



东阳光药

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.
宜昌東陽光長江藥業股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)
(在中華人民共和國註冊成立之股份有限公司)

股份代號 Stock Code : 1558

2021
ANNUAL REPORT
年度報告

OUR MISSION:
FOR EVERYONE'S HEALTH

我們的使命：為每個人的健康

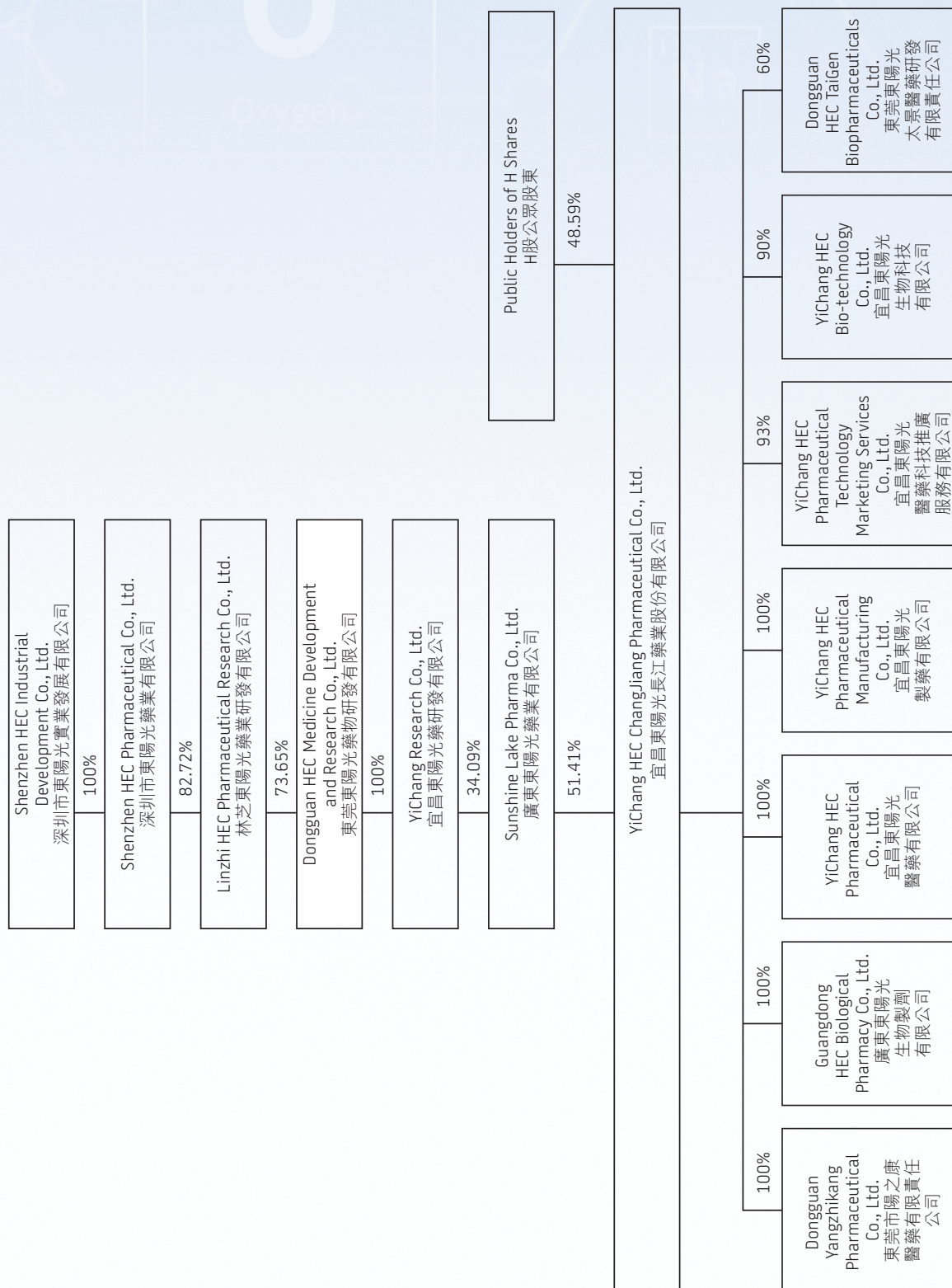
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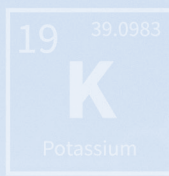
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CORPORATE STRUCTURE

企業架構





Ag
Silver
FINANCIAL SUMMARY
財務摘要



The followings are the financial highlights for the year ended 31 December 2021 (“**this year**” or the “**Reporting Period**”):

Revenue of the Group in 2021 was RMB913.79 million, representing a decrease of 61.08% as compared with 2020.

Loss and total comprehensive income attributable to equity shareholders of the Company in 2021 (without taking into account the effect of the convertible bonds) was RMB414.92 million, representing a decrease of 170.30% as compared to profit and total comprehensive income attributable to equity shareholders of the Company (without taking into account the effect of the convertible bonds) of RMB590.21 million for the year ended 31 December 2020.

Loss and total comprehensive income attributable to equity shareholders of the Company in 2021 (taking into account the effect of the convertible bonds) was RMB587.65 million, representing a decrease of 170% as compared to profit and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) of RMB839.46 million for the year ended 31 December 2020.

Basic and diluted losses per share in 2021 were RMB0.67 and RMB0.67 respectively.

The Board does not recommend the payment of final dividend for the year ended 31 December 2021 (for the year ended 31 December 2020: Nil).

以下為截至二零二一年十二月三十一日止年度(「**本年度**」或「**報告期**」)的財務摘要：

二零二一年本集團營業額為人民幣913.79百萬元，比二零二零年減少61.08%。

二零二一年歸屬於本公司權益持有人的虧損及全面收益總額(不考慮可轉換債券影響)為人民幣414.92百萬元，較截至二零二零年十二月三十一日止年度的歸屬於本公司權益持有人的溢利及全面收益總額(不考慮可轉換債券影響)人民幣590.21百萬元減少170.30%。

二零二一年歸屬於本公司權益持有人的虧損及全面收益總額(考慮可轉換債券影響)為人民幣587.65百萬元，較截至二零二零年十二月三十一日止年度的歸屬於本公司權益持有人的溢利及全面收益總額(考慮可轉換債券影響)人民幣839.46百萬元減少170%。

二零二一年每股基本及攤薄虧損分別為人民幣0.67元和人民幣0.67元。

董事會不建議派發截至二零二一年十二月三十一日止年度的末期股息(截至二零二零年十二月三十一日止年度：無)。

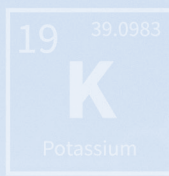
FINANCIAL SUMMARY

財務摘要



2017	2018	2019	2020	2021
二零一七年	二零一八年	二零一九年	二零二零年	二零二一年
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

Operating result		經營業績				
Revenue	營業額	1,601,567	2,510,476	6,224,024	2,348,113	913,788
Gross profit	毛利	1,321,151	2,111,667	5,302,202	1,996,566	483,699
Profit/(loss) from operation	經營溢利/(虧損)	752,484	1,103,742	2,473,556	1,254,640	(423,377)
Profit/(loss) before taxation	除稅前溢利/(虧損)	748,195	1,102,324	2,269,053	1,010,434	(667,184)
Profit/(loss) and total comprehensive income attributable to equity shareholders of the Company	本公司權益股東應佔溢利/(虧損)及全面收益總額	647,101	942,536	1,918,709	839,455	(587,649)
Profit margin		利潤率				
Gross profit margin	毛利率	82.49%	84.11%	85.19%	85.03%	52.93%
Net profit margin	純利率	39.11%	35.90%	30.64%	35.66%	(64.32%)
Earnings/(loss) per share		每股盈利/(虧損)				
Basic (RMB)	基本(人民幣:元)	0.72	1.04	2.16	0.95	(0.67)
Diluted (RMB)	攤薄(人民幣:元)	0.72	1.04	2.07	0.53	(0.67)
Assets condition		資產狀況				
Total assets	總資產	3,775,975	4,560,940	9,912,339	9,561,267	10,541,581
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益	2,807,836	3,433,956	4,408,555	4,891,103	5,808,281
Non-controlling interests	非控股權益	252,750	244,972	214,600	212,556	212,481
Total liabilities	總負債	715,389	882,012	5,289,184	4,457,608	4,520,819
Net cash generated from/ (used in) operating activities	經營活動所得/(所用)現金淨額	670,751	715,392	1,794,407	1,299,493	(662,510)
Quick ratio (time)	速動比率(倍)	3.1	2.0	2.2	0.69	1.44



CORPORATE PROFILE

公司簡介



YiChang HEC ChangJiang Pharmaceutical Co., Ltd. is a pharmaceutical manufacturing company that focuses on the development, manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine diseases and cardiovascular diseases. It's the domestic pharmaceutical manufacturing platform of the HEC Group.

The Company entered into China's pharmaceutical industry through the establishment of its predecessor, Yichang Changjiang Pharmaceutical Co., Ltd., in 2001. Up to now, we have been operating for more than 21 years, and are in the leading position in the domestic pharmaceutical industry in terms of pharmaceutical sales performance and research and development capability.

The Company was converted into a joint stock limited company on 11 May 2015, and was listed on the Main Board of the Hong Kong Stock Exchange on 29 December 2015, with the stock code 01558.HK.

