms with non-controlling interests.

附註：

- 由於所有銀行借款含有賦予放款人無條件權利可隨時要求償還借款之條款(「**按**要求償還條款」)，故根據香港詮釋－第5號(其規定含有按要求償還條款之全部借款分類為流動負債)，故所有銀行借款分類為流動負債。
- 無抵押貸款乃從本公司一間間接非全資附屬公司的非控股權益借入，按年利率4厘計息，並須於一年內償還。
- 該表乃根據銀行提供之議定償還時間表及與非控股權益議定之條款編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BANK AND OTHER BORROWINGS (CONTINUED)

The ranges of effective interest rate on the Group's bank and other borrowings are as follows:

		2019 二零一九年	2018 二零一八年
Bank and other borrowings	銀行及其他借款	2.88%– 4.33%	2.88%– 4.79%

The Group's bank and other borrowings are denominated in the following currencies:

		Hong Kong Dollars 港元 HK\$'000 千港元	United States Dollars 美元 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日	115,556	29,278
As at 31 December 2018	於二零一八年十二月三十一日	129,234	–

32. 銀行及其他借款(續)

本集團銀行及其他借款的實際利率範圍如下：

本集團銀行及其他借款以下列貨幣計值：

33. LEASE LIABILITIES

		2019 二零一九年 HK\$'000 千港元
Within one year	於一年內	9,745
More than one year but not exceeding two years	超過一年但不超過兩年	13,364
More than two years but not exceeding five years	超過兩年但不超過五年	–
		23,109
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債下應於十二個月內結清之款項	(9,745)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債下應於十二個月後結清之款項	13,364

Lease obligations that are denominated in currencies of the functional currencies of the relevant group entities.

租賃承擔以相關集團實體之功能貨幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

34. OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2018, the Group leases motor vehicles under finance leases with lease term and interest rate ranges from three to five years and from 3.72% to 3.79% per annum respectively. At the end of the lease term, the Group has an option to purchase the motor vehicles. No arrangements have been entered into for contingent rental payments.

34. 融資租賃承擔

於二零一八年十二月三十一日，本集團根據融資租賃租用汽車，租期及年利率分別介乎三至五年及介乎3.72%至3.79%。於租期末，本集團可選擇購買汽車。並未就或然租金款項作出任何安排。

		Minimum lease payments	Present value of minimum lease payments
		最低租賃款項	最低租賃款項之現值
		2018	2018
		二零一八年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts payable under finance leases:	根據融資租賃之應付款項：		
Within one year	於一年內	904	858
In the second to fifth year inclusive	二至五年內(包括首尾兩年)	801	782
		1,705	1,640
Less: Future finance charges	減：未來融資費用	(65)	N/A 不適用
Present value of lease obligations	租賃承擔之現值	1,640	1,640
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債下應於十二個月內結清之款項		(858)
Amounts due for settlement after 12 months	應於十二個月後結清之款項		782

Obligations under finance leases are denominated in Hong Kong Dollars, which is also the functional currency of the relevant group entities.

融資租賃承擔以港元定值，港元亦為相關集團實體之功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. DERIVATIVE FINANCIAL LIABILITIES

This represents the carrying amounts of the derivative financial liabilities at the end of the reporting period resulting from the redemption rights (“**Redemption Rights**”) granted to the holders of series A preferred shares of China Ophthalmology Focus Limited (“**COPFL**”), a non-wholly owned subsidiary of the Company, to require COPFL to redeem the series A preferred shares therefrom under certain conditions. The Redemption Rights were granted by COPFL in connection with an issue and sale of its series A preferred shares which was completed on 13 June 2019.

The redemption price for each series A preferred share shall be an amount in cash equal to the sum of (a) issue price of series A preferred share, (b) an amount which would result in each holder of a series A preferred share being deemed receiving an internal rate of return of 13% in respect of each series A preferred share, measured from the date of first issuance of the series A preferred shares until the date of closing of the redemption of any series A preferred share, plus (c) any declared but unpaid dividends on such series A preferred share.

The Redemption Rights shall terminate on the earlier to occur of (1) the 6th anniversary of the closing date which was 13 June 2019 or (2) one calendar day before the first submission of a listing application form with the Stock Exchange in respect of the equity securities of the COPFL (the “**First Filing**”), provided that if a qualified IPO (as defined in the subscription agreement dated 23 May 2019) has not been consummated on the Main Board of the Stock Exchange within 12 calendar months of the date of the First Filing (the “**Revival Date**”), the Redemption Rights shall automatically be restored in all respects as of such Revival Date.

35. 衍生財務負債

此指於報告期末，本公司的非全資擁有附屬公司China Ophthalmology Focus Limited(「**COPFL**」)的A系列優先股持有人獲授贖回權(「**贖回權**」)而產生的衍生財務負債賬面值，要求COPFL根據若干條件贖回A系列優先股。COPFL因二零一九年六月十三日發行及銷售其A系列優先股以致授出贖回權。

每股A系列優先股的贖回價為等於(a) A系列優先股發行價，(b)令A系列優先股之各持有人被視為就每股A系列優先股收到13%之內部回報率的金額(自A系列優先股首次發行日期至贖回任何A系列優先股之完成日期計量)，加上(c)有關A系列優先股的任何已宣派但尚未支付的股息之總和的現金金額。

贖回權將於以下較早發生之情況終止：
(1)完成日(二零一九年六月十三日)第6週年或(2)就COPFL的股本證券向聯交所提交首次上市申請表格(「**首次申請**」)前一個曆日，惟倘合資格首次公開發售(定義見日期為二零一九年五月二十三日的認購協議)並無於首次申請日期起計十二個曆月內(「**恢復日期**」)於聯交所主板完成，則贖回權須在所有方面自動恢復至恢復日期之狀況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

Further details relating to the Redemption Rights were disclosed in the announcement of the Company dated 23 May 2019.

The carrying amount of the Redemption Rights is recognised and measured at fair value which was independently valued by Savills Valuation and Professional Services Limited, an independent professional valuer not connected to the Group. Further details of the fair value measurement of the Redemption Rights are disclosed in note 44 to the consolidated financial statements.

36. DEFERRED TAXATION

The following is the major deferred tax balances recognised and movements thereon during the current and prior years:

Deferred tax (assets) liabilities

		Accelerated tax depreciation	Intangible assets	Tax on unrealised profit 未變現溢利 之稅項	Right- of-use assets 使用權資產	Lease liabilities 租賃負債	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	537	46,819	(7,375)	-	-	39,981
Exchange difference	匯兌差額	-	(2,270)	-	-	-	(2,270)
Charge (credit) to profit or loss	扣除(計入)損益	524	2,316	(12,656)	-	-	(9,816)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	1,061	46,865	(20,031)	-	-	27,895
Exchange difference	匯兌差額	-	(1,033)	-	(43)	42	(1,034)
(Credit) charge to profit or loss	(計入)扣除損益	(457)	25,026	5,850	3,724	(3,571)	30,572
At 31 December 2019	於二零一九年十二月三十一日	604	70,858	(14,181)	3,681	(3,529)	57,433

35. 衍生財務負債(續)

有關贖回權的進一步詳情已於本公司日期為二零一九年五月二十三日的公告中披露。

贖回權的賬面值乃按公平值確認及計量，公平值由與本集團並無關連的獨立專業估值師第一太平戴維斯估值及專業顧問有限公司獨立估值。贖回權公平值計量的進一步詳情於綜合財務報表附註44披露。

36. 遞延稅項

下列為於當前及過往年度確認之主要遞延稅項結餘及其變動：

遞延稅項(資產)負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. DEFERRED TAXATION (CONTINUED)

Deferred tax (assets) liabilities (Continued)

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(14,198)	–
Deferred tax liabilities	遞延稅項負債	71,631	27,895
		57,433	27,895

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits earned by the PRC subsidiaries amounting to HK\$505 million (2018: HK\$571 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

36. 遞延稅項(續)

遞延稅項(資產)負債(續)

就於綜合財務狀況表呈列而言，遞延稅項資產及負債經已抵銷。下表為就財務申報目的而言之遞延稅項結餘分析：

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司就所賺取溢利所宣派之股息須繳納預扣稅。由於本集團能夠控制撥回中國附屬公司所賺取溢利應佔之暫時差額505百萬港元(二零一八年：571百萬港元)之時間及該等暫時差額於可預見將來可能不會撥回，故於綜合財務報表內並無就該等暫時差額計提遞延稅項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. SHARE CAPITAL

37. 股本

		Number of shares 股份數目		Share capital 股本	
		2019 二零一九年	2018 二零一八年	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each	每股面值0.05港元的普通股	1,000,000,000	1,000,000,000	50,000	50,000
Issued and fully paid:	已發行及已繳足：				
At beginning of the year	於年初	592,029,343	590,943,343	29,601	29,547
Exercise of share options (Note a)	行使購股權(附註a)	280,000	1,086,000	14	54
Repurchase and cancellation of ordinary shares (Note b)	購回及註銷普通股(附註b)	(4,389,000)	-	(219)	-
At end of the year	於年終	587,920,343	592,029,343	29,396	29,601

During the year ended 31 December 2019, the movement in the Company's share capital is as follows:

於截至二零一九年十二月三十一日止年度內，本公司股本之變動如下：

(a) A total of 280,000 new shares were issued upon exercise of 280,000 share options under the Company's share option schemes (note 42) at an aggregate consideration of HK\$1,395,000 (net of issuance cost) of which HK\$14,000 was credited to share capital and the remaining balance of HK\$1,381,000 was credited to the share premium account. In addition, an amount attributable to the related share options of HK\$447,000 has been transferred from share-based compensation reserve to the share premium account.

(a) 於根據本公司購股權計劃(附註42)行使280,000份購股權後已發行合共280,000股新股份，總代價為1,395,000港元(扣除發行成本)，其中14,000港元作為股本入賬，其餘1,381,000港元作為股份溢價入賬。此外，相關購股權應佔款項447,000港元已從以股份支付之酬金儲備轉撥至股份溢價賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. SHARE CAPITAL (CONTINUED)

(b) During the year, the Company repurchased its own ordinary shares through Stock Exchange as follows:

Month of purchase	購買月份	Number of ordinary shares 普通股 股份數目	Highest purchase price per ordinary share 每股普通股 最高購買價 HK\$ 港元	Lowest purchase price per ordinary share 每股普通股 最低購買價 HK\$ 港元	Aggregate purchase price (including expenses) 總購買價 (包括費用) HK\$'000 千港元
September 2019	二零一九年九月	1,931,000	4.58	4.18	8,655
October 2019	二零一九年十月	2,458,000	4.55	4.23	10,986
		<u>4,389,000</u>			<u>19,641</u>

The above ordinary shares were cancelled in November 2019 and the corresponding expense is HK\$31,000.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

37. 股本(續)

(b) 於年度內，本公司透過聯交所購回自身普通股如下：

上述普通股於二零一九年十一月註銷，相關費用為31,000港元。

於本年度內，概無本公司附屬公司購買、出售或贖回本公司任何上市證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

38. RESERVES

Share premium

Share premium represents the difference between the nominal value and the issuing value of the shares.

Merger difference

The merger difference represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the Group's reorganisation prior to the listing of the Company's shares in 2002.

Share-based compensation reserve

The share-based compensation reserve comprises the fair value of share options granted which are not yet exercised.

Other reserves

Other reserves represent (i) the difference between the consideration and the carrying amount of the net assets attributable to the reduction of, or additions of, interests in subsidiaries being disposed to, or acquired from, non-controlling interests; and (ii) share of associates' reserve.

Investments revaluation reserve

Investments revaluation reserve represents the cumulative fair value changes, net of tax, of financial at FVTOCI assets until they are disposed or impaired.

38. 儲備

股份溢價

股份溢價指股份面值與發行價值之間的差異。

合併差額

合併差額乃指已收購附屬公司的股份面值與在二零零二年本公司股份上市前進行集團重組時因收購附屬公司而發行本公司股份面值的差額。

以股份支付之酬金儲備

以股份支付之酬金儲備包括已授出但尚未被行使之購股權之公平值。

其他儲備

其他儲備指(i)代價及向非控股權益出售或收購附屬公司所扣除或增加權益歸屬於淨資產賬面值之間的差異；及(ii)分佔聯營公司之儲備。

投資重估儲備

投資重估儲備指按公平值透過其他全面收益列賬的財務資產於出售或減值前之累計公平值變動(扣除稅項)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. RESERVES (CONTINUED)

Exchange reserve

Exchange reserve relating to the translation of the net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss upon the disposal of the foreign subsidiaries.

39. ACQUISITION OF A SUBSIDIARY

In April 2019, the Group acquired 100% of the issued share capital of Dreamboat Ventures Limited ("Dreamboat") at a total consideration of HK\$2,400,000 from Lee's Techno-Net Limited ("Techno-Net"). Dreamboat is an investment holding company. The transaction has been accounted for by the acquisition method of accounting.

Consideration transferred

		HK\$'000 千港元
Cash consideration	現金代價	2,400

38. 儲備(續)

匯兌儲備

有關將本集團海外附屬公司之資產淨值從其功能貨幣換算為本集團呈報貨幣之匯兌儲備直接於其他全面收益確認並於匯兌儲備累計。匯兌儲備中累計之有關匯兌差額於出售海外附屬公司時重新分類至損益。

39. 收購一間附屬公司

於二零一九年四月，本集團以總代價 2,400,000 港元自 Lee's Techno-Net Limited (「Techno-Net」) 收購 Dreamboat Ventures Limited (「Dreamboat」) 的 100% 已發行股本。Dreamboat 為一間投資控股公司。此項交易已按收購法入賬。

轉撥之代價

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

39. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Consideration transferred (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

		HK\$'000 千港元
Non-current asset	非流動資產	
Financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產	3,800
Current asset	流動資產	
Deposits	按金	143
Current liability	流動負債	
Other payables and accruals	其他應付款項及應計費用	(1,543)
		2,400

The fair value of financial assets at fair value through profit or loss and deposits at the date of acquisition amounted to HK\$3,800,000 and approximately HK\$143,000 respectively. The gross contractual amounts of those financial assets at fair value through profit or loss and deposits acquired amounted to HK\$3,800,000 and approximately HK\$143,000 respectively. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to nil.

39. 收購一間附屬公司(續)

轉撥之代價(續)

於收購日取得之資產及確認之負債如下：

於收購日該等按公平值透過損益列賬之財務資產及按金之公平值分別約為3,800,000港元及143,000港元。按公平值透過損益列賬之財務資產及按金之合約總額分別約為3,800,000港元及143,000港元。於收購日預期無法收取之合約現金流量的最佳估值為零。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF A SUBSIDIARY (CONTINUED)

39. 收購一間附屬公司(續)

Goodwill arising on acquisition:

收購產生之商譽：

		HK\$'000 千港元
Consideration transferred	轉撥之代價	2,400
Less: Net assets acquired	減：已收購資產淨額	(2,400)
Goodwill arising from the acquisition	收購產生之商譽	-

Analysis of the cash flows in respect of the acquisition is as follows:

收購之現金流量分析如下：

		HK\$'000 千港元
Cash consideration paid	已付現金代價	2,400
Less: Cash and cash equivalent acquired of	減：已收購現金及現金等值	-
Net cash outflow in respect of the acquisition of a subsidiary	收購一間附屬公司之現金流出淨額	2,400

Included in the profit for the year is approximately HK\$381,000 loss attributable to the additional business generated by Dreamboat.

本年度內溢利包括約381,000港元之虧損由Dreamboat產生之額外業務所致。

Had the acquisition been completed on 1 January 2019 in the opinion of the directors of the Company, the Group's revenue and profit for the year would not be materially impacted.

本公司董事認為倘收購於二零一九年一月一日完成，則本集團年內收入及溢利將不會受重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

40. NON-CONTROLLING INTERESTS

40. 非控股權益

		Share of net assets of subsidiaries 分估附屬公司 的資產淨值 HK\$'000 千港元	Share-based compensation reserve of subsidiaries 附屬公司以股份 支付的酬金儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	(7,498)	84	(7,414)
Capital contribution from non-controlling interests	非控股權益出資	60,303	–	60,303
Share of loss for the year	分估本年度虧損	(28,506)	–	(28,506)
Share of other comprehensive income for the year	分估本年度其他全面收益			
– Exchange difference on translation of financial statements of overseas subsidiaries	– 換算海外附屬公司財務報表之匯兌差額	158	–	158
– Fair value changes of financial assets at fair value through other comprehensive income	– 按公平值透過其他全面收益列賬之財務資產之公平值變動	6,991	–	6,991
Share of employee share options benefit	分估僱員購股權福利	–	18	18
Share of share options lapsed	分估已失效購股權	102	(102)	–
Additional non-controlling interests arising from partial disposal of interests in a subsidiary	出售一間附屬公司之部分權益所產生之額外非控股權益	(4,024)	–	(4,024)
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	27,526	–	27,526
Capital contribution from non-controlling interests	非控股權益出資	2,236	–	2,236
Additional non-controlling interests arising from deemed disposal of interests in subsidiaries	視為出售附屬公司之部分權益所產生之額外非控股權益	218,412	–	218,412
Share of loss for the year	分估本年度虧損	(62,208)	–	(62,208)
Share of other comprehensive expenses for the year	分估本年度其他全面開支			
– Exchange difference on translation of financial statements of overseas subsidiaries	– 換算海外附屬公司財務報表之匯兌差額	(1,243)	–	(1,243)
– Fair value changes of financial assets at fair value through other comprehensive income	– 按公平值透過其他全面收益列賬之財務資產之公平值變動	(3,185)	–	(3,185)
At 31 December 2019	於二零一九年十二月三十一日	181,538	–	181,538

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. RETIREMENT BENEFITS

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme (“Scheme”) for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme with maximum amount of HK\$1,500 (2018: HK\$1,500) per month for each employee, which contribution is matched by employees.

The total cost recognised in profit or loss of HK\$758,000 (2018: HK\$728,000) represents contributions payable to the Scheme by the Group in respect of the current year. As at 31 December 2019, contributions of HK\$4,000 (2018: Nil) due in respect of the reporting period had not been paid over to the Scheme.

The employees of the Group’s subsidiaries in the PRC and Taiwan are members of a state-managed retirement benefit plan operated by the government of the PRC and Taiwan. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits is to make the specified contributions.

Defined benefit plan

Retirement benefits scheme represents the retirement benefits provided to the executive directors of the Company.

Each of the executive directors will be entitled to lump sum payment upon retirement and monthly pension payment after retirement if he/she has engaged in continuous service with the Group for certain years.

41. 退休福利

定額供款計劃

本集團為香港所有合資格僱員營運強制性公積金計劃(「計劃」)。該等計劃之資產與本集團的資產分開持有，由受託人控制的基金持有。本集團向該計劃作出有關工資成本的5%的供款，就每名僱員而言，每月最高金額為1,500港元(二零一八年：1,500港元)，而僱員須作出相同金額的供款。

於損益內確認的總成本758,000港元(二零一八年：728,000港元)為本集團就本年度應付該計劃的供款。於二零一九年十二月三十一日，報告期間的應付供款4,000港元(二零一八年：零)尚未支付予該計劃。

本集團之中國及台灣附屬公司之僱員為中國及台灣政府運作之國家管理退休福利計劃之成員。附屬公司均須按工資成本之特定百分比向退休福利計劃供款，以便為福利提供資金。本集團就退休福利僅須承擔之責任為作出特定供款。

定額福利計劃

退休福利計劃為向本公司執行董事提供的退休福利。

各執行董事倘若已持續服務本集團若干年，則將有權於退休時享有一次過款項及於退休後享有每月退休金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

41. RETIREMENT BENEFITS (CONTINUED)

Defined benefit plan (Continued)

The carrying value of the retirement benefits represents the cost of providing benefits determined by valuation conducted by independent valuer at the end of the reporting period, amortised over the expected average remaining working lives of the participating employees. The fair value of the retirement benefits at 31 December 2019 was valued by Peak Vision Appraisal Limited, an independent professional valuer not connected to the Group. The fair value of retirement benefits was accrued in the consolidated financial statements but the retirement benefits scheme was not established up to the date of this report. Thus, no actuarial gain or loss will be considered.

During the year, HK\$26,248,000 provision for retirement benefits (2018: HK\$6,972,000) was recognised in profit or loss.

42. SHARE OPTION SCHEMES

The Company

The Company's share option scheme (the "2002 Share Option Scheme") and new share option scheme (the "New Share Option Scheme") were adopted on 26 June 2002, and 10 May 2012 respectively for the primary purpose of providing incentives to directors, eligible employees, advisers and consultants.

At 31 December 2019, the number of shares in respect of which options had been granted and remained outstanding under the 2002 Share Options Scheme and the New Share Option Scheme was 17,123,000 shares (2018: 15,627,000 shares) representing 2.9% (2018: 2.6%) of the shares of the Company in issue at that date.

41. 退休福利(續)

定額福利計劃(續)

退休福利的賬面值為按獨立估值師於報告期間結束時所進行的估值釐定並按參與僱員的預期平均餘下工作年期予以攤銷之成本。退休福利於二零一九年十二月三十一日之公平值乃由漂鋒評估有限公司(與本集團並無關連的獨立專業估值師)估值。退休福利的公平值於綜合財務報表內應計，但截至本報告日期，退休福利計劃並無設立，因此，將不會考慮實際收益或虧損。

於本年度，於損益內確認26,248,000港元(二零一八年：6,972,000港元)退休福利之撥備。

42. 購股權計劃

本公司

本公司的購股權計劃(「二零零二年購股權計劃」)及新購股權計劃(「新購股權計劃」)分別於二零零二年六月二十六日及二零一二年五月十日通過，旨在向董事、合資格僱員、顧問及諮詢人士提供獎勵。

於二零一九年十二月三十一日，二零零二年購股權計劃及新購股權計劃項下已授出及仍未行使的購股權所涉及的股份數目為17,123,000股(二零一八年：15,627,000股)，相當於本公司於該日已發行股份的2.9%(二零一八年：2.6%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

For the 2002 Share Option Scheme, 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 (“Shares”) in issue at the time of listing, without prior approval from the Company’s shareholders. 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 in issue, without prior approval from the Company’s shareholders.

For the New Share Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme shall be subject to a maximum limit of 10% of the Shares in issue on the date on which the New Share Option Scheme is conditionally adopted and approved by the shareholders at the AGM, unless the Company obtains an approval from the shareholders in general meeting to refresh such 10% in accordance with the Listing Rules. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating such 10%. The overall limit on the 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 and any other share option schemes must not exceed 30% of the Shares in issue from time to time.

The exercise price is determined by the directors, and will not be less than the highest of (i) the closing price of the 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 Shares.

42. 購股權計劃(續)

本公司(續)

就二零零二年購股權計劃而言，若無獲得本公司股東事先批准，根據該計劃可授出的購股權所涉及的股份總數不准超過本公司於上市時的已發行股份(「股份」)的10%。若無事先獲得本公司股東批准，於任何一年內，就授予及可能授予任何人士的購股權而已發行及將予發行的股份數目不准超過本公司已發行股份的1%。

就新購股權計劃而言，於行使根據新購股權計劃將授出的所有購股權時可能發行的股份總數將受股東於股東週年大會上有條件採納及批准新購股權計劃日期的已發行股份的最高上限10%所規限，除非本公司根據上市規則於股東大會上獲得股東批准更新有關10%限額。就計算有關10%限額而言，根據新購股權計劃的條款失效的購股權將不會計算在內。根據新購股權計劃及任何其他購股權計劃已授出及仍未行使的所有發行在外購股權獲行使而可能發行的股份數目整體限額不得超過不時的已發行股份的30%。

行使價乃由董事釐定，並將不少於以下各項的最高者：(i) 股份於授出日期的收市價；(ii) 股份於緊接授出日期前五個營業日的平均收市價；及(iii) 股份的面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Details of the Company's share option schemes during the current year are summarised as follow:

42. 購股權計劃(續)

本公司(續)

於本年度，本公司的購股權計劃詳情概述如下：

Date of grant 授出日期	Outstanding at 01.01.2019 於二零一九年 一月一日 尚未行使	During the year 於年度內			Outstanding at 31.12.2019 於二零一九年 十二月三十一日 尚未行使	Exercise period 行使期間	Exercise price per share 每股行使價
	Granted 已授出	Exercised 已行使	Lapsed 已失效				
<i>Category I:</i> 第一類:							
<i>Directors</i> 董事							
30.12.2013 二零一三年十二月三十日	876,000	-	-	-	876,000	30.06.2014-29.12.2023 二零一四年六月三十日至 二零二三年十二月二十九日	HK\$7.300 7.300港元
31.03.2015 二零一五年三月三十一日	1,338,000	-	-	-	1,338,000	30.09.2015-30.03.2025 二零一五年九月三十日至二零二五年三月三十日	HK\$11.200 11.200港元
31.03.2016 二零一六年三月三十一日	1,761,000	-	-	-	1,761,000	30.09.2016-30.03.2026 二零一六年九月三十日至二零二六年三月三十日	HK\$5.754 5.754港元
13.04.2017 二零一七年四月十三日	1,770,000	-	-	-	1,770,000	13.10.2017-12.04.2027 二零一七年十月十三日至二零二七年四月十二日	HK\$7.548 7.548港元
13.04.2018 二零一八年四月十三日	1,368,000	-	-	-	1,368,000	13.10.2018-12.04.2028 二零一八年十月十三日至二零二八年四月十二日	HK\$11.216 11.216港元
15.04.2019 二零一九年四月十五日	-	1,776,000	-	-	1,776,000	15.10.2019-14.04.2029 二零一九年十月十五日至二零二九年四月十四日	HK\$7.324 7.324港元

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

42. 購股權計劃(續)

The Company (Continued)

本公司(續)