Since its establishment, the Company has always followed the motto of "serving the Chinese with higher standards" and has a strong industrial foundation and leading competitive edges in the manufacturing, marketing and sales of pharmaceutical products. As of 31 December 2021, the Company has manufactured, promoted and sold a total of 53 pharmaceutical products in China, with 1,746 professional sales staff across nationwide product distribution network. Kewei (Oseltamivir Phosphate), one of the Company's core products, is the first-line drug for clinical application of anti-influenza virus in China and its granules form is the exclusive patented product of the Company. Oseltamivir Phosphate was included in the National Essential Drug List (2018 Version) in 2018, and continued to be included in the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2021 Version) issued by the Ministry of Human Resources and Social Security of the People's Republic of China as well as the Influenza treatment plan (2020 version) published by National Health Commission. In 2019, Oseltamivir Phosphate Capsules of the Company were successfully approved to pass the Consistency of Quality and Efficacy Evaluation for Generic Drugs (the "**Consistency Evaluation**") standard, being the first drug variety which meets such standard in China.

宜昌東陽光長江藥業股份有限公司是一家專注於抗病毒、內分泌、心血管等疾病治療領域進行醫藥產品研發、生產及銷售為一體的製藥企業，是東陽光集團旗下的國內製劑平台。

本公司通過成立於二零零一年的公司前身—宜昌長江藥業有限公司進入中國醫藥行業。截至目前，我們已有逾21年的經營歷史，藥品銷售業績以及研發能力列國內醫藥企業領先地位。

二零一五年五月十一日，本公司改制為股份有限公司，並於二零一五年十二月二十九日於香港聯交所主板成功掛牌上市，股票代號：01558.HK。

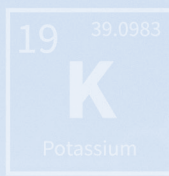
自成立以來，本公司始終秉承「用更高標準服務中國人」的製藥理念，在藥品製造和營銷方面均具有雄厚的產業基礎和領先的競爭優勢。截至二零二一年十二月三十一日，本公司在國內生產、推廣及銷售合共53款醫藥產品，並擁有覆蓋全國的產品分銷網絡及專業銷售人員1,746名。本公司核心產品之一—可威(磷酸奧司他韋)是中國抗流感病毒臨床應用的一線用藥，其顆粒劑型為本公司獨家專利產品。磷酸奧司他韋於二零一八年獲納入《國家基本藥物目錄(二零一八年版)》；二零二一年繼續入選由中國人力資源和社會保障部頒布的《國家基本醫療保險、工傷保險和生育保險藥品目錄(二零二一年版)》；二零二零年繼續入選由國家衛生健康委辦公廳發布的《流行性感感冒診療方案(二零二零年版)》。二零一九年，本公司磷酸奧司他韋膠囊劑型成功獲批准通過仿製藥質量和療效一致性評價(「**一致性評價**」)，為國內首家符合該標準的品種。

CORPORATE PROFILE

24 公司簡介

In addition, the Company has built strategic cooperative partnerships with various renowned pharmaceutical enterprises. The Company established a joint venture company with TaiGen Biopharmaceuticals Holdings Limited (“**TaiGen Biopharmaceuticals**”) (TWSE: 4157.TWO) in Taiwan to conduct clinical trials of combination therapy with Emitasvir Phosphate and Furaprevir. The Company reached a strategic cooperative partnership with China National Accord Medicines Corporation Ltd. (SZSE: 000028.SZ) and kicked-off its first operational project during the year of 2018. The Company entered into a strategic cooperation framework agreement with Jointown Pharmaceutical Group Co., Ltd. (“**Jointown Pharmaceutical**”), pursuant to which the Company authorised Jointown Pharmaceutical as the exclusive general distribution agent for its products of three separate standards for Kewei to be sold through the OTC channel(s) within the PRC, the term of cooperation is for three years. Moreover, the Company entered into a strategic cooperation framework agreement with Alibaba Health Technology (China) Limited, commencing the cooperation to carry out influenza special projects. The Company also entered into a strategic cooperation framework agreement with Guangdong Yihao Pharmaceutical Co., Ltd. (“**Yihao Pharmaceutical**”) under 111, Inc., pursuant to which, Yihao Pharmaceutical will assist the Company in enhancing its brand recognition and market share through pharmaceutical sales and promotion, online display and precise analysis concerning the healthcare big data for its users in relation to the products of the Company in the areas of cardiovascular diseases, endocrine diseases and antivirus. The Company entered into a letter of intent with Wuhan Institute of Virology, Chinese Academy of Sciences* (中國科學院武漢病毒研究所), National Engineering Technology Research Center for Drugs of Emergency Prevention and Control* (國家應急防控藥物工程技術研究中心) and Sunshine Lake Pharma Co., Ltd.* (廣東東陽光藥業有限公司), pursuant to which, these parties will jointly establish a national military-civilian integrated collaborative industrialization platform for drugs of emergency prevention and control cum national antiviral drug centre. The Company renewed the strategic cooperation agreement (《宜昌東陽光長江藥業股份有限公司與深圳市東陽光實業發展有限公司戰略合作協議》) (“**2015 Strategic Cooperation Agreement**”) and entered into a supplemental agreement to the strategic cooperation agreement (the “**Supplemental Agreement**”)

此外，本公司與諸多知名醫藥企業建立了戰略合作夥伴關係，與台灣太景醫藥研發控股公司(「**太景醫藥**」)(台灣證券交易所：4157.TWO)設立合資公司，以進行磷酸依米他韋與伏拉瑞韋的聯合用藥臨床試驗；與國藥集團一致藥業股份有限公司(深圳證券交易所：000028.SZ)達成戰略合作夥伴關係，首個運營項目已於二零一八年內正式啟動；與九州通醫藥集團股份有限公司(「**九州通**」)訂立戰略合作框架協議，據此，本公司將產品可威三個單獨規格授權予九州通在中國大陸地區OTC渠道為期三年的獨家總代理權；與阿里健康科技(中國)有限公司訂立戰略合作框架協議，開展流行性感冒專項項目合作；與111集團旗下的廣東壹號藥業有限公司(「**壹號藥業**」)簽署戰略合作框架協議，壹號藥業將就本公司心腦血管、內分泌及抗病毒等領域產品在藥品銷售與推廣、在線展示及用戶健康大數據精準分析等方面，協助本公司提升品牌認知及市場份額；與中國科學院武漢病毒研究所、國家應急防控藥物工程技術研究中心及廣東東陽光藥業有限公司簽署意向協議書，據此，各方將共同建立國家應急防控藥物軍民融合協同產業化平台暨國家抗病毒藥物中心；續簽《宜昌東陽光長江藥業股份有限公司與深圳市東陽光實業發展有限公司戰略合作協議》(「**2015戰略合作協議**」)並與深圳市東陽光實業發展有限公司訂立戰略合作協議之補充協議(「**補充協議**」)。根據補充協議，2015戰略



CORPORATE PROFILE

公司簡介



with Shenzhen HEC Industrial Development Co., Ltd.* (深圳市東陽光實業發展有限公司). According to the Supplemental Agreement, the term of the 2015 Strategic Cooperation Agreement shall extend five years (i.e. from 29 December 2020 to 28 December 2025). The Company believes that the abovementioned strategic cooperative partnerships will bring favourable development prospects for the Company's business.

The Company is committed to the implementation of professionalism, branding and differentiated development strategies all along. The Company is committed to the establishment of a professional marketing team, a steady and innovative marketing operation and a strategic integration of resources, in order to create brand characteristics and core competitiveness unique to "Pharm HEC" in the industry and create additional value for the vast pharmaceutical consumers and our partners.

In the future, the Company will further develop and expand its product lines and markets, enhance the international production standards and quality and continue to expand the coverage of marketing and sales to facilitate the further growth of business and profitability of the Company, and strive for more economic benefits and cost-effectiveness for our investors.

合作協議有效期延長五年，即自二零二零年十二月二十九日至二零二五年十二月二十八日。本公司相信，以上戰略合作關係，將會為本公司業務帶來理想的發展前景。

本公司始終堅持實施專業化、品牌化、差異化的發展戰略，致力於營銷團隊的專業性打造、穩健創新的市場運作及戰略性的資源整合，在行業內創造「東陽光藥」獨有的品牌特色和核心競爭力，為廣大醫藥消費者及合作夥伴們創造更多價值。

在未來，本公司將進一步發展及豐富產品綫、開拓市場及提升產品的國際化生產標準及質量，繼續擴大市場推廣及銷售範圍覆蓋，以促進本公司業務及盈利能力的進一步增長，為廣大投資者爭取更多經濟利益和效益。

Hydrogen

HISTORY OF DEVELOPMENT

24 發展歷程

24
Cr
Chromium

8
15.999
O
Oxygen

28
58.6934
Ni
Nickel

Cu
Copper

46
106.42
Pd
Palladium

- Completion of bonus issue of Shares
- Completion of the “Full Circulation” of 226,200,000 H Shares
- Emitasvir Phosphate Capsules approved to launch
- Recombinant Human Insulin Injection approved to launch
 - 完成派發紅股
- 完成 226,200,000 股 H 股「全流通」
 - 磷酸依米他韋膠囊獲批准上市
 - 重組人胰島素注射液獲批准上市

2021

- Insulin Glargine Injection approved to launch
- Became a subsidiary of Sunshine Lake Pharma Co., Ltd.* (廣東東陽光藥業有限公司)
- 甘精胰島素注射液獲批准上市
- 成為廣藥東陽光藥業有限公司之附屬公司

2020

2019

- Oseltamivir Phosphate Capsule being the first drug variety to pass the Consistency Evaluation
- New drug application of Emitasvir Phosphate was submitted and has been accepted
- Comprehensively roll out the “Full Circulation” reform of H Shares
- 磷酸奧司他韋膠囊首家通過一致性評價的品種
- 遞交磷酸依米他韋新藥上市申請並獲受理
- 全面啟動 H 股「全流通」改革

2018

- Inclusion in the Hong Kong Stock Connect List under the Shenzhen-Hong Kong Stock Connect
- Became a constituent of the Hang Seng family of indexes
- Being a subsidiary of A-share listed company, Guangdong HEC Technology Holding Co., Ltd.
 - 獲納入深港通下的港股通股票名單
 - 獲納入恒生指數系列成分股
- 成為 A 股上市公司廣東東陽光科技控股股份有限公司之附屬公司

2017

- Oseltamivir Phosphate was listed as a drug recommended for treatment for influenza by the Influenza Treatment Guidelines (2018 Edition)
- 《流行性感冒治療指南(二零一八年版)》中磷酸奧司他韋被列為流感推薦藥物

HISTORY OF DEVELOPMENT 發展歷程

- Started the cooperation with TaiGen Biopharmaceuticals on Hepatitis C. combination therapy
- Obtained three approvals for the clinical trials for insulin product
- Pharm HEC was awarded as the “Listed Enterprises of the Year 2016”
- 與太景醫藥就丙肝聯合療法展開合作
 - 3個胰島素產品獲得臨床批件
- 東陽光藥獲《二零一六年上市企業大獎》

2016

- Transformed into a joint stock limited company by means of reorganization
- Established strategic cooperation relationship with our controlling shareholder, and acquired the pre-emptive right to purchase products developed by the research institute of the controlling shareholder
- Successfully listed on the Stock Exchange on 29 December 2015
- 重組改制為股份有限公司
- 與控股股東建立戰略合作關係，擁有控股股東下屬研究院研發成果優先購買權
- 二零一五年十二月二十九日於聯交所正式掛牌交易

2015

Kewei product dominated the largest market share of Oseltamivir Phosphate products in China
可威產品佔據中國磷酸奧司他韋產品市場最大份額

2013

The Company's Kewei granule product was registered with the China Food and Drug Administration and the Company became the only manufacturer of Oseltamivir Phosphate Granule in China
公司可威顆粒劑產品於國家食品藥品監管局登記註冊，成為中國唯一一家磷酸奧斯他韋顆粒劑生產商

2008

The Company was licensed to manufacture Oseltamivir Phosphate products in China
獲得中國磷酸奧司他韋生產許可

2006

The predecessor of the Company was established in Hubei Province and formally entered into China's pharmaceutical industry
公司前身在湖北省成立，正式進入中國醫藥行業

2001

CHAIRMAN'S STATEMENT

24 董事長報告書

On behalf of the Board, I am hereby pleased to present the annual results of the Group for the year ended 31 December 2021 and the future prospects of 2022.

2021 REVIEW

In 2021, with the adoption of more scientific and precise epidemic preventive measures across China, and the popularization and strengthening of vaccination against the novel coronavirus ("COVID-19"), the prevention and control of the epidemic in China has generally shown a positive trend. However, looking at the global epidemic situation, it is difficult to reverse the trend of overseas spread of the epidemic in the short term, and the COVID-19 epidemic is still affecting the social development and the public health. Pharmaceutical industry, being an important industry in safeguarding people's health and livelihood, has a major mission in human health and medical hygiene protection, especially in the prevention and control of the current epidemic. At present, with the continuous development of the biomedical industry, the continuous innovation of in-vitro diagnostic technology and its continuous expansion in the application field, as well as the continuous enhancement of vaccine research and development capabilities, the COVID-19 epidemic will be effectively controlled. As a major pharmaceutical manufacturing country, China is also responsible for protecting the lives and health of 1.4 billion people, and has been adhering to the concept of a community of a shared future for mankind by actively promoting international cooperation and making positive contributions to the global fight against the epidemic.

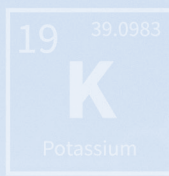
Pharm HEC has come to the seventh year since its listing on the Hong Kong Stock Exchange. The Board has been upholding the governance principles of "standardization, independence, rational structure and high efficiency", strictly complying with the Company Law, the Listing Rules and other laws and regulations and fully discharging the duties conferred by the Articles of Association. All decisions are strictly implemented in compliance with the resolutions of the general meetings through standardized operation, scientific decision-making and diligence so as to fully accomplish all tasks. Meanwhile, the Board will constantly lead the management of the Company to improve its governance level and strengthen the Company's management systems and internal control, striving to become a highly competitive listed company in the domestic and even the international market.

本人謹代表董事會欣然呈報本集團截至二零二一年十二月三十一日止年度之年度業績，及對二零二二年的展望。

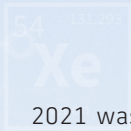
二零二一年回顧

二零二一年隨著全國各地採取更為科學精準的防疫措施，並且大力普及和加強新型冠狀病毒（「新冠病毒」）疫苗接種工作，國內疫情防控總體呈現良好態勢。然而，縱觀全球疫情形勢來看，疫情海外擴散的趨勢短期內難以逆轉，新冠病毒疫情仍影響著社會的發展和民眾的生命健康。醫藥行業作為維護人民身體健康，關乎國計民生的重要行業，在人類健康和醫療衛生保障，特別是在當前疫情防控方面肩負著重大的使命。當前，隨著生物醫藥產業的持續發展、體外診斷技術的不斷創新及其在應用領域的不斷擴大、疫苗研發實力的不斷增強，新冠疫情必將隨之得到有效控制。中國作為醫藥製造業大國，同時肩負著為十四億人口的生命與健康保駕護航的重任，始終秉承著人類命運共同體的理念，積極推進國際抗疫合作，為全球共同抗疫作出積極貢獻。

自東陽光藥登陸香港聯交所以來，已進入第七個年頭，董事會一直秉承「規範、獨立、結構合理、富有效率」的治理理念，嚴格遵守《公司法》、《上市規則》等法律法規，充分履行《公司章程》賦予的職責，各項決策嚴格執行股東大會各項決議，規範運作，科學決策，勤勉盡責，全面完成了各項工作任務。同時，董事會將帶領本公司管理層繼續完善自身治理水平、加強本公司規範管理及完善內控制度，為建立在國內乃至國際市場具備強大競爭力的上市公司不斷努力。



CHAIRMAN'S STATEMENT 董事長報告書



2021 was a year of remarkable results in Pharm HEC's business expansion in different aspects. During the Reporting Period, the Group's self-developed Insulin Glargine Injection has been approved for launch and would become one of the Company's flagship products in the field of diabetes, which was conducive to expand the Group's business in the field of endocrine and metabolic therapy. In addition, the Recombinant Human Insulin Injection in the Company's Insulin series were approved to launch by the National Medical Products Administration. Insulin Aspart 30 Injection and Insulin Aspart Injection are under the approval stage of new drug application. The new drug application of Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R) has been accepted by the National Medical Products Administration. Rongliflozin L-Pyroglytamic Acid and biosimilar Liraglutide, the national Class 1 innovative new drug acquired by the Group from Sunshine Lake Pharma, are under Phase III clinical stage. With the launch and promotion of more insulin products in the future, the Company's product line in the field of diabetes will continue to be optimized and thus enhancing its reputation.

The Group has made breakthroughs in the field of generic drugs. During the Reporting Period, in response to the national policy, the Group actively participated in the bidding for the national centralized procurement of pharmaceutical products. The Group's 8 products have won the bid for national centralized bulk purchase of drugs, which has a positive impact on the expansion of the sales of the Group's relevant products and the development of the domestic market. Meanwhile, 28 projects out of 33 generic drugs acquired by the Group from Sunshine Lake Pharma have been approved to launch by the NMPA. With more products approved to launch, the Group's product line will cover more diverse therapeutic areas and its results will continue to improve in the future.

The entering into of the "Amendments to the Non-Competition Agreement" between the Group and Sunshine Lake Pharma on 19 March 2021 is conducive to the Group's acquisition of more commercialization opportunities for domestic preparation products based on market demand and its optimization of product structure and business model, which enhances the Company's sustainability.

二零二一年是東陽光藥各項業務拓展成效顯著的一年。報告期內，本集團自主研發的甘精胰島素注射液已獲批准上市，將成為本公司在糖尿病領域的主打產品之一，有利於拓展本集團內分泌及代謝治療領域業務。此外，本公司胰島素系列中重組人胰島素注射液已獲國家藥品監督管理局批准上市，門冬胰島素30注射液、門冬胰島素均處於上市申請審評階段，精蛋白重組人胰島素注射液(預混30R)的上市申請已獲國家藥品監督管理局受理。本集團從廣藥收購的公司擁有的國家1類新藥焦谷氨酸榮格列淨和生物類似物利拉魯肽已經進入臨床三期，未來隨著更多胰島素產品的上市和推廣，本公司在糖尿病領域的產品線將持續優化，知名度也將不斷提升。

本集團在仿製藥產品領域取得突破性進展。報告期內，本集團響應國家政策，積極參與國家組織的藥品集中採購的投標，並有8個產品中標全國藥品帶量採購，對擴大本集團相關產品的銷售，促進國內市場的開拓具有積極影響。同時，本集團從廣藥收購的33個仿製藥中有28個產品獲藥監局批准上市，隨著更多產品獲批上市，本集團產品線覆蓋的治療領域將更加多樣化，未來的業績也將不斷提升。

本集團與廣東東陽光藥業於二零二一年三月十九日簽署的《避免同業競爭協議的修訂》，有利於本公司根據市場需求，獲取更多境內製劑產品商業化機會，優化產品結構及業務模式，提升本公司持續發展能力。

CHAIRMAN'S STATEMENT

24 董事長報告書

FUTURE PROSPECTS

The Company has established a mature drug research and development (“R&D”), production and sale platform and will continue to deepen innovation in the therapeutic areas of anti-virus, endocrine and metabolic diseases, cardiovascular diseases. Looking ahead into the future, the Company will continually increase its investment in R&D and accelerate the transformation of drug R&D into clinical applications in the above-mentioned therapeutic areas. Additionally, the Company will closely follow the clinical needs, strengthen the R&D of innovative drugs, continuously introduce new products and enrich the existing product portfolio.