Date of grant 授出日期	Outstanding at 01.01.2019 於二零一九年 一月一日 尚未行使	During the year 於年度內			Outstanding at 31.12.2019 於二零一九年 十二月三十一日 尚未行使	Exercise period 行使期間	Exercise price per share 每股行使價
	Granted 已授出	Exercised 已行使	Lapsed 已失效				
<i>Category II:</i> 第二類: Employees 僱員							
12.01.2010 二零一零年一月十二日	240,000	–	–	–	240,000	12.07.2010–11.01.2020 二零一零年七月十二日至二零二零年一月十一日	HK\$2.200 2.200港元
08.10.2012 二零一二年十月八日	3,500,000	–	(280,000)	–	3,220,000	08.10.2013–07.10.2022 二零一三年十月八日至二零二零年十月七日	HK\$4.996 4.996港元
05.04.2013 二零一三年四月五日	300,000	–	–	–	300,000	05.10.2013–04.04.2023 二零一三年十月五日至二零二三年四月四日	HK\$5.620 5.620港元
30.12.2013 二零一三年十二月三十日	1,874,000	–	–	–	1,874,000	30.12.2014–29.12.2023 二零一四年十二月三十日至 二零二三年十二月二十九日	HK\$7.300 7.300港元
07.10.2014 二零一四年十月七日	600,000	–	–	–	600,000	30.06.2015–06.10.2024 二零一五年六月三十日至二零二四年十月六日	HK\$10.340 10.340港元
07.10.2014 二零一四年十月七日	750,000	–	–	–	750,000	03.10.2015–06.10.2024 二零一五年十月三日至二零二四年十月六日	HK\$10.340 10.340港元
03.10.2017 二零一七年十月三日	1,250,000	–	–	–	1,250,000	03.10.2018–02.10.2027 二零一八年十月三日至二零二七年十月二日	HK\$6.190 6.190港元
	15,627,000	1,776,000	(280,000)	–	17,123,000		
Exercisable at the end of the year 於年終可行使					15,485,000		
Weighted average exercise price 加權平均行使價	HK\$7.378 7.378港元	HK\$7.324 7.324港元	HK\$4.996 4.996港元	–	HK\$7.411 7.411港元		

The weighted average share price on which the options were exercised in current year is HK\$6.80.

本年度已行使購股權之加權平均股價為6.80港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Details of the Company's share option schemes during the prior year are summarised as follow:

Date of grant 授出日期	Outstanding at 01.01.2018 於二零一八年 一月一日 尚未行使	During the year 於年度內			Outstanding at 31.12.2018 於二零一八年 十二月三十一日 尚未行使	Exercise period 行使期間	Exercise price per share 每股行使價
	Granted 已授出	Exercised 已行使	Lapsed 已失效				
<i>Category I:</i>							
<i>第一類:</i>							
<i>Directors</i>							
<i>董事</i>							
30.12.2013 二零一三年十二月三十日	876,000	-	-	-	876,000	30.06.2014-29.12.2023 二零一四年六月三十日至 二零二三年十二月二十九日	HK\$7.300 7.300港元
31.03.2015 二零一五年三月三十一日	1,338,000	-	-	-	1,338,000	30.09.2015-30.03.2025 二零一五年九月三十日至二零二五年三月三十日	HK\$11.200 11.200港元
31.03.2016 二零一六年三月三十一日	1,761,000	-	-	-	1,761,000	30.09.2016-30.03.2026 二零一六年九月三十日至二零二六年三月三十日	HK\$5.754 5.754港元
13.04.2017 二零一七年四月十三日	1,770,000	-	-	-	1,770,000	13.10.2017-12.04.2027 二零一七年十月十三日至二零二七年四月十二日	HK\$7.548 7.548港元
13.04.2018 二零一八年四月十三日	-	1,368,000	-	-	1,368,000	13.10.2018-12.04.2028 二零一八年十月十三日至二零二八年四月十二日	HK\$11.216 11.216港元

42. 購股權計劃(續)

本公司(續)

於上年度，本公司的購股權計劃詳情概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

42. 購股權計劃(續)

The Company (Continued)

本公司(續)

Date of grant 授出日期	Outstanding at 01.01.2018 於二零一八年 一月一日 尚未行使	During the year 於年度內			Outstanding at 31.12.2018 於二零一八年 十二月三十一日 尚未行使	Exercise period 行使期間	Exercise price per share 每股行使價
	Granted 已授出	Exercised 已行使	Lapsed 已失效				
<i>Category II:</i> 第二類:							
<i>Employees</i> 僱員							
12.01.2010 二零一零年一月十二日	240,000	-	-	-	240,000	12.07.2010-11.01.2020 二零一零年七月十二日至二零二零年一月十一日	HK\$2.200 2.200港元
20.12.2010 二零一零年十二月二十日	300,000	-	(300,000)	-	-	20.06.2011-19.12.2020 二零一一年六月二十日至 二零二零年十二月十九日	HK\$3.750 3.750港元
08.10.2012 二零一二年十月八日	4,136,000	-	(636,000)	-	3,500,000	08.10.2013-07.10.2022 二零一三年十月八日至二零二零年十月七日	HK\$4.996 4.996港元
05.04.2013 二零一三年四月五日	300,000	-	-	-	300,000	05.10.2013-04.04.2023 二零一三年十月五日至二零二三年四月四日	HK\$5.620 5.620港元
30.12.2013 二零一三年十二月三十日	2,024,000	-	(150,000)	-	1,874,000	30.12.2014-29.12.2023 二零一四年十二月三十日至 二零二三年十二月二十九日	HK\$7.300 7.300港元
07.10.2014 二零一四年十月七日	600,000	-	-	-	600,000	30.06.2015-06.10.2024 二零一五年六月三十日至二零二四年十月六日	HK\$10.340 10.340港元
07.10.2014 二零一四年十月七日	750,000	-	-	-	750,000	03.10.2015-06.10.2024 二零一五年十月三日至二零二四年十月六日	HK\$10.340 10.340港元
03.10.2017 二零一七年十月三日	1,250,000	-	-	-	1,250,000	03.10.2018-02.10.2027 二零一八年十月三日至二零二七年十月二日	HK\$6.190 6.190港元
	<u>15,345,000</u>	<u>1,368,000</u>	<u>(1,086,000)</u>	<u>-</u>	<u>15,627,000</u>		
Exercisable at the end of the year 於年終可行使					<u>13,943,000</u>		
Weighted average exercise price 加權平均行使價	HK\$6.865 6.865港元	HK\$11.216 11.216港元	HK\$4.970 4.970港元	-	HK\$7.378 7.378港元		

The weighted average share price on which the options were exercised in prior year was HK\$12.59.

上年度已行使購股權之加權平均股價為12.59港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options:

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
12.01.2010 二零一零年 一月十二日	(i) 50% exercisable not less than 6 months from date of grant but not more than 10 years, i.e. 12.07.2010–11.01.2020 (i) 當中的50%可在不少於自授出日期起計六個月但不多於十年，即由二零一零年七月十二日至二零二零年一月十一日期間內行使 (ii) unexercised balance thereof be exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 12.04.2011–11.01.2020 (ii) 尚未行使的餘額可在不少於自授出日期起計十五個月但不多於十年，即由二零一一年四月十二日至二零二零年一月十一日期間內行使	2.200
20.12.2010 二零一零年 十二月二十日	(i) 50% exercisable not less than 6 months from date of grant but not more than 10 years, i.e. 20.06.2011–19.12.2020 (i) 當中的50%可在不少於自授出日期起計六個月但不多於十年，即由二零一一年六月二十日至二零二零年十二月十九日期間內行使 (ii) unexercised balance thereof be exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 20.03.2012–19.12.2020 (ii) 尚未行使的餘額可在不少於自授出日期起計十五個月但不多於十年，即由二零一二年三月二十日至二零二零年十二月十九日期間內行使	3.750

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options: (Continued)

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
08.10.2012 二零一二年十月八日	(i) 259,500 options exercisable not less than 6 months from date of grant but not more than 10 years, i.e. 08.04.2013–07.10.2022 (i) 259,500份購股權可在不少於自授出日期起計六個月但不多於十年，即由二零一三年四月八日至二零二二年十月七日期間內行使 (ii) 259,500 options exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 08.01.2014–07.10.2022 (ii) 259,500份購股權可在不少於自授出日期起計十五個月但不多於十年，即由二零一四年一月八日至二零二二年十月七日期間內行使 (iii) 1,160,000 options exercisable during the period from 08.10.2013–07.10.2022 (iii) 1,160,000份購股權可在二零一三年十月八日至二零二二年十月七日期間內行使 (iv) 2,230,000 options exercisable during the period from 08.10.2014–07.10.2022 (iv) 2,230,000份購股權可在二零一四年十月八日至二零二二年十月七日期間內行使 (v) 2,650,000 options exercisable during the period from 08.10.2015–07.10.2022 (v) 2,650,000份購股權可在二零一五年十月八日至二零二二年十月七日期間內行使	4.996

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options: (Continued)

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
05.04.2013 二零一三年四月五日	(i) 50% exercisable not less than 6 months but not more than 10 years from the date of grant, i.e. 05.10.2013–04.04.2023 (i) 當中的50%可在不少於自授出日期起計六個月但不多於十年，即由二零一三年十月五日至二零二三年四月四日期間內行使 (ii) unexercised balance thereof be exercisable not less than 15 months from date of grant but not more than 10 years, i.e. 05.07.2014–04.04.2023 (ii) 尚未行使的餘額可在不少於自授出日期起計十五個月但不多於十年，即由二零一四年七月五日至二零二三年四月四日期間內行使	5.620
30.12.2013 二零一三年 十二月三十日	(i) 1,614,000 options: 50% exercisable not less than 6 months but not more than 10 years from the date of grant, i.e. 30.06.2014 – 29.12.2023; and in respect of the unexercised balance thereof be exercisable not less than 15 months but not more than 10 years from the date of grant, i.e. 30.03.2015–29.12.2023 (i) 1,614,000份購股權：當中的50%可在不少於自授出日期起計六個月但不多於十年，即由二零一四年六月三十日至二零二三年十二月二十九日期間內行使；及就其尚未行使的餘額而言，可在不少於自授出日期起計十五個月但不多於十年，即由二零一五年三月三十日至二零二三年十二月二十九日期間內行使 (ii) 669,000 options will be exercisable during the period from 30.12.2014 to 29.12.2023 (ii) 669,000份購股權可於二零一四年十二月三十日至二零二三年十二月二十九日期間內行使 (iii) 669,000 options will be exercisable during the period from 30.12.2015 to 29.12.2023 (iii) 669,000份購股權可於二零一五年十二月三十日至二零二三年十二月二十九日期間內行使 (iv) 702,000 options will be exercisable during the period from 30.12.2016 to 29.12.2023 (iv) 702,000份購股權可於二零一六年十二月三十日至二零二三年十二月二十九日期間內行使	7.300

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

42. 購股權計劃(續)

The Company (Continued)

本公司(續)

Particulars of share options: (Continued)

購股權詳情如下：(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
07.10.2014 二零一四年十月七日	<ul style="list-style-type: none"> (i) 600,000 options: 50% will be exercisable during the period from 30.06.2015 to 06.10.2024; and 50% will be exercisable during the period from 30.06.2016 to 06.10.2024 (i) 600,000份購股權：當中的50%可於二零一五年六月三十日起至二零二四年十月六日期間內行使；及50%可於二零一六年六月三十日至二零二四年十月六日期間內行使 (ii) 250,000 options will be exercisable during the period from 03.10.2015 to 06.10.2024 (ii) 250,000份購股權可於二零一五年十月三日至二零二四年十月六日期間內行使 (iii) 250,000 options will be exercisable during the period from 03.10.2016 to 06.10.2024 (iii) 250,000份購股權可於二零一六年十月三日至二零二四年十月六日期間內行使 (iv) 250,000 options will be exercisable during the period from 03.10.2017 to 06.10.2024 (iv) 250,000份購股權可於二零一七年十月三日至二零二四年十月六日期間內行使 	10.340
31.03.2015 二零一五年 三月三十一日	<ul style="list-style-type: none"> (i) 669,000 options will be exercisable during the period from 30.09.2015 to 30.03.2025 (i) 669,000份購股權可於二零一五年九月三十日至二零二五年三月三十一日期間內行使 (ii) 669,000 options will be exercisable during the period from 30.06.2016 to 30.03.2025 (ii) 669,000份購股權可於二零一六年六月三十日至二零二五年三月三十一日期間內行使 	11.200

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options: (Continued)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
31.03.2016 二零一六年 三月三十一日	(i) 880,500 options will be exercisable during the period from 30.09.2016 to 30.03.2026	5.754
	(i) 880,500份購股權可於二零一六年九月三十日至二零二六年三月三十日期間內行使	
	(ii) 880,500 options will be exercisable during the period from 30.06.2017 to 30.03.2026	
	(ii) 880,500份購股權可於二零一七年六月三十日至二零二六年三月三十日期間內行使	
13.04.2017 二零一七年 四月十三日	(i) 885,000 options will be exercisable during the period from 13.10.2017 to 12.04.2027	7.548
	(i) 885,000份購股權可於二零一七年十月十三日至二零二七年四月十二日期間內行使	
	(ii) 885,000 options will be exercisable during the period from 13.07.2018 to 12.04.2027	
	(ii) 885,000份購股權可於二零一八年七月十三日至二零二七年四月十二日期間內行使	