The Company will continue to strengthen the construction of the sales team, consolidate its path in academic promotion and further expand the primary healthcare market. To prepare for the future, we have established a scientific and sustainable marketing strategy to create a highly recognized business image and well-respected reputation in the domestic market and laid down a solid foundation for new products to be rapidly launched in the market in the future.

We believe that under the leadership of the Board and the efforts of all employees, the Company would become a benchmark pharmaceutical enterprise in China and the world as well as a major and influential brand in China's pharmaceutical industry, through formulating comprehensive development strategy, implementing strict management system and strengthening of innovative R&D.

Once again, I would like to express my sincere gratitude to all Shareholders, Board members, the management and all employees and partners of the Company.

TANG Xinfu
Chairman

21 March 2022

未來展望

本公司已建立起成熟的藥物研發、生產及銷售平台，並將繼續在抗病毒、內分泌及代謝疾病、心血管疾病等領域深化創新。展望未來，本公司將繼續加大研發投入，加速上述疾病領域藥物研發向臨床應用的轉化。此外，本公司將緊跟臨床需求，加強創新藥領域藥物的研發佈局，不斷推出新產品，豐富現有產品組合。

本公司亦繼續加強銷售團隊的建設，繼續夯實學術推廣道路的同時，進一步開拓基層醫療市場。面向未來，我們已建立起科學、可持續性的市場銷售策略，全力打造國內市場內優良的商業形象和品牌口碑，為未來更多新產品進入市場能夠快速放量打下堅實的基礎。

我們相信，在董事會的帶領及全體員工的努力下，通過制定全面的發展戰略、實行嚴格的管理體系以及大力加強創新研發，東陽光藥將成為中國乃至世界知名的一流標杆性醫藥企業及具有影響力的國民醫藥大品牌。

再次，本人謹向各位股東、董事會成員、本公司管理層、所有僱員及合作夥伴表示由衷的感謝。

董事長
唐新發

二零二二年三月二十一日



HIGHLIGHTS OF THE YEAR

年度大事記

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1. Election of directors of the third session of the board of directors and election of supervisors of the third session of the board of supervisors | 1. 選舉第三屆董事會董事及第三屆監事會監事 |
| 2. Amendments to the Non-Competition Agreement with Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司) | 2. 修訂與廣東東陽光藥業有限公司避免同業競爭的協議 |
| 3. Several products won the bid for the fourth, fifth and sixth batches of the national centralized procurement of pharmaceutical products | 3. 多個產品中標第四批、第五批及第六批國家組織藥品集中採購 |
| 4. Insulin Glargine Injection approved to launch | 4. 甘精胰島素注射液獲批准上市 |
| 5. Became a subsidiary of Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司) | 5. 成為廣東東陽光藥業有限公司之附屬公司 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. INDUSTRY REVIEW

In 2021, with the adoption of more scientific and precise epidemic preventive measures across China, and the popularization and strengthening of vaccination against the novel coronavirus (“COVID-19”), the prevention and control of the epidemic in China has generally shown a positive trend. However, looking at the global epidemic situation, it is difficult to reverse the trend of overseas spread of the epidemic in the short term, and the COVID-19 epidemic is still affecting the social development and the public health. Pharmaceutical industry, being an important industry in safeguarding people’s health and livelihood, has a major mission in human health and medical hygiene protection, especially in the prevention and control of the current epidemic. At present, with the continuous development of the biomedical industry, the continuous innovation of in-vitro diagnostic technology and its continuous expansion in the application field, as well as the continuous enhancement of vaccine research and development capabilities, the COVID-19 epidemic will be effectively controlled. As a major pharmaceutical manufacturing country, China is also responsible for protecting the lives and health of 1.4 billion people, and has been adhering to the concept of a community of a shared future for mankind by actively promoting international cooperation and making positive contributions to the global fight against the epidemic.

I. 行業回顧

二零二一年，隨著全國各地採取更為科學精準的防疫措施，並且大力普及和加強新型冠狀病毒（「新冠病毒」）疫苗接種工作，國內疫情防控總體呈現良好態勢。然而，綜觀全球疫情形勢來看，疫情在海外擴散的趨勢短期內難以逆轉，新冠病毒疫情仍影響著社會的發展和民眾的生命健康。醫藥行業作為維護人民身體健康，關乎國計民生的重要行業，在人類健康和醫療衛生保障，特別是在當前疫情防控方面肩負著重大的使命。當前，隨著生物醫藥產業的持續發展、體外診斷技術的不斷創新及其在應用領域的不斷擴大、疫苗研發實力的不斷增強，新冠病毒疫情必將隨之得到有效控制。中國作為醫藥製造業大國，同時肩負著為十四億人口的生命與健康保駕護航的重任，始終秉承著人類命運共同體的理念，積極推進國際抗疫合作，為全球共同抗疫作出積極貢獻。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Medical insurance negotiation is a major innovation for the Chinese pharmaceutical market in recent years in terms of access to the Medical Reimbursement Drugs List. Through the form of negotiation mainly by the National Healthcare Security Administration, not only will it provide practical support for innovative drugs, and also more drugs with high quality and fair price for the majority of patients, and has a positive impact on improving the effectiveness of the use of medical insurance funds. For pharmaceutical companies, especially innovative pharmaceutical companies, the impact of entering the Medical Reimbursement Drugs List is more obvious on the drug volume. The exchange of price for volume through negotiations to increase market share is of great significance to the long-term development of enterprises and the establishment of a good corporate image, which is conducive to the realization of “Healthy China” strategy of pharmaceutical companies and China, deepening the pace of the reform of the medical and health system in line with the policy. Since the establishment of the National Healthcare Security Administration, the normalization of adjustment to the Medical Reimbursement Drugs List, the institutionalization of national negotiations for innovative drugs and the acceleration of the process of new drugs from approval to entry into the Medical Reimbursement Drugs List facilitated the rapid market capture of new drugs and stimulated the research and development (“R&D”) innovation of enterprises. As a result, pharmaceutical companies with strong R&D capabilities and leading innovation ability will have better development opportunities due to policy drivers.

醫保談判是對中國醫藥市場近年來醫保藥品目錄准入的一個重大創新，通過以國家醫保局為主體的談判形式，不僅對創新藥提供實際的支持，還能為廣大患者提供更多質價雙優的藥品，對提升醫保基金使用效能也具有積極影響。對於藥企尤其是創新藥企而言，是否進入醫保目錄對藥品放量的效果更加明顯，通過談判的方式以價換量去提升市場份額對於企業的長遠發展，建立良好的企業形象具有重大意義，並且有利於實現藥企與國家「健康中國」戰略，深化醫藥衛生體制改革政策一致的步伐。國家醫保局成立以後，醫保目錄調整常態化、創新藥國家談判機制化，新藥從獲批到進入醫保目錄的進程得到了加速，有利於新藥快速搶佔市場，激勵企業的研發（「研發」）創新。因此，研發實力雄厚，創新能力領先的藥企受政策驅動的影響，將迎來更好的發展機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Looking forward, with the development direction of China's pharmaceutical industry gradually switching from generic drugs to innovative drugs, drug innovation has become the core competitiveness that supports the future development of enterprises and is the driving force for China's local pharmaceutical companies to enter the international market. In order to capture opportunities in the fierce competition, pharmaceutical companies need to make continuous efforts in various aspects including product research and development, technical process improvement, production and supply chain management and sales management, while striving to grasp the initiative of industry competition and forming a good sustainable advantage by grasping the market demand and trend of the pharmaceutical industry and consolidating and expanding the corresponding strategic target markets more effectively.

展望未來，隨著中國醫藥行業發展主題逐漸由仿製切換到創新，藥物創新也成為支撐企業未來發展的核心競爭力，也是中國本土醫藥企業進入國際市場的驅動力。藥企要在激烈的競爭中贏得機遇，需要從產品研發、技術工藝改進、生產供應鏈管理、銷售管理等各個環節不斷努力，同時要把握醫藥行業的市場需求和趨勢，更有效地鞏固和拓展相應的戰略目標市場，努力把握行業競爭的主動權，形成良好的可持續發展優勢。

II. BUSINESS REVIEW

1. Summary of Overall Results

In 2021, the Group achieved a revenue of RMB913.79 million, representing a decrease of 61.08% as compared to 2020, which was mainly attributed to the fact that at the beginning of the COVID-19 pandemic outbreak, the mobility of China's domestic population has declined, and the number of medical activities, prescriptions and sales volume of drugs in hospitals has also decreased accordingly. The Group's core product, Kewei, is a prescription medicine sold primarily at tiered hospitals, and the sales volume of this product has also declined due to the impact of the COVID-19 pandemic. During the Reporting Period, a number of the Group's generic drug products, including Aripiprazole Tablets (阿立哌唑片), Aripiprazole Orally Disintegrating Tablets (阿立哌唑口崩片), Entacapone Tablets (恩他卡朋片), Escitalopram Oxalate Tablets (草酸艾司西酞普蘭片), Febuxostat Tablets (非布司他片), Atorvastatin Calcium Tablets (阿托伐他汀鈣片), Apixaban Tablets (阿哌沙班片), Rivaroxaban Tablets (利伐沙班片), Sildenafil Citrate Tablets (枸橼酸西地那非片) and Metoprolol Succinate Sustained-release Tablets (琥珀酸美托洛爾緩釋片), as well as the Group's biologic drugs, namely Insulin Glargine Injection (甘精胰島素注射液), were granted listing approvals, which is conducive to the Group's active exploration of new market areas and the continuous optimization of the Group's product portfolio, and thus the improvement of the Group's future results. As at 31 December 2021, the Group's 13 products have won the bid for centralized bulk purchase of drugs. In addition to enriching the Group's revenue structure and increasing the Group's profitability, centralized bulk purchase of drugs will also further expand the relevant product channels, enhance the Group's brand influence and lay a market foundation for the launch of new products in the future.

II. 業務回顧

1. 整體業績概述

二零二一年，本集團營業額為人民幣913.79百萬元，較二零二零年減少61.08%，原因主要是由於新冠病毒疫情爆發初期，中國國內人口流動性降低，醫院的診療活動數量、處方量及藥品銷量也隨之下降，本集團核心產品可威為主要用於等級醫院銷售的處方藥，其銷售量亦受新冠病毒疫情影響而下降。報告期內，本集團的阿立哌唑片、阿立哌唑口崩片、恩他卡朋片、草酸艾司西酞普蘭片、非布司他片、阿托伐他汀鈣片、阿哌沙班片、利伐沙班片、枸橼酸西地那非片、琥珀酸美托洛爾緩釋片等多個仿製藥產品獲批准上市，生物製劑產品甘精胰島素注射液獲批准上市，以上產品的獲批准上市有利於本集團積極開拓新的市場領域，使本集團的產品組合持續優化，更有利於本集團未來業績的提升。截至二零二一年十二月三十一日，本集團已有13個產品中標全國藥品帶量採購。借助帶量採購相關產品，除了豐富本集團收入結構，增加本集團盈利外，本集團亦可進一步拓展相關產品科室渠道，提升本集團品牌影響力，為未來新產品上市奠定市場基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The entering into of the “Amendments to the Non-Competition Agreement” between the Group and Sunshine Lake Pharma on 19 March 2021 is conducive to the Group’s introduction of more new products in a timely manner based on market demand and its optimization of product structure and business model, which has a positive impact on the Group’s future performance.

In terms of specific performance, during the Reporting Period, revenue generated from the core product of the Group, Kewei, reached RMB554.59 million, representing a decrease of 73.19% as compared to the corresponding period of 2020. Loss and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) was RMB587.65 million, representing a decrease of 170% as compared to profit and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) of RMB839.46 million for the year ended 31 December 2020.

As at 31 December 2021, 28 generic drugs acquired by the Group from Sunshine Lake Pharma have been approved for launch by the China National Medical Products Administration. With the successive approval for launch of the generic drug products, the Group’s product portfolio will be further enriched while providing majority of patients with medical choices with both high quality and fair price.

根據本集團與廣東東陽光藥業於二零二一年三月十九日簽署的《避免同業競爭協議的修訂》，有利於本集團根據市場需求，及時引進更多新產品，優化產品結構及業務模式，對本集團的未來業績具有積極的影響。

具體業績方面，報告期內，本集團核心產品可威的銷售額為人民幣554.59百萬元，較二零二零年同期減少73.19%。歸屬於本公司權益持有人的虧損及全面收益總額（考慮可轉換債券影響）為人民幣587.65百萬元，較截至二零二零年十二月三十一日止年度的歸屬於本公司權益持有人的溢利及全面收益總額（考慮可轉換債券影響）人民幣839.46百萬元減少170%。

截至二零二一年十二月三十一日，本集團從廣東東陽光藥業收購之仿製藥有28個產品已獲中國國家藥品監督管理局審批完畢並獲准上市。隨著仿製藥產品的陸續獲批上市，在進一步豐富本集團的產品組合的同時，也為廣大患者提供質價雙優的用藥選擇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Status of drugs approved for launch during the Reporting Period

報告期內獲批准上市的藥品情況

No. 序號	Therapeutic areas 治療領域	Drugs 藥品	Specifications 規格	Essential Drugs List 基藥目錄	Medical Reimbursement Drugs List 醫保目錄
1	Schizophrenia 精神分裂症	Aripiprazole 阿立哌唑片	5mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
2	Schizophrenia 精神分裂症	Aripiprazole 阿立哌唑片	10mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
3	Schizophrenia 精神分裂症	Aripiprazole Orally Disintegrating Tablets 阿立哌唑口崩片	10mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
4	Schizophrenia 精神分裂症	Aripiprazole Orally Disintegrating Tablets 阿立哌唑口崩片	15mg	-	Maintained listed 繼續入選
5	Parkinson's disease 帕金森病	Entacapone Tablets 恩他卡朋片	0.2g	-	Maintained listed 繼續入選
6	Depression 抑鬱症	Escitalopram Oxalate Tablets 草酸艾司西酞普蘭片	5mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
7	Depression 抑鬱症	Escitalopram Oxalate Tablets 草酸艾司西酞普蘭片	10mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
8	Depression 抑鬱症	Escitalopram Oxalate Tablets 草酸艾司西酞普蘭片	15mg	-	Maintained listed 繼續入選
9	Depression 抑鬱症	Escitalopram Oxalate Tablets 草酸艾司西酞普蘭片	20mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
10	Hyperuricemia with gout symptoms 有痛風症狀的高尿酸血症	Febuxostat Tablets 非布司他片	40mg	-	Maintained listed 繼續入選
11	Hyperuricemia with gout symptoms 有痛風症狀的高尿酸血症	Febuxostat Tablets 非布司他片	80mg	-	Maintained listed 繼續入選
12	Hypercholesterolemia 高膽固醇血症	Atorvastatin Calcium Tablets 阿托伐他汀鈣片	10mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
13	Hypercholesterolemia 高膽固醇血症	Atorvastatin Calcium Tablets 阿托伐他汀鈣片	20mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
14	Hypercholesterolemia 高膽固醇血症	Atorvastatin Calcium Tablets 阿托伐他汀鈣片	40mg	-	Maintained listed 繼續入選
15	Anticoagulant 抗凝血	Apixaban Tablets 阿哌沙班片	2.5mg	-	Maintained listed 繼續入選

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

No. 序號	Therapeutic areas 治療領域	Drugs 藥品	Specifications 規格	Essential Drugs List 基藥目錄	Medical Reimbursement Drugs List 醫保目錄
16	Anticoagulant 抗凝血	Rivaroxaban Tablets 利伐沙班片	10mg 10mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
17	Anticoagulant 抗凝血	Rivaroxaban Tablets 利伐沙班片	15mg 15mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
18	Anticoagulant 抗凝血	Rivaroxaban Tablets 利伐沙班片	20mg 20mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
19	Diabetes 糖尿病	Insulin Glargine Injection 甘精胰島素注射液	3ml: 300 units (prefilled pen-type) 3ml: 300 單位 (筆芯)	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
20	ED, PAH ED、PAH	Sildenafil Citrate Tablets 枸橼酸西地那非片	25mg 25mg	- -	- -
21	ED, PAH ED、PAH	Sildenafil Citrate Tablets 枸橼酸西地那非片	50mg 50mg	- -	- -
22	ED, PAH ED、PAH	Sildenafil Citrate Tablets 枸橼酸西地那非片	100mg 100mg	- -	- -
23	Cardiovascular system 心血管系統	Metoprolol Succinate Sustained-release Tablets 琥珀酸美托洛爾緩釋片	190mg 190mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
24	Cardiovascular system 心血管系統	Metoprolol Succinate Sustained-release Tablets 琥珀酸美托洛爾緩釋片	47.5mg 47.5mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選
25	Cardiovascular system 心血管系統	Metoprolol Succinate Sustained-release Tablets 琥珀酸美托洛爾緩釋片	95mg 95mg	2018 Essential Drugs List 2018 基藥目錄	Maintained listed 繼續入選

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. R&D PIPELINE

The Group made outstanding R&D progress in the therapeutic areas of anti-virus, endocrine and metabolic diseases during 2021.

1. Anti-virus therapeutic area

The Phase III clinical trial for NS3/4A protease inhibitor furaprevir jointly developed with TaiGen Biopharmaceuticals Co. (Beijing), Ltd. in combination with Emitasvir Phosphate was completed.

2. Endocrine and metabolic diseases area

In the area of endocrine and metabolic diseases, the Group is dedicated to the R&D of insulin products and has a comprehensive product line, which covers both the second and the third generations of insulin.