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options: (Continued)

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：(續)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
03.10.2017 二零一七年十月三日	(i) 250,000 options will be exercisable during the period from 03.10.2018 to 02.10.2027	6.190
	(i) 250,000份購股權可於二零一八年十月三日至二零二七年十月二日期間內行使	
	(ii) 250,000 options will be exercisable during the period from 03.10.2019 to 02.10.2027	
	(ii) 250,000份購股權可於二零一九年十月三日至二零二七年十月二日期間內行使	
	(iii) 250,000 options will be exercisable during the period from 03.10.2020 to 02.10.2027	
	(iii) 250,000份購股權可於二零二零年十月三日至二零二七年十月二日期間內行使	
	(iv) 500,000 options will be exercisable during the period from 03.10.2021 to 02.10.2027	
	(iv) 500,000份購股權可於二零二一年十月三日至二零二七年十月二日期間內行使	
13.04.2018 二零一八年 四月十三日	(i) 684,000 options will be exercisable during the period from 13.10.2018 to 12.04.2028	11.216
	(i) 684,000份購股權可於二零一八年十月十三日至二零二八年四月十二日期間內行使	
	(ii) 684,000 options will be exercisable during the period from 13.07.2019 to 12.04.2028	
	(ii) 684,000份購股權可於二零一九年七月十三日至二零二八年四月十二日期間內行使	

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

Particulars of share options: (Continued)

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價 HK\$ 港元
15.04.2019 二零一九年 四月十五日	(i) 888,000 options will be exercisable during the period from 15.10.2019 to 14.04.2029 (i) 888,000份購股權可於二零一九年十月十五日至二零二九年四月十四日期間內行使	7.324
	(ii) 888,000 options will be exercisable during the period from 15.07.2020 to 14.04.2029 (ii) 888,000份購股權可於二零二零年七月十五日至二零二九年四月十四日期間內行使	

The following table summarised movements in the Company's share options during the year:

42. 購股權計劃(續)

本公司(續)

購股權詳情如下：(續)

下表概述本公司購股權於本年度內的變動：

		Outstanding at 01.01.2019 於二零一九年 一月一日 尚未行使	During the year 於本年度內			Outstanding at 31.12.2019 於二零一九年 十二月三十一日 尚未行使
		Granted 已授出	Exercised 已行使	Lapsed 已失效		
<i>Directors</i>	<i>董事</i>					
Lee Siu Fong	李小芳	2,617,000	592,000	–	–	3,209,000
Leelalertsuphakun Wanee	李燁妮	2,417,000	592,000	–	–	3,009,000
Li Xiaoyi	李小羿	2,079,000	592,000	–	–	2,671,000
Directors' total	董事之總數	7,113,000	1,776,000	–	–	8,889,000
<i>Employees</i>	<i>僱員</i>	8,514,000	–	(280,000)	–	8,234,000
Grand total	總計	15,627,000	1,776,000	(280,000)	–	17,123,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

The Company (Continued)

The Company issues equity-settled share options to certain employees and consultants. Equity-settled share options are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually become vested and adjusted for the effect of non-market-based vesting conditions.

The fair value of the total options granted during the year measured as at the date of grant on 15 April 2019 is HK\$5,288,000.

The following significant assumptions were used to derive the fair value:

1. exercise price HK\$7.324;
2. expected volatility 41.354%;
3. the options life is 10 years;
4. annualised dividend yield of 1.634%; and
5. the risk free rate of 1.677%.

The fair value of the share options granted during the year was valued by Peak Vision Appraisal Limited, independent professional valuers not connected to the Group. The valuation was derived by the Binomial Model taking into account the terms and conditions upon which the options were granted.

42. 購股權計劃(續)

本公司(續)

本公司向若干僱員及顧問發行以股權結算之購股權。以股權結算之購股權按授出當日之公平值計算(不包括非市場性歸屬條件之影響)。以股權結算之購股權於授出當日釐定之公平值，乃按照本集團所估計最終歸屬之股份，於歸屬期內以直線法支銷，並因非市場性歸屬條件之影響而作出調整。

年內所授出購股權總額之公平值，於授出日期二零一九年四月十五日計算為5,288,000港元。

下列為計算公平值之重要假設：

1. 行使價7.324港元；
2. 預期波幅範圍41.354%；
3. 購股權有效期為十年；
4. 年化股息率1.634%；及
5. 無風險利率1.677%。

年內授出之購股權之公平值乃由滙鋒評估有限公司(與本集團並無關連的獨立專業估值師)評估。經考慮授出購股權之條款及條件以二項式模式得出估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Subsidiary – CVie Therapeutics Company Limited

A subsidiary of the Company, CVie Therapeutics Company Limited (“CVie”), also operates a share option scheme (the “CVie’s Scheme”). The CVie’s Scheme was adopted pursuant to a resolution on 5 November 2012 for the primary purpose of providing incentives to eligible employees of CVie. The share options were granted on 30 November 2012 and will expire on 30 November 2022. Under the CVie’s Scheme, the board of directors of CVie may grant options to eligible employees and eligible grantees.

The total number of shares in respect of which options may be granted under the CVie’s Scheme shall not exceed 500,000 shares of CVie. The overall limit on the number of shares of CVie which may be issued upon exercise of all outstanding options granted and yet to be exercised under the CVie scheme and any other share option schemes of CVie must not exceed 30% of the shares of CVie in issue from time to time, without prior approval from the shareholders of CVie.

All of the option granted are lapsed during the year ended 31 December 2018. No options are granted for the year ended 31 December 2019.

42. 購股權計劃(續)

附屬公司－中國生命藥物治療有限公司

本公司的附屬公司中國生命藥物治療有限公司(「中國生命」)亦營運購股權計劃(「中國生命計劃」)。中國生命計劃根據二零一二年十一月五日的一項決議案獲採納，主要目的為向中國生命的合資格僱員提供獎勵。購股權乃於二零一二年十一月三十日授出，並將於二零二二年十一月三十日屆滿。根據中國生命計劃，中國生命的董事會可向合資格僱員及合資格承授人授出購股權。

根據中國生命計劃可能授出的購股權所涉及的股份總數不得超過500,000股中國生命股份。若無事先獲得中國生命股東的批准，因行使根據中國生命計劃及中國生命任何其他購股權計劃授出及仍未行使的所有發行在外購股權而可能發行的中國生命股份數目的整體限額不得超過不時已發行的中國生命股份的30%。

所有已授出購股權於截至二零一八年十二月三十一日止年度內失效。截至二零一九年十二月三十一日止年度尚未授出任何購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEMES (CONTINUED)

The Subsidiary – CVie Therapeutics Company Limited (Continued)

Details of the CVie's Scheme during the prior year are summarised as follows:

Date of grant 授出日期	Outstanding at 01.01.2018 於二零一八年 一月一日 尚未行使	During the year 於本年度內			Outstanding at 31.12.2018 於二零一八年 十二月三十一日 尚未行使	Exercise period 行使期間	Exercise price per share 每股行使價
	Granted 已授出	Exercised 已行使	Lapsed 已失效				
Tranche 1 第一批							
30.11.2012 二零一二年十一月三十日	133,000	-	-	(133,000)	- Note a 附註a	HK\$1.628 1.628港元	
Tranche 2 第二批							
30.11.2012 二零一二年十一月三十日	267,000	-	-	(267,000)	- Note b 附註b	HK\$1.628 1.628港元	
Tranche 3 第三批							
30.11.2012 二零一二年十一月三十日	40,000	-	-	(40,000)	- 01.12.2014-30.11.2022 二零一四年十二月一日至 二零二二年十一月三十日	HK\$1.628 1.628港元	
	440,000	-	-	(440,000)	-		
Exercisable at the end of the year 於年終可行使							
						-	
Weighted average exercise price 加權平均行使價							
	HK\$1.628 1.628港元	-	-	HK\$1.628 1.628港元	-	-	

Notes:

- Upon the successful completion of Phase II study of either Rostafuroxin or Istaroxime but not more than ten years from the date of grant.
- One year after the successful completion of Phase II study of either Rostafuroxin or Istaroxime but not more than ten years from the date of grant.

42. 購股權計劃(續)

附屬公司－中國生命藥物治療有 限公司(續)

下表概述上年度中國生命計劃之詳情：

附註：

- 於成功完成Rostafuroxin或Istaroxime二期臨床研究後，但不超過自授出日期起計十年。
- 於成功完成Rostafuroxin或Istaroxime二期臨床研究後一年，但不超過自授出日期起計十年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

42. SHARE OPTION SCHEMES (CONTINUED)

The Subsidiary – CVie Therapeutics Company Limited (Continued)

Particulars of share options:

Date of grant 授出日期	Exercise period 行使期間	Exercise price per share 每股行使價
Tranche 1 30.11.2012	(i) 133,000 options will be exercisable upon the successful completion of Phase II study of either Rostafuroxin or Istaroxime but not more than ten years from the date of grant	HK\$1.628
第一批 二零一二年 十一月三十日	(i) 133,000份購股權將於Rostafuroxin或Istaroxime第二階段研究成功完成後可予以行使，但不超過自授出日期起十年	1.628港元
Tranche 2 30.11.2012	(i) 267,000 options will be exercisable one year after the successful completion of Phase II study of either Rostafuroxin or Istaroxime but not more than ten years from the date of grant	HK\$1.628
第二批 二零一二年 十一月三十日	(i) 267,000份購股權將於Rostafuroxin或Istaroxime第二階段研究成功完成後一年可予以行使，但不超過自授出日期起十年	1.628港元
Tranche 3 30.11.2012	(i) 40,000 options will be exercisable during the period 01.12.2014–30.11.2022	HK\$1.628
第三批 二零一二年 十一月三十日	(i) 40,000份購股權將於二零一四年十二月一日至二零二二年十一月三十日期間內可行使	1.628港元

The Group has recognised an expense of HK\$5,461,000 for the year ended 31 December 2019 (2018: HK\$5,036,000) in relation to share options granted by the Company and CVie.

42. 購股權計劃(續)

附屬公司－中國生命藥物治療有限公司(續)

購股權的詳情：

本集團已就截至二零一九年十二月三十一日止年度有關本公司及中國生命所授出的購股權確認費用5,461,000港元(二零一八年：5,036,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. CAPITAL RISK 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 owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (which includes borrowings and lease liabilities/obligations under finance leases net of cash and cash equivalents) and equity attributable to the owners of the Company (comprising issued share capital, share premium, reserves and retained profits).

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Debt (Note 1)	債務(附註1)	167,943	130,874
Cash and cash equivalents	現金及現金等值	(693,516)	(222,296)
Net debt	債務淨額	(525,573)	(91,422)
Equity (Note 2)	權益(附註2)	2,295,900	2,210,543
Net debt to equity ratio	淨負債與權益之比率	N/A 不適用	N/A 不適用

Notes:

- Debts are defined as bank and other borrowings and lease liabilities/obligations under finance leases as described in notes 32, 33 and 34 to the consolidated financial statements.
- Equity includes all capital and reserves attributable to the owners of the Company.

43. 資本風險管理

本集團進行資本管理，以確保本集團之實體能夠持續營業，同時通過優化債務及股本結餘使本公司擁有人回報最大化。由去年至今，本集團之整體策略保持不變。

本集團之資本結構包括債務淨額(包括扣除現金及現金等值之借貸及租賃負債/融資租賃承擔)及本公司擁有人應佔的權益(包括已發行股本、股份溢價、儲備及保留溢利)。

資產負債比率

於報告期間結束時之資產負債比率如下：

附註：

- 債務定義為綜合財務報表內附註32、33及34所述之銀行及其他借款以及租賃負債/融資租賃承擔。
- 權益包括本公司擁有人應佔之所有資本及儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS

44. 財務工具

Categories of financial instruments

財務工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at FVTPL	按公平值透過損益列賬的財務資產	59,217	36,362
Financial assets at FVTOCI	按公平值透過其他全面收益列賬的 財務資產	614,921	606,415
Financial assets at amortised cost	按攤銷成本列賬的財務資產	1,057,059	700,984
		1,731,197	1,343,761
Financial liabilities	財務負債		
Financial liabilities at amortised cost	按攤銷成本列賬的財務負債	734,536	484,040
Financial liabilities at FVTPL	按公平值透過損益列賬的財務負債	80,085	–
		814,621	484,040

Financial risk management objectives

財務風險管理目標

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

本集團企業理財職能為業務單位提供服務，協調進入國內及國際金融市場，透過內部風險報告（其按風險的程度及範圍分析風險）監察及管理本集團營運有關的財務風險。此等風險包括市場風險（包括外幣風險、利率風險及其他價格風險）、信貸風險及流動資金風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives (Continued)

The Group seeks to minimise the effects of these risks and may use derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade derivative financial instruments for speculative purposes.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group may enter into foreign currency forward contracts to hedge the exchange rate risk arising on foreign currency purchase.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

44. 財務工具(續)

財務風險管理目標(續)

本集團可透過使用衍生財務工具對沖風險，以尋求將此等風險的影響最小化。財務衍生工具的使用受經董事會批准之本集團政策所監管，該等政策提供外匯風險、利率風險、信貸風險、使用財務衍生工具與非衍生財務工具，以及投資多餘的流動資金之書面原則。本集團並無訂立或買賣衍生財務工具作投機用途。

本集團有關財務工具之風險之類型或本集團管理及計量有關風險之方法並無變動。

市場風險

本集團業務面臨的主要財務風險為外匯匯率及利率之變動。本集團可訂立外匯遠期合約以對沖購買外幣所產生的匯率風險。

以敏感度分析計量市場風險。

本集團面對市場風險或管理及計量此等風險之方法並無變動。

外幣風險管理

本集團進行以外幣定值之交易；因此，匯率浮動風險產生。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Foreign currency risk management (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

44. 財務工具(續)

市場風險(續)

外幣風險管理(續)

本集團於報告期間結束時以外幣定值之貨幣資產及貨幣負債之賬面值如下：

		Assets 資產		Liabilities 負債	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Renminbi ("RMB")	人民幣(「人民幣」)	432,484	497,309	340,913	144,412
United States Dollars ("US\$")	美元(「美元」)	548,147	109,669	169,367	68,486
Euro ("EUR")	歐元(「歐元」)	1,425	523	83,470	50,854
Pound Sterling ("GBP")	英鎊(「英鎊」)	3	3	—	—
New Taiwan Dollars ("NTD")	新台幣(「新台幣」)	2,287	256	1,410	—
Japanese Yen ("JPY")	日圓(「日圓」)	438	1,398	2,531	8,047
		984,784	609,158	597,691	271,799

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2018: 5%) increase in the relevant foreign currencies against HK\$. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or equity whereas a number in bracket indicates a decrease in profit or equity. For a 5% (2018: 5%) decrease in the relevant foreign currencies against HK\$, there would be an equal and opposite impact on the profit or equity.

44. 財務工具(續)

市場風險(續)

外幣敏感度分析

下表詳述本集團就相關外幣兌港元之匯率上升5%(二零一八年:5%)之敏感度分析。敏感度分析僅包括以外幣定值之尚未償還貨幣項目,並以外幣兌換率變動5%對其期末換算作調整。正數顯示溢利或權益之增加,而括號數則顯示溢利或權益減少。若相關外幣兌港元之匯率減少5%(二零一八年:5%),則將對溢利或權益產生相同數額但相反之影響。

		Profit or loss 損益		Other comprehensive income 其他全面收益	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
RMB	人民幣	(5,926)	2,153	10,671	15,492
US\$	美元	16,948	2,059	—	—
EUR	歐元	(4,102)	(2,517)	—	—
GBP	英磅	—	—	—	—
NTD	新台幣	(2)	—	67	13
JPY	日圓	(105)	(332)	—	—
		6,813	1,363	10,738	15,505

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

管理層認為,敏感度分析並未能代表固有外匯風險,乃由於年終風險並不反映年內風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating and fixed interest rates. The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure periodically.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2018: 50 basis points) increase or decrease in variable-rate borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow rate risk from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2019 would decrease/increase by HK\$569,000 (2018: decrease/increase by HK\$646,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

44. 財務工具(續)

市場風險(續)

利率風險管理

由於本集團實體以浮動及固定利率借取資金，故本集團須面對利率風險。本集團現時並無制定任何利率對沖政策。然而，管理層會定期監察利率風險。

利率之敏感度分析

下文所載敏感度分析乃按於報告期末衍生工具及非衍生工具之利率風險釐定。就浮息負債而言，此項分析仍假設於報告期間結束時未償還負債金額於整個年度均未償還而編製。向主要管理人員內部匯報利率風險時，利用可變利息借貸增減50個基點(二零一八年：50個基點)，代表管理層對利率之合理潛在變動作出之評估。銀行結餘乃撇除於敏感度分析，因本公司董事認為浮息銀行結餘引致的現金流風險甚微。

倘利率上調／下調50個基點(二零一八年：50個基點)，而所有其他變數維持不變，本集團於截至二零一九年十二月三十一日止年度之稅前溢利將減少／增加569,000港元(二零一八年：減少／增加646,000港元)，主要原因為本集團就其變動息率借款承受利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Other price risk

The Group is exposed to equity price risk mainly through its investment in financial assets with the underlying assets are equity securities. The Group's equity price risk is mainly concentrated on entities operating in biopharmaceutical industry which are either listed in Nasdaq Capital Market®/OTC Stock Market or unlisted.

Other price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If the price of the equity instruments had been 5% (2018: 5%) higher/lower, other comprehensive income for the year ended 31 December 2019 would increase/decrease by HK\$26,949,000 (2018: increase/decrease by HK\$24,533,000) as a result of the changes in fair value of financial assets at FVTOCI.

44. 財務工具(續)

市場風險(續)

其他價格風險

本集團主要通過其於財務資產(其中相關資產為股本證券)之投資而承受股本價格風險。本集團的股本價格風險主要集中於在生物製藥行業營運的實體以及在納斯達克股票市場®/場外交易股票市場上市或未上市的實體。

其他價格敏感度分析

以下敏感度分析乃根據於報告期間末的股本價格風險承擔而釐定。

倘若股本工具價格增加/減少5%(二零一八年: 5%), 截至二零一九年十二月三十一日止年度之其他全面收益將增加/減少26,949,000港元(二零一八年: 增加/減少24,533,000港元), 此乃按公平值透過其他全面收益列賬的財務資產公平值之變動所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk management

As at 31 December 2019, 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 counterparties is the carrying amount of each financial asset as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group 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, the Group reviews the recoverable amount of each individual trade 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.

The Group's credit risk exposure is spread over a number of counterparties and customers. Hence, it has no significant concentration of credit risk by single counterparty. Ongoing credit evaluation is performed on the financial condition of receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

44. 財務工具(續)

信貸風險管理

於二零一九年十二月三十一日，本集團所面對之最大信貸風險(其可能由於對方未能履行責任導致本集團產生財務虧損)乃來自各財務資產之賬面值(誠如綜合財務狀況表所呈列)。

為將信貸風險減至最低，管理層已委派一支團隊負責釐定信貸限額、信貸批准及其他監察程序，以確保可採取跟進措施以收回逾期債務。此外，本集團會於各報告期間結束時檢討各個別應收貿易賬款之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅降低。

本集團之信貸風險乃分散於多名交易對手及客戶。因此，信貸風險並非主要集中於單一交易對手。本集團會就應收賬款的財務狀況持續進行信貸評估。

由於對方均為具有高信用等級之銀行，故流動資金之信貸風險有限。

本集團並無就其財務資產持有任何抵押品或其他信用增級。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a Repayment on Demand Clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

44. 財務工具(續)

流動資金風險管理

流動資金風險管理之最終責任在於董事會，董事會已建立適當之流動資金風險管理框架，以切合本集團之短期、中期及長期資金供應及流動資金管理要求。本集團透過維持足夠儲備、銀行融資及儲備借貸融資，持續監察預測及實際之現金流量及配對財務資產及負債之到期日概況管理流動資金風險。

流動資金表

下表詳述本集團非衍生財務負債之餘下合約到期日。該等表格乃根據本集團可能須支付之最早日期之財務負債之非貼現現金流量編製。具體而言，附有應要求還款條款之銀行借款計入最早時段，而不論銀行選擇行使其權利之可能性。其他非衍生財務負債之到期日以協議還款日期為準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

44. 財務工具(續)

Liquidity risk management (Continued)

流動資金風險管理(續)

Liquidity tables (Continued)

流動資金表(續)

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 按要求或 少於一年 HK\$'000 千港元	More than 1 year 超過一年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2019	於二零一九年 十二月三十一日					
Non-derivative financial liabilities	非衍生財務負債					
Trade and other payables	應付貿易賬款及 其他應付款項	–	477,363	–	477,363	477,363
Leases liabilities	租賃負債	2.83-4.18	10,399	13,909	24,308	23,109
Bank and other borrowings	銀行及其他借款	2.88-4.33	153,111	–	153,111	144,834
Retirement benefits	退休福利	4.73-5.20	–	262,119	262,119	89,230
			640,873	276,028	916,901	734,536
At 31 December 2018	於二零一八年 十二月三十一日					
Non-derivative financial liabilities	非衍生財務負債					
Trade and other payables	應付貿易賬款及 其他應付款項	–	290,184	–	290,184	290,184
Obligations under finance leases	融資租賃承擔	3.72-3.79	904	801	1,705	1,640
Bank and other borrowings	銀行及其他借款	2.88-4.79	140,309	–	140,309	129,234
Retirement benefits	退休福利	5.21-6.10	–	248,120	248,120	62,982
			431,397	248,921	680,618	484,040

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Financial assets at fair value through profit or loss 按公平值透過損益列賬的財務資產	Investments in life insurance policies HK\$3,651,000 人壽保險保單投資 3,651,000港元	Investments in life insurance policies HK\$3,588,000 人壽保險保單投資 3,588,000港元	Level 2 第二級	Based on the lowest level of input and cash value. 基於輸入數據的最低水平及現金價值。	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬的財務資產	Investments in club debenture HK\$3,800,000 會籍債券投資3,800,000港元	N/A 不適用	Level 2 第二級	Based on the lowest level of input such as quoted price. 基於輸入數據的最低水平(如報價)。	N/A 不適用
Financial assets at fair value through profit or loss 按公平值透過損益列賬的財務資產	Unlisted warrants HK\$48,161,000 非上市認股權證 48,161,000港元	Unlisted warrants HK\$32,774,000 非上市認股權證 32,774,000港元	Level 2 第二級	Binomial Model was used by applying a discrete timestep lattice model of the varying price over time of the underlying financial instrument which based on current stock price in active market, the exercise price, time to expiration and risk free rate. 透過應用相關財務工具價格隨時間而有所不同之離散時間點陣模式來使用二項式模式並以現時活躍市場股價、行使價、到期時間及無風險利率為基礎。	N/A 不適用

44. 財務工具(續)

財務工具之公平值計量

本集團若干財務資產及財務負債乃按各報告期間結束時之公平值計量。下表提供如何釐定該等財務資產及財務負債公平值之資料(尤其是所採用之估值技術及輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

44. 財務工具(續)

Fair value measurements of financial instruments (Continued)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Financial assets at fair value through profit loss	Convertible promissory notes HK\$2,543,000	N/A	Level 2	Partial differential equation, especially the Crank-Nicolson finite-difference method, was used by applying discount rate, volatility levels and underlying stock price as quoted in active market.	N/A
按公平值透過損益列賬的財務資產	可換股承兌票據 2,543,000港元	不適用	第二級	應用貼現率、波幅水平及於活躍市場所報之相關股價，採用偏微分方程式(具體而言，Crank-Nicolson有限差分法)。	不適用
Financial assets at fair value through profit or loss	Unlisted warrants HK\$1,062,000	N/A	Level 3	Binomial Model was used by applying discrete time-step lattice model of varying price over time of the underlying financial instrument which based on the exercise price, time to expiration, risk free rate and stock price determined by Income Approach.	Long-term revenue growth rates, taking into account of management's experience and knowledge of market conditions of the specific industries, ranging from 3% to 22%. Discount rate, considering the weighted average cost of capital ("WACC") determined using a Capital Asset Pricing Model ("CAPM"), of 14.73%. Increase in growth rate or decrease in discount rate would result in an increase in fair value measurement, and vice versa.
按公平值透過損益列賬的財務資產	非上市認股權證 1,062,000港元	不適用	第三級	透過應用相關財務工具(以按收入法釐定的行使價、到期時間、無風險利率及市場股價為基礎)價格隨時間而有所不同之離散時間點陣模式來使用二項式模式。	長期收益增長率介乎3%至22%，經考慮管理層特定行業市況經驗及知識。貼現率14.73%，經考慮使用資本資產定價模式(「CAPM」)釐定的加權平均資本成本(「WACC」)。增長率的增加或貼現率的減少將導致公平值計量的增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

44. 財務工具(續)

Fair value measurements of financial instruments (Continued)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Financial assets at fair value through other comprehensive income 按公平值透過其他全面收益列賬的財務資產	Listed overseas equity securities HK\$478,594,000 海外上市股本證券 478,594,000港元	Listed overseas equity securities HK\$490,652,000 海外上市股本證券 490,652,000港元	Level 1 第一級	Quoted bid prices in an active market. 於活躍市場所報之買入價。	N/A 不適用
Financial assets at fair value through other comprehensive income 按公平值透過其他全面收益列賬的財務資產	Unlisted partnership investment HK\$75,950,000 非上市合夥投資 75,950,000港元	Unlisted partnership investment HK\$71,272,000 非上市合夥投資 71,272,000港元	Level 3 第三級	Based on the net asset value with reference to the prices of underlying investment portfolio quoted by fund administrator. 基於資產淨值(參考基金管理人所報的相關投資組合價格)。	The fair values estimated with reference to the latest private/market transaction. 公平值乃參考最近期私人/市場交易進行估計。
Financial assets at fair value through other comprehensive income 按公平值透過其他全面收益列賬的財務資產	Unlisted equity securities HK\$53,787,000 非上市股本證券 53,787,000港元	Unlisted equity securities HK\$37,544,000 非上市股本證券 37,544,000港元	Level 3 第三級	Income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate. 收入法—使用貼現現金流量法以根據適當的貼現率，計算從該被投資方的所有權獲得的預期未來經濟利益的現值。	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 3% to 20%. Discount rate, taking into account of WACC determined using a CAPM, of 14.73% to 15.57%. Increase in growth rate or decrease in discount rate would result in an increase in the fair value measurement, and vice versa. 長期收益增長率介乎3%至20%。經考慮管理層特定行業市況經驗及知識。貼現率14.73%至15.57%。增長率的增加或貼現率的減少將導致公平值計量的增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