2. 研發管線

二零二一年，本集團在研發抗病毒和內分泌及代謝疾病領域都取得了優異的進展。

1. 抗病毒領域

本公司與太景醫藥研發(北京)有限公司合作開發的NS3/4A蛋白酶抑制劑伏拉瑞韋與磷酸依米他韋的聯用已完成臨床III期試驗。

2. 內分泌以及代謝疾病領域

在內分泌及代謝疾病領域，本集團致力於胰島素產品的研發，具有完整的產品線規劃，涵蓋第二代和第三代胰島素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The latest progress of the insulin products during the Reporting Period is as follows:

報告期內，胰島素系列產品最新進展如下：

Projects	R&D investment amount	Expensed R&D investment amount	Capitalised R&D investment amount	Percentage of R&D investment in revenue	Percentage of R&D investment in operating costs	Last period investment	Percentage change in the amount for the current period as compared to the same period last year	Explanation
項目	研發投入金額 (RMB'000) (人民幣千元)	研發投入費用化金額 (RMB'000) (人民幣千元)	研發投入資本化金額 (RMB'000) (人民幣千元)	研發投入佔營業收入比例 (%) (%)	研發投入佔營業成本比例 (%) (%)	上期投入 (RMB'000) (人民幣千元)	本期金額較上年同期變動比例 (%) (%)	情況說明
Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R) 精蛋白重組人胰島素注射液(預混30R)	8,764.86	-	8,764.86	0.96%	2.04%	27,368.35	-67.97%	Decrease in clinical trial fees at the clinical stage before launching 上市前期，臨床試驗費用減少
Insulin Aspart Injection 門冬胰島素注射液	8,273.41	-	8,273.41	0.91%	1.92%	29,795.58	-72.23%	Decrease in clinical trial fees at the clinical stage before launching 上市前期，臨床試驗費用減少

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MANAGEMENT DISCUSSION AND ANALYSIS

Potassium

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Silver

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管理層討論及分析

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Helium

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Xe
Xenon

The Group has established a complete research and development system for insulin series products in accordance with standards on biosimilar drugs adopted in Europe and the United States with quality equivalent to originator drugs. The Recombinant Human Insulin Injection and Insulin Glargine Injection developed by the Group were approved to launch, and the results of clinical trials show that the statistics of those injection are highly consistent in terms of efficacy, safety and stability when compared with the originator biologics. The Group also has a comprehensive product line, which covers both the second and the third generations of insulin, that meets the clinical medication needs of doctors and patients. Moreover, the product line adopts a yeast expression system which is advanced in technology and easy for large scale production.

Insulin Aspart Injection and Insulin Aspart 30 Injection, the Company's self-developed products, are under the approval stage of new drug application. The new drug application of Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R) has been accepted by the China National Medical Products Administration.

In addition, in order to further enrich the product line of the Group in the field of diabetes, the Group have acquired multiple drugs for diabetes from Sunshine Lake Pharma, all of which have been approved for marketing, except for Rongliflozin L-Pyroglutamic Acid and Liraglutide under Phase III clinical stage. Such products are expected to be marketed in a rapid manner and generate considerable sales in the future, which will further increase the integrated strengths of the Group and improve the revenue structure of the Group.

本集團已建立完善的胰島素系列產品研發體系，參照歐美生物類似藥標準開發，質量可達與原研生物等效。本集團自主開發的重組人胰島素注射液、甘精胰島素注射液已獲批准上市，臨床試驗結果表明，與原研生物製劑在有效性、安全性及穩定性等數據高度一致。本集團亦擁有完整的產品線，涵蓋二代及三代胰島素，可滿足醫生、患者的臨床用藥需求，且生產線採用酵母表達體系，工藝先進、易於大規模生產。

本公司自主開發的門冬胰島素注射液、門冬胰島素30注射液處於上市申請審評階段；精蛋白重組人胰島素注射液（預混30R）的上市申請已獲中國國家藥品監督管理局受理。

此外，為了進一步豐富本集團在糖尿病領域產品線，本集團從廣東東陽光藥業收購多個糖尿病治療藥物，除焦谷氨酸榮格列淨及利拉魯肽處於III期臨床階段，其他產品均已獲批准上市，未來有望快速進入市場並形成可觀銷售額，同時將進一步提升本集團的綜合實力及改善本集團的收入結構。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Projects	Acquired/ R&D investment amount	Expensed R&D investment amount	Capitalised R&D investment amount	Percentage of R&D investment in revenue	Percentage of R&D investment in operating costs	Last period investment	Percentage change in the amount for the current period as compared to the same period last year	Explanation
項目	購入/ 研發投入 金額	研發投入 費用化 金額	研發投入 資本化 金額	研發投入 佔營業 收入比例	研發投入 佔營業 成本比例	上期投入	本期金額較 上年同期 變動比例	情況說明
	(RMB'000)	(RMB'000)	(RMB'000)	(%)	(%)	(RMB'000)	(%)	
	(人民幣千元)	(人民幣千元)	(人民幣千元)	(%)	(%)	(人民幣千元)	(%)	
Rongliflozin L-Pyroglutamic Acid 焦谷氨酸榮格列淨	48,883.53	-	48,883.53	5.35%	11.37%	536,366.50	-90.89%	Decrease in clinical trial fees at the clinical stage 臨床階段， 試驗費用減少
Liraglutide 利拉魯肽	13,460.43	-	13,460.43	1.47%	3.13%	57,333.76	-76.53%	Decrease in clinical trial fees at the clinical stage 臨床階段， 試驗費用減少



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma

On 10 July 2018, the Company entered into an acquisition agreement with Sunshine Lake Pharma. Pursuant to the agreement, the Company acquired the know-how, the ownership of approvals for manufacturing and marketing and the right to sale of 6 generic drugs. For details, please refer to the announcements of the Company dated 10 July 2018, 15 August 2018 and 30 August 2018 and the circular of the Company dated 30 July 2018.

On 25 February 2019, the Company entered into an acquisition agreement with Sunshine Lake Pharma. Pursuant to the agreement, the Company acquired all intellectual property rights, industrial property rights and ownership rights of 27 pharmaceutical products within the PRC. For details, please refer to the announcements of the Company dated 25 February 2019 and 10 May 2019 and the circular of the Company dated 9 April 2019.

3. 於廣東東陽光藥業收購之仿製藥組合進展

於二零一八年七月十日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司收購6個仿製藥的技術訣竅、生產及上市批文的擁有權及銷售權。詳情請參閱本公司日期為二零一八年七月十日、二零一八年八月十五日及二零一八年八月三十日之公告及本公司日期為二零一八年七月三十日之通函。

於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司收購27種藥品相關的中國境內所有知識產權、工業產權和所有權。詳情請參閱本公司日期為二零一九年二月二十五日及二零一九年五月十日之公告及本公司日期為二零一九年四月九日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Reporting Period, Apixaban Tablets, Entacapone Tablets, Aripiprazole Tablets, Escitalopram Oxalate Tablets, Febuxostat Tablets, Aripiprazole Orally Disintegrating Tablets, Rivaroxaban Tablets, Atorvastatin Calcium Tablets, Metoprolol Succinate Sustained-release Tablets and Sildenafil Citrate Tablets of the Group were approved to listing. These products approved to listing further enriched the Group's product lines and offered more medical choices with both high quality and fair price for patients. The Group also continuously promotes the progress of new products development and management line and strives to supplement undesirable clinical medication needs. The latest progress of other drug portfolio acquired from Sunshine Lake Pharma are as follow:

報告期內，本集團的阿哌沙班片、恩他卡朋片、阿立哌唑片、草酸艾司西酞普蘭片、非布司他片、阿立哌唑口崩片、利伐沙班片、阿托伐他汀鈣片、琥珀酸美托洛爾緩釋片及枸橼酸西地那非片已獲批准上市，這些產品的獲批上市進一步豐富了本集團產品線，也將為患者提供更多質價雙優的用藥選擇。同時，本集團也將持續推進新產品研發管線的進程，致力於補充尚未滿足的臨床用藥需求。本集團從廣東東陽光藥業收購的其他產品進展如下：

Progress of drug portfolio acquired in 2018

二零一八年收購藥品進展

Therapeutic areas	Name of product	Indications	Drugs Registration Classification	Domestic progress	Number of passed Consistency Evaluation manufacturers 通過一致性評價廠家數量
治療領域	產品名稱	適應症	藥物註冊分類	國內進展	
Anti-infection 抗感染	Clarithromycin Tablet 克拉黴素片	Anti-infection 抗感染	Class 6 chemical drug 化藥6類	Approved 已獲批	10 10家
Anti-infection 抗感染	Clarithromycin Sustained Release Tablets 克拉黴素緩釋片	Anti-infection 抗感染	Class 6 chemical drug 化藥6類	Approved 已獲批	2 2家
Anti-infection 抗感染	Levofloxacin Tablet 左氧氟沙星片	Anti-infection 抗感染	Class 6 chemical drug 化藥6類	Approved 已獲批	17 17家
Anti-infection 抗感染	Moxifloxacin Tablets 莫西沙星片	Anti-infection 抗感染	Class 4 chemical drug 化藥4類	Approved 已獲批	17 17家
Cardiovascular 心血管	Olmесartan Tablets 奧美沙坦酯片	Hypertension 高血壓	Class 4 chemical drug 化藥4類	Approved 已獲批	12 12家
Digestive system 消化系統	Esomeprazole Magnesium Enteric-Coated Capsules 艾司奧美拉唑鎂腸溶膠囊	Gastric acid related diseases 胃酸相關疾病	Class 3 chemical drug 化藥3類	Approved 已獲批	5 5家

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Potassium

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Silver

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Helium

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Progress of drug portfolio acquired in 2019

二零一九年收購藥品進展

Therapeutic areas	Name of product	Indications	Drugs Registration Classification	Domestic progress	Number of passed Consistency Evaluation manufacturers
治療領域	產品名稱	適應症	藥物註冊分類	國內進展	通過一致性評價廠家數量
Cardiovascular	Ticagrelor Tablet	Antithrombus	Class 4 chemical drug	Approved	25
心血管	替格瑞洛片	抗血栓	化藥4類	已獲批	25家
Cardiovascular	Apixaban Tablets	Antithrombus	Class 4 chemical drug	Approved	21
心血管	阿哌沙班片	抗血栓	化藥4類	已獲批	21家
Cardiovascular	Atorvastatin Calcium Tablets	Hyperlipidemia	Class 4 chemical drug	Approved	24
心血管	阿托伐他汀鈣片	高血脂	化藥4類	已獲批	24家
Cardiovascular	Rosuvastatin Calcium Tablets	Hyperlipidemia	Class 4 chemical drug	Approved	25
心血管	瑞舒伐他汀鈣片	高血脂	化藥4類	已獲批	25家
Cardiovascular	Amlodipine Tablets	Hypertension	Class 6 chemical drug	Filed	47
心血管	氨氯地平片	高血壓	化藥6類	已申報	47家
Cardiovascular	Metoprolol Succinate Sustained — release Tablets	Hypertension	Class 3 chemical drug	Approved	7
心血管	琥珀酸美托洛爾緩釋片	高血壓	化藥3類	已獲批	7家
Cardiovascular	Clopidogrel Tablets	Antithrombus	Class 4 chemical drug	Filed	13
心血管	氯吡格雷片	抗血栓	化藥4類	已申報	13家
Cardiovascular	Rivaroxaban Tablets	Antithrombus	Class 4 chemical drug	Approved	26
心血管	利伐沙班片	抗血栓	化藥4類	已獲批	26家
Anti-virus/anti-infection	Entecavir Tablets	HBV	Class 4 chemical drug	Approved	26
抗病毒/抗感染	恩替卡韋片	HBV	化藥4類	已獲批	26家
Anti-virus/anti-infection	Tenofovir Alafenemide Tablets	HBV/HIV	Class 4 chemical drug	Filed	13
抗病毒/抗感染	磷丙替諾福韋片	HBV/HIV	化藥4類	已申報	13家
Anti-virus/anti-infection	Azithromycin Tablets	Anti-infection	Class 4 chemical drug	Filed	14
抗病毒/抗感染	阿奇霉素片	抗感染	化藥4類	已申報	14家
Nervous system	Olanzapine Tablets	Schizophrenia	Class 4 chemical drug	Approved	15
神經系統	奧氮平片	精神分裂症	化藥4類	已獲批	15家

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Therapeutic areas	Name of product	Indications	Drugs Registration Classification	Domestic progress	Number of passed Consistency Evaluation manufacturers
治療領域	產品名稱	適應症	藥物註冊分類	國內進展	通過一致性評價廠家數量
Nervous system	Olanzapine Orally Disintegrating Tablets	Schizophrenia	Class 4 chemical drug	Approved	8
神經系統	奧氮平口崩片	精神分裂症	化藥4類	已獲批	8家
Nervous system	Entacapone Tablets	Parkinson's Disease	Class 4 chemical drug	Approved	2
神經系統	恩他卡朋片	帕金森綜合症	化藥4類	已獲批	2家
Nervous system	Aripiprazole Tablets	Schizophrenia	Class 4 chemical drug	Approved	5
神經系統	阿立哌唑片	精神分裂症	化藥4類	已獲批	5家
Nervous system	Aripiprazole Orally Disintegrating Tablets	Schizophrenia	Class 3 chemical drug	Approved	4
神經系統	阿立哌唑口崩片	精神分裂症	化藥3類	已獲批	4家
Nervous system	Duloxetine Hydrochloride Enteric Capsules	Depression	Class 4 chemical drug	Approved	9
神經系統	鹽酸度洛西汀腸溶膠囊	抑鬱症	化藥4類	已獲批	9家
Nervous system	Escitalopram Oxalate Tablets	Depression	Class 4 chemical drug	Approved	10
神經系統	草酸艾司西酞普蘭片	抑鬱症	化藥4類	已獲批	10家
Endocrine/ metabolism	Sitagliptin Phosphate and Metformin Hydrochloride Tablets	Type 2 Diabetes	Class 4 chemical drug	Approved	4
內分泌/代謝	西格列汀二甲雙胍片	2型糖尿病	化藥4類	已獲批	4家
Endocrine/ metabolism	Linagliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Approved	4
內分泌/代謝	利格列汀片	2型糖尿病	化藥4類	已獲批	4家
Endocrine/ metabolism	Sitagliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Approved	10
內分泌/代謝	西格列汀	2型糖尿病	化藥4類	已獲批	10家
Endocrine/ metabolism	Linagliptin and Metformin Hydrochloride Tablets	Type 2 Diabetes	Class 4 chemical drug	Approved	2
內分泌/代謝	利格列汀二甲雙胍片	2型糖尿病	化藥4類	已獲批	2家
Endocrine/ metabolism	Alogliptin Tablets	Type 2 Diabetes	Class 4 chemical drug	Approved	11
內分泌/代謝	阿格列汀片	2型糖尿病	化藥4類	已獲批	11家

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Therapeutic areas	Name of product	Indications	Drugs Registration Classification	Domestic progress	Number of passed Consistency Evaluation manufacturers 通過一致性評價廠家數量
治療領域	產品名稱	適應症	藥物註冊分類	國內進展	廠家數量
Endocrine/ metabolism	Febuxostat Tablets	Hyperuricemia	Class 3 chemical drug	Approved	11
內分泌/代謝	非布司他片	高尿酸血症	化藥3類	已獲批	11家
Urinary system	Sildenafil Citrate Tablets	ED, PAH	Class 4 chemical drug	Approved	18
泌尿系統	枸橼酸西地那非片	ED、PAH	化藥4類	已獲批	18家
Urinary system	Tadalafil Tablets	ED, PAH	Class 4 chemical drug	Approved	18
泌尿系統	他達拉非片	ED、PAH	化藥4類	已獲批	18家
Urinary system	Solifenacin Tablets	Bladder Hyperactivity Disorder	Class 4 chemical drug	Filed	7
泌尿系統	索利那新片	膀胱多動症	化藥4類	已申報	7家

Notes:

HBV: Hepatitis B Virus
HIV: Human Immunodeficiency Virus
ED: Erectile Dysfunction
PAH: Pulmonary Artery Hypertension

附註：

HBV: 乙型肝炎病毒
HIV: 人類免疫缺陷病毒
ED: 勃起功能障礙
PAH: 肺動脈高壓

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3. Sales Performance Review

During the Reporting Period, the sales of the Group's core products are as follows:

- The revenue of Kewei (Oseltamivir Phosphate) Granules amounted to RMB469.48 million, accounting for 51.38% of the total revenue;
- The revenue of Kewei (Oseltamivir Phosphate) Capsules amounted to RMB85.11 million, accounting for 9.31% of the total revenue;
- The revenue of Ertongshu (Benzbromarone Tablets) amounted to RMB77.13 million, accounting for 8.44% of the total revenue;
- The revenue of Oumeining (Telmisartan Tablets) amounted to RMB49.68 million, accounting for 5.44% of the total revenue;
- The revenue of Olmesartan Tablets amounted to RMB37.15 million, accounting for 4.07% of the total revenue;

The total revenue of the above-mentioned five drugs, being the core products of the Group, accounted for 78.64% of the total revenue during the Reporting Period.

Oseltamivir Phosphate, the Company's core product, is the first-line drug for treatment of influenza in the PRC, which can be used in the treatment and prevention of Influenza A and Influenza B and is listed in the Influenza Treatment Guidance (2020 version) (《流行性感胃診療方案(二零二零年版)》).

3. 銷售情況回顧

報告期內，本集團核心產品的銷售情況如下：

- 可威(磷酸奧司他韋)顆粒的營業額為人民幣469.48百萬元，佔總營業額的51.38%；
- 可威(磷酸奧司他韋)膠囊的營業額為人民幣85.11百萬元，佔總營業額的9.31%；
- 爾同舒(苯溴馬隆片)的營業額為人民幣77.13百萬元，佔總營業額的8.44%；
- 歐美寧(替米沙坦片)的營業額為人民幣49.68百萬元，佔總營業額的5.44%；
- 奧美沙坦酯片的營業額為人民幣37.15百萬元，佔總營業額的4.07%；

報告期內，上述5個品種的營業額之和佔總營業額的78.64%，為本集團的核心產品。

本公司核心產品磷酸奧司他韋是目前國內治療流行性感胃的一線用藥，可用於治療及預防甲型及乙型流感，並列入《流行性感胃診療方案(二零二零年版)》。



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During the Reporting Period, the Group continued to adopt its comprehensive marketing strategy by four sale teams, i.e. a self-operated sales team responsible for the academic promotion of core drugs in Class II or above hospitals, a self-operated sales team handling all drugs in general practitioner-based medical institutions (Class I hospitals and clinics), a self-operated sales team responsible for all drugs in OTC pharmacies and a distribution-based team responsible for generic drugs in hospitals ranked Class II and above. During the Reporting Period, the Company also started expanding its online pharmacy channel and cooperated with a number of well-known online channel operators. As of 31 December 2021, the Group has a total of 1,746 staff in its sales teams. The establishment of these four sales teams shall lay a solid foundation to the sales volume of the Group's product portfolio in all channels.

4. Production Review

The Group adheres to the belief of “For Everyone’s Health” and strives to provide high quality medicine to patients. Led by this belief, the Group enhances its production system constantly, strengthens its supervision on the production process and improves the quality of products and services continuously.

At the same time, the Group is concerned about production safety and environmental protection. In respect of production safety, to ensure no occurrence of any major safety incidents, the Group has implemented safety education, strengthened safety risk management and promoted the establishment of safety standards. In respect of environmental protection, the Group takes environmental protection as its mission and adheres to green production. Specific measures were taken to deal with various pollutants generated during the production process so as to achieve the recycle of resources and environmental protection at the same time.