44. 財務工具(續)

Fair value measurements of financial instruments (Continued)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Financial assets at fair value through other comprehensive income	Unlisted equity securities HK\$6,590,000	Unlisted equity securities HK\$6,947,000	Level 3	Market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities, a group of asset and liabilities.	Price-To-Book ratio ("PB ratio") taking into account of comparing similar industrial's market, ranging from 0.81 to 14.80. Discount of lack of marketability ("DLOM"), taking into account of discount between public market and market for privately held stock of 20%. Decrease in PB ratio and DLOM would result in an increase in the fair value measurement, and vice versa.
按公平值通過其他全面收益列賬的財務資產	非上市股本證券 6,590,000港元	非上市股本證券 6,947,000港元	第三級	市場法乃使用由涉及相同或可比較資產、負債、一組資產及負債的市場交易所產生的價格及其他相關資料。	在考慮到比較類似行業市場，市賬率(「市賬率」)介乎0.81至14.80。在考慮到公開市場及私人持股之差異，缺乏市場流通性折讓(「缺乏市場流通性折讓」)為20%。市賬率及缺乏市場流通性折讓的減少將導致公平值計量的增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

44. 財務工具(續)

Fair value measurements of financial instruments (Continued)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Retirement benefits	Liabilities HK\$89,230,000	Liabilities HK62,982,000	Level 3	Discounted cash flows method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the retirement benefits period till the year of retirement.	Annualised historical growth rate of 4.3%. Discount rate determined by the Hong Kong Interest Rate Swap Curve, adjusted by county risk premium and option adjusted spread, ranging from 4.73% to 5.20%. An decrease in annualised historical growth rate or increase in discount rate would result in a decrease in the fair value measurement, and vice versa.
退休福利	負債89,230,000港元	負債62,982,000港元	第三級	貼現現金流量法乃用於得出於直至退休之前的退休福利期而流出本集團之預計未來經濟利益的現值。	年度化歷史增長率4.3%。貼現率，以香港利率掉期曲線釐定，經國家風險溢價及期權調整差價調整，介乎4.73%至5.20%。年度化歷史增長率的減少或貼現率的增加會導致公平值計量的減少，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments (Continued)

44. 財務工具(續)

財務工具之公平值計量(續)

Financial asset/ Financial liability 財務資產/財務負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀測輸入數據
	31.12.2019 二零一九年十二月三十一日	31.12.2018 二零一八年十二月三十一日			
Derivative financial liabilities 衍生財務負債	Liabilities HK\$80,085,000	N/A	Level 3	Income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the underlying entities, based on an appropriate discount rate. Equity allocation model known as option-pricing method was used to obtain the values of liquidation preference and redemption right based on the equity value of the underlying entities obtained by discounted cash flow method. The option-pricing method treats common stock and preferred stock as call options on the equity value, with exercise prices based on the liquidation preference, redemption right and conversion prices of the preferred stock.	Discount rate, considering the WACC determined using a CAPM, of 25.5%. DLOM, considering the discount between public market and market for privately held stock of 20%. Success rate of drug development, with reference to published ophthalmology drug development rate of 15.2%. Decrease in discount rate or decrease in DLOM or increase in success rate of drug development would result in an increase in the fair value measurement, and vice versa.
衍生財務負債	負債80,085,000港元	不適用	第三級	收入法—使用貼現現金流量法以根據適當的貼現率，計算從相關實體的所有權獲得的預期未來經濟利益的現值。 股權分配模式(稱為期權定價法)乃根據相關實體以貼現現金流量法取得的股權價值，以取得清算優先額的價值及贖回權。期權定價法將普通股及優先股視為對股權價值的看漲期權，行使價格乃基於優先股的清算優先額、贖回權及轉換價格釐定。	經考慮使用CAPM釐定的WACC，貼現率為25.5%。在考慮到公開市場及私人持股之差異，缺乏市場流通性折讓為20%。藥物開發的成功率15.2%。參考已公佈的眼科藥物開發率。貼現率減少或缺乏市場流通性折讓的減少或藥物開發成功率增加將導致公平值計量的增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. FINANCIAL INSTRUMENTS (CONTINUED)

There were no transfers between Levels 1 and 2 in the current year.

The directors consider that the amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements

44. 財務工具(續)

於本年度，第一級與第二級之間並無轉撥。

董事認為於綜合財務報表內確認之財務資產及財務負債之金額與彼等之公平值相若。

第三級公平值計量之對賬

		Financial assets (liabilities) 財務資產(負債)					
		FVTPL – Unlisted warrants	FVTOCI – Unlisted equity securities	FVTOCI – Unlisted partnership investment	Convertible instrument	Retirement benefits	Derivative financial liabilities
		按公平值透過 損益列賬— 非上市股本證券	按公平值透過 其他全面收益 列賬— 非上市股本 證券	按公平值透過 其他全面收益 列賬— 非上市合夥 投資	可換股工具	退休福利	衍生 財務負債
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended	截至二零一九年						
31 December 2019	十二月三十一日止年度						
Opening balance	期初結餘	–	44,491	71,272	–	(62,982)	–
Additions	增加	–	8,969	5,834	–	–	(86,636)
Total gain (loss):	總收益(虧損):						
– in profit or loss	– 於損益內	1,062	–	–	–	(26,248)	6,551
– in other comprehensive income	– 於其他全面收益內	–	6,917	(1,156)	–	–	–
Closing balance	期終結餘	1,062	60,377	75,950	–	(89,230)	(80,085)
Year ended	截至二零一八年						
31 December 2018	十二月三十一日止年度						
Opening balance	期初結餘	–	–	–	3,165	(56,010)	–
Reclassification under HKFRS 9	根據香港財務報告準則 第9號重新分類	–	46,671	65,909	–	–	–
Additions	增加	–	–	10,990	3,724	–	–
Conversion of common shares	轉換普通股	–	6,957	–	(6,957)	–	–
Total gain (loss):	總收益(虧損):						
– in profit or loss	– 於損益內	–	–	–	–	(6,972)	–
– in other comprehensive income	– 於其他全面收益內	–	(9,137)	(5,627)	–	–	–
Interest income	利息收入	–	–	–	68	–	–
Closing balance	期終結餘	–	44,491	71,272	–	(62,982)	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

44. FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurements (Continued)

Of the total gains or losses for the year included in profit or loss:

- there is HK\$26,248,000 loss (2018: HK\$6,972,000 loss) related to retirement benefits recognised under “administrative expense”; and
- there are HK\$1,062,000 gain (2018: Nil) and HK\$6,551,000 gain (2018: Nil) related to financial assets at FVTPL and derivative financial liabilities respectively recognised under “other gains or losses, net”.

Included in other comprehensive income is an amount of HK\$5,761,000 gain (2018: HK\$14,764,000 loss) related to unlisted equity securities classified as financial assets at FVTOCI held at the end of the reporting period and is reported as changes of “investments revaluation reserve”.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the Group’s consolidated statement of cash flows as cash flows from financing activities.

44. 財務工具(續)

第三級公平值計量之對賬(續)

計入損益的年內收益或虧損總額：

- 於「行政費用」項下確認有關退休福利26,248,000港元虧損(二零一八年：6,972,000港元虧損)；及
- 於「其他收益或虧損淨額」中確認有關按公平值透過損益列賬的財務資產及衍生財務負債分別為1,062,000港元收益(二零一八年：零)及6,551,000港元收益(二零一八年：零)。

計入其他全面收益內確認與於報告期末持作按公平值透過其他全面收益列賬的財務資產分類為非上市股本證券有關的金額為5,761,000港元收益(二零一八年：14,764,000港元虧損)，並作為「投資重估儲備」變動呈報。

45. 融資活動產生的負債之對賬

下表詳細列出本集團由融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量在本集團之綜合現金流量表內被分類為融資活動所得之現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

45. 融資活動產生的負債之對賬 (續)

		Bank and other borrowings 銀行及 其他借款 HK\$'000 千港元 Note 32 附註32	Lease liabilities/ Obligations under finance leases 租賃負債/ 融資租賃承擔 HK\$'000 千港元 Notes 33 and 34 附註33及34	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	99,004	1,001	100,005
Changes from financing cash flows:	融資現金流變動：			
New loans raised	新增貸款	101,750	–	101,750
Proceeds from obligations under finance leases	融資租賃承擔所得款項	–	1,427	1,427
Repayment of loans	償還貸款	(71,332)	–	(71,332)
Repayment of obligations under finance leases	償還融資租賃承擔	–	(788)	(788)
Other changes:	其他變動：			
Interest payable	應付利息	4,099	62	4,161
Interest paid	已付利息	(4,098)	(62)	(4,160)
Exchange rate adjustments	匯率調整	(189)	–	(189)
At 31 December 2018	於二零一八年十二月三十一日	129,234	1,640	130,874
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號所作之調整	–	9,258	9,258

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

45. 融資活動產生的負債之對賬 (續)

		Bank and other borrowings 銀行及其他借款 HK\$'000 千港元 Note 32 附註32	Lease liabilities/Obligations under finance leases 租賃負債/融資租賃承擔 HK\$'000 千港元 Notes 33 and 34 附註33及34	Total 總額 HK\$'000 千港元
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	129,234	10,898	140,132
Changes from financing cash flows:	融資現金流變動：			
New loans raised	新增貸款	68,713	–	68,713
Repayment of loans	償還貸款	(53,677)	–	(53,677)
Repayment of lease liabilities	償還租賃負債	–	(12,380)	(12,380)
Other changes:	其他變動：			
Interest payable	應付利息	5,067	692	5,759
Interest paid	已付利息	(4,592)	–	(4,592)
New leases entered/lease modified	新訂租賃/經修訂租賃	–	24,147	24,147
Exchange rate adjustments	匯率調整	89	(248)	(159)
At 31 December 2019	於二零一九年十二月三十一日	144,834	23,109	167,943

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

46. OPERATING LEASES

46. 經營租賃

		2018 二零一八年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃已付之最低租金：	
Premises	物業	8,431

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期間結束時，本集團就不可撤銷經營租賃項下未來最低租金之承擔，到期如下：

		2018 二零一八年 HK\$'000 千港元
Operating lease commitments in respect of land and buildings which fall due as follows:	有關土地及樓宇之經營租賃承擔，到期如下：	
Within one year	一年內	6,877
More than one year but not exceeding five years	超過一年但不超過五年	5,081
		11,958

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

47. CAPITAL COMMITMENTS

47. 資本承擔

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital commitments contracted for:	已訂約之資本承擔：		
Investment in financial assets at fair value through other comprehensive income	於按公平值透過其他全面收益列賬之財務資產之投資	29,892	27,780
Intangible assets – license fee and development cost	無形資產－專利費及開發成本	103,455	77,629
Property, plant and equipment	物業、廠房及設備	100,452	114,233
		233,799	219,642
Authorised and not contracted for:	已授權但未訂約：		
Intangible assets – license fee and development cost	無形資產－專利費及開發成本	—	—

48. PLEDGE OF ASSETS

48. 資產抵押

At 31 December 2019, the Group has pledged bank deposits security given to bank for facilities granted to the group entities and CVie Taiwan, amounting to HK\$1,345,000 and HK\$39,000,000 respectively.

於二零一九年十二月三十一日，本集團已就授予集團實體及中生台灣之融資向銀行抵押銀行存款，分別為1,345,000港元及39,000,000港元。

At 31 December 2018, the Group has pledged bank deposits of HK\$38,770,000 to secure banking facilities granted to CVie Taiwan and HK\$7,754,000 to secure bank deposits to Windtree.

於二零一八年十二月三十一日，本集團分別抵押銀行存款38,770,000港元及7,754,000港元，作為授予中生台灣及Windtree之銀行融資之擔保。

In addition, the Group's motor vehicles classified under right-of-use assets amounting to HK\$468,000 (31 December 2018: obligations under finance leases amounts to approximately HK\$3,090,000) are secured by the lessor's title.

此外，本集團根據使用權資產分類的汽車共468,000港元(二零一八年十二月三十一日：融資租賃之承擔約為3,090,000港元)以出租人之所有權作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. CONTINGENT LIABILITIES

Financial guarantee to associates

As at 31 December 2019, the Group had contingent liabilities amounting to HK\$48,000,000 (2018: HK\$8,000,000) in respect of financial guarantees given to bank for the banking facilities granted to associate. Total HK\$12,134,000 (2018: HK\$8,000,000) has been remained unutilised by the associate.

Financial guarantee to CVie Taiwan

As at 31 December 2019, the Group had contingent liabilities amounting NTD180,000,000 which equivalent to approximately HK\$46,800,000 (31 December 2018: NTD180,000,000 which equivalent to approximately HK\$46,080,000) in respect of financial guarantees given to bank for the banking facilities granted to CVie Taiwan. NTD138,000,000 which equivalent to approximately HK\$35,880,000 (31 December 2018: NTD138,000,000 which equivalent to approximately HK\$35,328,000) has been utilised by CVie Taiwan and NTD42,000,000 which equivalent to approximately HK\$10,920,000 (31 December 2018: NTD42,000,000 which equivalent to approximately HK\$10,752,000) has been remained unutilised.

The directors of the Company has considered the probability of default is remote. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.

49. 或然負債

向聯營公司提供財務擔保

於二零一九年十二月三十一日，本集團有48,000,000港元(二零一八年：8,000,000港元)或然負債與聯營公司獲授銀行融資作出財務擔保有關。總額12,134,000港元(二零一八年：8,000,000港元)乃未被聯營公司動用。

向中生台灣提供財務擔保

於二零一九年十二月三十一日，本集團有新台幣180,000,000元或然負債，相當於約46,800,000港元(二零一八年十二月三十一日：新台幣180,000,000元，相當於約46,080,000港元)，與中生台灣獲授銀行融資向銀行作出財務擔保有關。中生台灣已動用新台幣138,000,000元，相當於約35,880,000港元(二零一八年十二月三十一日：新台幣138,000,000元，相當於約35,328,000港元)，而新台幣42,000,000元，相當於約10,920,000港元(二零一八年十二月三十一日：新台幣42,000,000元，相當於約10,752,000港元)仍未動用。

本公司董事考慮到違約的可能性甚低。因此，並無就該等擔保於綜合財務報表內作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

50. RELATED PARTIES TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group entered into the following transactions with related parties. In the opinion of the directors, the following transactions arose in the ordinary course of the Group's business:

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term benefits	短期福利	20,640	27,356
Share-based payments	以股份支付的款項	3,025	2,470
Retirement benefits and other post-employment benefits	退休福利及其他離職後福利	26,287	7,026
– Defined contribution plan	– 定額供款計劃	39	54
– Retirement benefits	– 退休福利	26,248	6,972
		49,952	36,852

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

50. 關連人士交易

本公司與其附屬公司(其為本公司的關連人士)間的結餘及交易於綜合賬目時對銷，並無披露於本附註。本集團與其他關連人士間的交易詳情於下文披露。

於本年度內，本集團已與關連人士進行以下交易。董事認為，下列交易是來自本集團日常業務過程中產生：

(a) 主要管理人員薪酬

年內董事及其他主要管理人員的薪酬如下：

董事及主要管理層的薪酬乃由薪酬委員會考慮個人表現及市場趨勢而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

50. RELATED PARTIES TRANSACTIONS (CONTINUED)

50. 關連人士交易(續)

(b) Transaction with associates

(b) 與聯營公司之交易

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income	利息收入	1,544	1,339
Rental income	租金收入	504	—
Sales of goods	銷售貨品	—	2,606
Purchase of goods	採購貨品	—	57
Service income	服務收入	—	11,972

(c) Donation to Lee's Pharmaceutical — Kanya Lee Scholarship Limited ("Kanya Lee Scholarship")

(c) 對李氏大藥廠－李杜靜芳獎 學金有限公司(「李杜靜芳獎 學金」)作出捐獻

During the year, total HK\$3,244,000 (2018: HK\$1,269,000) was donated to Kanya Lee Scholarship. Dr. Li Xiaoyi, director of the Company, is also a member of key management of Kanya Lee Scholarship and Kanya Lee Scholarship is considered as a related party to the Group.

於本年度內共向李杜靜芳獎學金捐獻合共3,244,000港元(二零一八年：1,269,000港元)。本公司董事李小羿博士亦為李杜靜芳獎學金之主要管理層成員之一，而李杜靜芳獎學金被視為是本集團之關連人士。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

50. RELATED PARTIES TRANSACTIONS (CONTINUED)

(d) Acquisition of a subsidiary

In April 2019, the Group acquired the entire equity interest in Dreamboat from Techno-Net at total consideration of HK\$2,400,000. Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee, directors of the Company, are also the directors of Techno-Net and Techno-Net is considered as a related party to the Group.

(e) Shareholder loans from Perfect Concept Holdings Limited ("PCH")

During the years ended 31 December 2019 and 2018, the Group borrowed certain shareholder's loans from PCH, which bear interest rate of 4% per annum and repayable within 1 year.

As disclosed in note 11 to the consolidated financial statements, interest expenses to loans from PCH for the year ended 31 December 2019 amounts to HK\$545,000 (2018: HK\$1,000).

Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, directors of the Company, are the also the substantial shareholders of PCH and PCH is considered as a related party to the Group. PCH is also the shareholder of China Oncology Focus Limited, a non-wholly owned subsidiary of the Company.

50. 關連人士交易(續)

(d) 收購一間附屬公司

於二零一九年四月，本集團以總代價2,400,000港元向Techno-Net收購Dreamboat全部股權。本公司董事李小芳女士及李燁妮女士亦為Techno-Net董事，Techno-Net被視為本集團之關連人士。

(e) 來自美創集團有限公司 (「PCH」)的股東貸款

截至二零一九年及二零一八年十二月三十一日止年度，本集團向PCH借取若干股東貸款，該等貸款按年利率4%計息，並須於一年內償還。

誠如綜合財務報表附註11所披露，截至二零一九年十二月三十一日止年度來自PCH貸款的利息開支為545,000港元(二零一八年：1,000港元)。

本公司董事李燁妮女士、李小芳女士及李小羿博士亦為PCH之主要股東，PCH被視為本集團之關連人士。PCH亦為本公司非全資附屬公司中國腫瘤醫療有限公司的股東。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

1. General information of subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2019 are set out as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Lee's Pharmaceutical International Limited	British Virgin Islands	Ordinary	US\$1	100%	100%	–	–	Investment holding
Lee's Pharmaceutical International Limited	英屬處女群島	普通股	1美元	100%	100%	–	–	投資控股
Zhaoke Pharmaceutical (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	–	–	100%	100%	Investment holding
兆科藥業(香港)有限公司	香港	普通股	1,000,000港元	–	–	100%	100%	投資控股
Lee's Pharmaceutical (HK) Limited	Hong Kong	Ordinary	HK\$18,400,000	–	–	100%	100%	Investment holding and trading of pharmaceutical products
李氏大藥廠(香港)有限公司	香港	普通股	18,400,000港元	–	–	100%	100%	投資控股及買賣藥品
Zhaoke Pharmaceutical (Hefei) Co. Limited*	PRC	Paid-up capital	US\$2,000,000	–	–	100%	100%	Manufacture and sale of pharmaceutical products
兆科藥業(合肥)有限公司(附註1)	中國	繳足股本	2,000,000美元	–	–	100%	100%	製造及銷售藥品
China Oncology Focus Limited	British Virgin Islands	Ordinary	US\$173,000	–	–	65%	65%	Development of oncology products
中國腫瘤醫療有限公司	英屬處女群島	普通股	173,000美元	–	–	65%	65%	開發腫瘤藥品

51. 本公司主要附屬公司詳情

1. 附屬公司之一般資料

本公司的主要附屬公司於二零一九年十二月三十一日的詳情載列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務	
				Directly 直接		Indirectly 間接			
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年		
Zhaoke Pharmaceutical (Guangzhou) Limited* (Note 1)	PRC	Paid-up capital	US\$16,000,000	—	—	100%	100%	Trading of pharmaceutical products	
兆科藥業(廣州)有限公司(附註1)	中國	繳足股本	16,000,000美元	—	—	100%	100%	買賣藥品	
China Cardiovascular Focus Limited	British Virgin Islands	Ordinary	US\$1	—	—	100%	100%	Investment holding	
中國心血管醫療有限公司	英屬處女群島	普通股	1美元	—	—	100%	100%	投資控股	
Guangzhou Zhaoke Lian Fa Pharmaceutical Limited* (Note 1)	PRC	Paid-up capital	US\$1,000,000	—	—	100%	100%	Trading of pharmaceutical products	
廣州兆科聯發醫藥有限公司(附註1)	中國	繳足股本	1,000,000美元	—	—	100%	100%	買賣藥品	
CVie Therapeutics Company Limited	Cayman Islands	Ordinary	US\$135,000	—	—	56.26%	56.26%	Development and trading of pharmaceutical products	
中國生命藥物治療有限公司	開曼群島	普通股	135,000美元	—	—	56.26%	56.26%	開發及買賣藥品	
CVie Therapeutics (HK) Limited	Hong Kong	Ordinary	HK\$500,000	—	—	56.26%	56.26%	Not yet commenced business	
中國生命藥物治療(香港)有限公司	香港	普通股	500,000港元	—	—	56.26%	56.26%	尚未開展業務	

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Guangzhou Zhao Kang Hospital Co. Ltd* (Note 1) 廣州兆康醫院有限公司 (附註1)	PRC 中國	Paid-up capital 繳足股本	US\$19,000,000 19,000,000美元	— —	— —	100% 100%	100% 100%	Hospital and medical care 醫院及醫療護理
Zhao Kang Medical Investment Limited 兆康醫療投資有限公司	Cayman Islands 開曼群島	Ordinary 普通股	US\$1,000 1,000美元	— —	— —	100% 100%	100% 100%	Investment holding 投資控股
Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited* (Note 1) 兆科(廣州)眼科藥物有限公司(附註1)	PRC 中國	Paid-up capital 繳足股本	US\$16,000,000 (2018: US\$5,307,000) 16,000,000美元 (二零一八年: 5,307,000美元)	— —	— —	50.12% 50.12%	100% 100%	Development and manufacturing of ophthalmology products 開發及製造眼科產品
Zhaoke (Guangzhou) Oncology Pharmaceutical Limited* (Note 1) 兆科(廣州)腫瘤藥物有限公司(附註1)	PRC 中國	Paid-up capital 繳足股本	US\$4,000,000 (2018: US\$600,000) 4,000,000美元 (二零一八年: 600,000美元)	— —	— —	65% 65%	65% 65%	Development of oncology products 開發腫瘤產品
Zhao Kang Medical HK Limited 兆康醫療香港有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	— —	— —	100% 100%	100% 100%	Not yet commenced business 尚未開展業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務	
				Directly 直接		Indirectly 間接			
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年		
China Ophthalmology Focus Limited	British Virgin Islands	Ordinary	US\$40 (2018: US\$1)	–	–	50.12%	100%	Investment holding	
		Series A Preferred	US\$33.43 (2018: Nil)						
China Ophthalmology Focus Limited	英屬處女群島	普通股	40美元 (二零一八年: 1美元)	–	–	50.12%	100%	投資控股	
		A系列優先股	33.43美元 (二零一八年: 無)						
Zhaoke (Hong Kong) Ophthalmology Pharmaceutical Limited	Hong Kong	Ordinary	HK\$10,000	–	–	50.12%	100%	Development of ophthalmology products	
兆科(香港)眼科藥物有限公司	香港	普通股	10,000港元	–	–	50.12%	100%	開發眼科產品	
Zhaoke (Hong Kong) Oncology Pharmaceutical Limited	Hong Kong	Ordinary	HK\$10,000	–	–	65%	65%	Development of oncology products	
兆科(香港)腫瘤藥物有限公司	香港	普通股	10,000港元	–	–	65%	65%	開發腫瘤產品	
LPH Investments Limited	Cayman Islands	Ordinary	US\$100	74%	74%	–	–	Investment holding	
LPH Investments Limited	開曼群島	普通股	100美元	74%	74%	–	–	投資控股	
LPH II Investments Limited	Cayman Islands	Ordinary	US\$100	100%	100%	–	–	Investment holding	
LPH II Investments Limited	開曼群島	普通股	100美元	100%	100%	–	–	投資控股	

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

1. General information of subsidiaries (Continued)

1. 附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Zhaoke Lian Fa (Guangzhou) Biotechnology Limited*	PRC	Paid-up capital	RMB500,000	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)生物科技 有限公司	中國	繳足股本	人民幣500,000元	—	—	100%	100%	尚未開展業務
Zhaoke Lian Fa (Guangzhou) Logistic Limited*	PRC	Paid-up capital	RMB500,000	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)物流 有限公司	中國	繳足股本	人民幣500,000元	—	—	100%	100%	尚未開展業務
Zhaoke Lian Fa (Guangzhou) Business Services Limited*	PRC	Paid-up capital	RMB500,000	—	—	100%	100%	Not yet commenced business
兆科聯發(廣州)商務服務 有限公司	中國	繳足股本	人民幣500,000元	—	—	100%	100%	尚未開展業務
Lee's Pharmaceutical Taiwan Limited* (Note 1)	Taiwan	Ordinary	NTD1,000,000	—	—	100%	100%	Trading of pharmaceutical products
台灣李氏藥業有限公司 (附註1)	台灣	普通股	新台幣1,000,000元	—	—	100%	100%	買賣藥品
Lee's Pharm Genomics Lab Limited	Hong Kong	Ordinary	HK\$1	—	—	100%	100%	Not yet commenced business
李氏大藥廠基因實驗室有限 公司	香港	普通股	1港元	—	—	100%	100%	尚未開展業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

1. General information of subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Class of share held 所持有 股份類別	Paid up issued/ registered capital 繳足已發行/ 註冊資本	Proportion ownership interest held by the Company 本公司所持有所有權權益比例				Principal activities 主要業務	
				Directly 直接		Indirectly 間接			
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年		
Dreamboat Ventures Limited	British Virgin Islands	Ordinary	US\$1	–	–	100%	–	Investment holding	
Dreamboat Ventures Limited	英屬處女群島	普通股	1美元	–	–	100%	–	投資控股	
Lee's Keno Pharmaceutical Limited	Hong Kong	Ordinary	HK\$1	–	–	100%	–	Not yet commenced business (Note 2)	
李氏可諾醫藥有限公司	香港	普通股	1港元	–	–	100%	–	尚未開展業務(附註2)	
Inner Mongolia Zhaoke Livestock Development Limited*	PRC	Paid-up capital	RMB5,000,000	–	–	60%	–	Not yet commenced business (Note 2)	
內蒙古兆科畜牧開發有限公司	中國	繳足股本	人民幣5,000,000元	–	–	60%	–	尚未開展業務(附註2)	

* For identification purpose only

Notes:

- These are wholly foreign owned enterprises.
- Incorporated in current year.

1. 附屬公司之一般資料(續)

* 僅作識別用途

附註：

- 此為外資全資擁有附屬公司。
- 於本年度註冊成立。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests

2. 擁有重大非控股權益之非全資附屬公司之詳情

The table below show details of non-wholly owned subsidiaries of the Group that has material non-controlling interests at the end of the current year:

以下顯示本集團於本年度完結時擁有重大非控股權益之非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持有之所有權權益及投票權比例		Loss allocated to non-controlling interests 分配予非控股權益之虧損		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年	2018 二零一八年	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		China Oncology Focus Limited ("COFL") (Note) 中國腫瘤醫療有限公司 ("COFL") (附註)	British Virgin Islands 英屬處女群島	35.00%	35.00%	(46,474)	(28,493)
China Ophthalmology Focus Limited ("COPFL") (Note) China Ophthalmology Focus Limited ("COFL") (附註)	British Virgin Islands 英屬處女群島	49.88%	N/A 不適用	(10,954)	N/A 不適用	206,131	N/A 不適用

Note: Include its wholly-owned subsidiaries.

附註：包括其全資附屬公司。

Summarised financial information in respect of Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控股權益之本集團附屬公司之財務資料概要載列如下。以下財務資料概要為於集團內公司間對銷前之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

51. 本公司主要附屬公司詳情(續)

2. 擁有重大非控股權益之非全資附屬公司之詳情(續)

		COFL and its subsidiaries COFL 及其附屬公司		COPFL and its subsidiaries COPFL 及其附屬公司	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	40,452	7,999	294,503	N/A 不適用
Non-current assets	非流動資產	72,117	141,422	233,762	N/A 不適用
Current liabilities	流動負債	156,632	62,617	21,490	N/A 不適用
Non-current liabilities	非流動負債	1,136	–	92,683	N/A 不適用
Equity attributable to the owners of the Company	本公司擁有人應佔權益	(29,379)	56,423	207,530	N/A 不適用
Non-controlling interests	非控股權益	(15,820)	30,381	206,562	N/A 不適用
		COFL and its subsidiaries COFL 及其附屬公司 Year ended 截至年度		COPFL and its subsidiaries COPFL 及其附屬公司 Year ended 截至年度	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
Revenue	收益	4	595	10,023	N/A 不適用
Expenses	開支	(132,786)	(82,003)	(41,462)	N/A 不適用
Loss for the year	本年度虧損	(132,782)	(81,408)	(31,439)	N/A 不適用
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(86,308)	(52,915)	(15,756)	N/A 不適用
Loss attributable to the non-controlling interests	非控股權益應佔虧損	(46,474)	(28,493)	(15,683)	N/A 不適用
Loss for the year	本年度虧損	(132,782)	(81,408)	(31,439)	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

51. 本公司主要附屬公司詳情(續)

2. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

2. 擁有重大非控股權益之非全資附屬公司之詳情(續)

		COFL and its subsidiaries COFL 及其附屬公司 Year ended 截至年度		COPFL and its subsidiaries COPFL 及其附屬公司 Year ended 截至年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other comprehensive income (expense) attributable to the owners of the Company	本公司擁有人應佔其他全面收益(開支)	506	296	(1,408)	N/A 不適用
Other comprehensive income (expense) attributable to non-controlling interests	非控股權益應佔其他全面收益(開支)	272	159	(1,402)	N/A 不適用
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	778	455	(2,810)	N/A 不適用
Total comprehensive expense attributable to the owners of the Company	本公司擁有人應佔全面開支總額	(85,802)	(52,619)	(17,164)	N/A 不適用
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔全面開支總額	(46,202)	(28,334)	(17,085)	N/A 不適用
Total comprehensive expense for the year	本年度全面開支總額	(132,004)	(80,953)	(34,249)	N/A 不適用
Dividend paid to non-controlling interests	已付非控股權益之股息	—	—	—	N/A 不適用
Net cash outflow from operating activities	經營活動現金流出淨額	(52,571)	(20,700)	(77,487)	N/A 不適用
Net cash outflow from investing activities	投資活動現金流出淨額	(23,077)	(130,957)	(55,723)	N/A 不適用
Net cash inflow from financing activities	融資活動現金流入淨額	77,730	157,294	393,031	N/A 不適用
Net cash inflow	現金流入淨額	2,082	5,637	259,821	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

3. Change in ownership interests in subsidiaries

Deemed disposal of interests in subsidiaries

In March 2019, COPFL, a wholly-owned subsidiary of the Company, issued 32,000 and 367,999 ordinary shares to an independent third party and Lee's Pharmaceutical International Limited, a wholly-owned subsidiary of the Company, for total consideration of approximately US\$20,000,000 (equivalent to approximately HK\$156,000,000) of which US\$1,600,000 (equivalent to approximately HK\$12,406,000) was contributed by minority shareholder, and the Group's shareholding in COPFL was diluted from 100% to 92%.

In June 2019, COPFL further issued 334,280 series A preferred shares to independent third parties for a total consideration of US\$50,000,000 (equivalent to approximately HK\$390,000,000), net of legal expense approximate to HK\$4,813,000. The Group's shareholding in COPFL was further diluted from 92% to 50.117%. Details of which were set out in the Company's announcement dated 23 May 2019.

As the Group retained control over COPFL after the above transactions, the Group recognised, in aggregate, a gain on deemed disposal of interests in COPFL of approximately HK\$92,545,000 under "other reserves" within equity, and an increase in non-controlling interests of approximately HK\$218,412,000 during the year ended 31 December 2019.

51. 本公司主要附屬公司詳情(續)

3. 於附屬公司擁有權之變更

視為出售附屬公司之權益

於二零一九年三月，本公司的全資附屬公司COPFL向獨立第三方及Lee's Pharmaceutical International Limited（本公司的一間全資附屬公司）發行32,000股及367,999股普通股，總代價約為20,000,000美元（相當於約156,000,000港元），其中1,600,000美元（相當於約12,406,000港元）由少數股東出資，及本集團於COPFL的股權由100%攤薄至92%。

於二零一九年六月，COPFL進一步向獨立第三方發行334,280股A系列優先股，總代價為50,000,000美元（相當於約390,000,000港元），扣除法律開支約4,813,000港元。本集團於COPFL的股權進一步從92%攤薄至50.117%。有關詳情載於本公司日期為二零一九年五月二十三日之公佈。

由於本集團在上述交易後保留對COPFL的控制權，本集團於截至二零一九年十二月三十一日止年度於權益內「其他儲備」下確認視為出售COPFL權益之收益合共約92,545,000港元及非控股權益之增加約218,412,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

52. 本公司財務狀況表及儲備

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司權益	691,042	636,010
Investment in an associate	於一間聯營公司之投資	10,000	10,000
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產	8,355	5,095
Financial assets at fair value through other comprehensive income	按公平值透過其他全面收益列賬的財務資產	142,302	125,801
		851,699	776,906
Current assets	流動資產		
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	2,688	2,772
Pledged bank deposits	已抵押銀行存款	39,000	46,524
Cash and bank balances	現金及銀行結餘	4,335	27,300
		46,023	76,596
Current liability	流動負債		
Other payables	其他應付款項	480	17,830
Net current assets	流動資產淨值	45,543	58,766
Total assets less current liability	資產總值減流動負債	897,242	835,672
Capital and reserves	資本及儲備		
Share capital	股本	29,396	29,601
Reserves	儲備	778,616	743,089
Total equity	總權益	808,012	772,690
Non-current liability	非流動負債		
Retirement benefits	退休福利	89,230	62,982
		897,242	835,672

The Company's statement of financial position was approved and authorised for issue by the board of directors on 26 March 2020 and are signed on its behalf by:

Lee Siu Fong
李小芳
DIRECTOR
董事

本公司財務狀況表已於二零二零年三月二十六日經董事會核准及授權公佈，並由下列董事代表簽署：

Leelalertsuphakun Wanee
李燁妮
DIRECTOR
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

52. 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司的儲備變動

		Share premium	Merger difference	Share-based compensation reserve	Investments revaluation reserve	Retained profits	Total
		股份溢價	合併差額	以股份支付之酬金儲備	投資重估儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	731,771	9,200	18,661	(46,853)	30,310	743,089
Employee share option benefits	僱員購股權福利	-	-	5,461	-	-	5,461
Exercise of share options	行使購股權	1,828	-	(447)	-	-	1,381
Repurchase and cancellation of ordinary shares	購回及註銷普通股	(19,453)	-	-	-	-	(19,453)
Profit for the year	本年度溢利	-	-	-	-	100,616	100,616
Other comprehensive income for the year	本年度其他全面收入						
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬財務資產之公平值變動	-	-	-	7,938	-	7,938
Total comprehensive income for the year	本年度全面收入總額	-	-	-	7,938	100,616	108,554
2018 final dividend paid	已付二零一八年末期股息	-	-	-	-	(49,754)	(49,754)
2019 interim dividend paid	已付二零一九年中期股息	-	-	-	-	(10,662)	(10,662)
At 31 December 2019	於二零一九年十二月三十一日	714,146	9,200	23,675	(38,915)	70,510	778,616

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

52. 本公司財務狀況表及儲備(續)

Movement in the Company's reserves (Continued)

本公司的儲備變動(續)

		Share premium	Merger difference	Share-based compensation reserve	Investments revaluation reserve	Retained profits	Total
		股份溢價	合併差距	以股份支付之酬金儲備	投資重估儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	724,868	9,200	15,247	(28,164)	19,466	740,617
Employee share option benefits	僱員購股權福利	-	-	4,996	-	-	4,996
Exercise of share options	行使購股權	6,903	-	(1,582)	-	-	5,321
Profit for the year	本年度溢利	-	-	-	-	72,412	72,412
Other comprehensive expense for the year	本年度其他全面開支						
- Fair value changes of financial assets at fair value through other comprehensive income	- 按公平值透過其他全面收益列賬財務資產之公平值變動	-	-	-	(18,689)	-	(18,689)
Total comprehensive (expense) income for the year	本年度全面(開支)收入總額	-	-	-	(18,689)	72,412	53,723
2017 final dividend paid	已付二零一七年末期股息	-	-	-	-	(41,439)	(41,439)
2018 interim dividend paid	已付二零一八年中中期股息	-	-	-	-	(20,129)	(20,129)
At 31 December 2018	於二零一八年十二月三十一日	731,771	9,200	18,661	(46,853)	30,310	743,089

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

53. EVENT AFTER REPORTING PERIOD

In February 2020, Lee's Pharmaceutical International Limited ("LPI"), a wholly-owned subsidiary of the Company, and PCH subscribed for 34,580 and 18,620 shares of COFL at the consideration of US\$7,434,700 and US\$4,003,300 respectively ("**Subscriptions**"). Upon completion of the Subscriptions, the entire issued shares of COFL held by LPI and PCH remain unchanged as to 65% and 35% respectively.

54. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

53. 報告期間後事項

於二零二零年二月，Lee's Pharmaceutical International Limited(「LPI」)(本公司之全資附屬公司)及PCH分別以代價7,434,700美元及4,003,300美元，認購34,580股及18,620股COFL股份(「認購」)。於認購完成後，LPI及PCH持有的COFL全部已發行股份比例維持不變，分別為65%及35%。

54. 比較數字

若干比較數字已重新分類，已符合本年度的列報方式。



LEE'S PHARM.

李 氏 大 藥 廠