報告期內，本集團延續了四大銷售團隊的全面市場營銷戰略，分別是負責核心品種在排名二級及以上等級醫院的學術推廣的自營銷售隊伍、負責所有品種在以全科醫生為主的醫療機構（一級醫院和診所）的自營銷售隊伍、負責所有品種在OTC藥店的自營銷售隊伍和負責普藥品種在二級及以上等級醫院的招商銷售隊伍。報告期內，本公司亦開始拓展線上藥房渠道，並與多家知名線上渠道運營商展開合作。截至二零二一年十二月三十一日，本集團銷售團隊共計1,746人。四大銷售隊伍的建設將為本集團產品群在各個銷售渠道的全面放量奠定堅實的基礎。

4. 生產情況回顧

本集團堅守「為每個人的健康」的信念，堅持為病人提供高質量的藥物。圍繞這一信念，本集團不斷完善生產制度建設，加強生產過程監管，持續不斷的改進產品和服務的質量。

同時，本集團關注生產安全與環保治理。在生產安全方面，本集團落實安全教育，加強安全風險管理，推進安全標準建設，以確保不發生重大安全事故；在環保治理方面，本集團以保護環境為己任，堅持綠色生產，對於生產過程中產生的各種污染物採取針對性處理，在達到保護環境目的的的同時實現資源再利用。

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III. OPERATING RESULTS AND ANALYSIS

1. Revenue

For the year ended 31 December 2021, the Group recorded a revenue of RMB913.79 million, representing a decrease of 61.08% as compared with the corresponding period of 2020. During the Reporting Period, a number of the Group's generic drugs, including Aripiprazole Tablets (阿立哌唑片), Aripiprazole Orally Disintegrating Tablets (阿立哌唑口崩片), Entacapone Tablets (恩他卡朋片), Escitalopram Oxalate Tablets (草酸艾司西酞普蘭片), Febusostat Tablets (非布司他片), Atorvastatin Calcium Tablets (阿托伐他汀鈣片), Apixaban Tablets (阿哌沙班片), Rivaroxaban Tablets (利伐沙班片), Sildenafil Citrate Tablets (枸橼酸西地那非片) and Metoprolol Succinate Sustained-release Tablets (琥珀酸美托洛爾緩釋片), as well as the Group's biologic drugs, namely Insulin Glargine Injection (甘精胰島素注射液), were granted listing approvals, which is conducive to the Group's active exploration of new market areas and the continuous optimization of the Group's product portfolio, and thus the improvement of the Group's future results. As at 31 December 2021, the Group's 13 products have won the bid for centralized bulk purchase of drugs. In addition to enriching the Group's revenue structure and increasing the Group's profitability, centralized bulk purchase of drugs will also further expand the relevant product channels, enhance the Group's brand influence and lay a market foundation for the launch of new products in the future.

The entering into of the "Amendments to the Non-Competition Agreement" between the Group and Sunshine Lake Pharma on 19 March 2021 is conducive to the Group's introduction of more new products in a timely manner based on market demand and its optimization of product structure and business model, which has a positive impact on the Group's future performance.

III. 經營業績及分析

1. 營業額

截至二零二一年十二月三十一日止年度，本集團營業額為人民幣913.79百萬元，較二零二零年同期減少61.08%。報告期內，本集團的阿立哌唑片、阿立哌唑口崩片、恩他卡朋片、草酸艾司西酞普蘭片、非布司他片、阿托伐他汀鈣片、阿哌沙班片、利伐沙班片、枸橼酸西地那非片、琥珀酸美托洛爾緩釋片等多個仿製藥獲批上市，生物製劑產品甘精胰島素注射液獲批准上市，以上產品的獲批准上市有利於本集團積極開拓新的市場領域，使本集團的產品組合持續優化，更有利於本集團未來業績的提升。截至二零二一年十二月三十一日，本集團已有13個產品中標全國藥品帶量採購。借助帶量採購相關產品，除了豐富本集團收入結構，增加本集團盈利外，本集團亦可進一步拓展相關產品科室渠道，提升本集團品牌影響力，為未來新產品上市奠定市場基礎。

根據本集團與廣東東陽光藥業於二零二一年三月十九日簽署的《避免同業競爭協議的修訂》，有利於本集團根據市場需求，及時引進更多新產品，優化產品結構及業務模式，對本集團的未來業績具有積極的影響。

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The table below sets forth the revenue of the Group by therapeutic areas as a percentage of total revenue.

下表載列本集團各治療領域產品的銷售收入佔總營業額的百分比情況。

Drugs Registration Classification 藥品註冊分類	Year ended 31 December 截至十二月三十一日止年度				Change compared with last year 同比變化
	2021		2020		
	二零二一年	二零二零年	二零二零年	二零二零年	
	(RMB'000)	%	(RMB'000)	%	
	(人民幣千元)	%	(人民幣千元)	%	(%)
Anti-viral drugs 抗病毒藥物	559,973	61.28%	2,071,614	88.23%	-72.97%
— Kewei (Oseltamivir Phosphate) Granules — 可威(磷酸奧司他韋)顆粒	469,477	51.38%	1,147,837	48.88%	-59.10%
— Kewei (Oseltamivir Phosphate) Capsules — 可威(磷酸奧司他韋)膠囊	85,109	9.31%	920,890	39.22%	-90.76%
Endocrine and metabolic drugs 內分泌及代謝藥物	77,633	8.50%	94,529	4.03%	-17.87%
— Ertongshu (Benzbromarone Tablets) — 爾同舒(苯溴馬隆片)	77,134	8.44%	94,498	4.02%	-18.37%
Anti-infectives drugs 抗感染藥物	80,689	8.83%	64,617	2.75%	24.87%
— Linluoxing (Moxifloxacin Hydrochloride Tablets) — 琳羅星(鹽酸莫西沙星片)	20,466	2.24%	15,161	0.65%	34.98%
— Clarithromycin Tablets — 克拉黴素片	25,543	2.80%	25,866	1.10%	-1.25%
— Levofloxacin Tablets — 左氧氟沙星片	30,927	3.38%	22,747	0.97%	35.96%
Cardiovascular and cerebrovascular drugs 心腦血管藥物	96,148	10.52%	66,780	2.84%	43.98%
— Olmesartan Tablets — 奧美沙坦酯片	37,148	4.07%	27,188	1.16%	36.63%
— Xinhanining (Amlodipine Tablets) — 欣海寧(氮氫地平片)	4,783	0.52%	10,411	0.44%	-54.05%
— Oumeining (Telmisartan Tablets) — 歐美寧(替米沙坦片)	49,683	5.44%	27,515	1.17%	80.57%
Others 其他	99,345	10.87%	50,573	2.15%	96.44%
Total 合計	913,788	100%	2,348,113	100%	-61.08%

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2. Cost of Sales

The Group's cost of sales consists of (i) cost of raw materials, primarily including cost of active pharmaceutical ingredient (API), ancillary materials and packaging materials; (ii) labour cost, primarily including salaries and benefits of our staff directly involved in manufacturing of our products; (iii) manufacturing cost, primarily including depreciation of machinery, equipment and plant and cost of labour protection materials, fuel, machine oil and maintenance; and (iv) patent fees paid to third parties in relation to various patents and licences.

The Group's cost of sales increased by 22.34% to RMB430.09 million for the year ended 31 December 2021 from RMB351.55 million for the year ended 31 December 2020, which was mainly due to the increase of inventory provision. The Group has made provisions for Kewei products that are nearing their expiry dates, resulting in a significant increase in cost of sales.

3. Gross Profit

For the year ended 31 December 2021, the Group's gross profit was RMB483.70 million, representing a decrease of 75.77% as compared with RMB1,996.57 million for the year ended 31 December 2020. It was mainly due to the decrease in revenue from Kewei during the Reporting Period, which is a product with high gross profit margin, and the increase in the inventory provision.

2. 銷售成本

我們的銷售成本包括(i)原材料成本，主要是原料藥、輔料及包裝材料的成本；(ii)人工成本，主要是直接參與產品生產的員工之工資及福利；(iii)製造費用，主要包括機械設備廠房的折舊費、勞動保護材料的成本、燃料、機油及維護；及(iv)就各項專利許可向第三方支付之專利費。

截至二零二一年十二月三十一日止年度，本集團的銷售成本為人民幣430.09百萬元，較截至二零二零年十二月三十一日止年度的人民幣351.55百萬元增加22.34%，主要是由於存貨撥備增加。本集團對已經臨近近效期的可威產品計提撥備，從而導致銷售成本大幅增加。

3. 毛利

截至二零二一年十二月三十一日止年度，本集團的毛利為人民幣483.70百萬元，較截至二零二零年十二月三十一日止年度的人民幣1,996.57百萬元減少75.77%，主要是由於高毛利率的產品可威於報告期銷售收入減少以及存貨撥備增加所致。

4. Other Income and Losses

The Group's other income and losses mainly includes (i) government subsidies, including amortization of subsidies for the construction of the production line of Kewei by instalment in accordance with accounting standards, and other R&D subsidies and awards granted by local government; (ii) fair value change arising from the convertible bonds and financial assets measured at FVPL and exchange gains or losses; and (iii) interest income and miscellaneous income.

For the year ended 31 December 2021, the Group's other income and losses was RMB85.96 million, representing a decrease of 89.51% as compared with RMB819.37 million for the year ended 31 December 2020, which was due to the decrease in gains from fair value change on convertible bonds embedded in conversion option and the absence of waiver for patent fees during this year.

4. 其他收入及虧損

本集團的其他收入及虧損主要包括(i)政府補助，包括按會計準則分期攤銷計入的可威生產線建設補助，以及其他當地政府授予的研發補助或獎勵；(ii)可轉換債券及按公允價值計量且變動計入損益的金融資產產生公允價值變動及匯兌損益；及(iii)利息收入及雜項收入。

截至二零二一年十二月三十一日止年度，本集團的其他收入及虧損為人民幣85.96百萬元，較截至二零二零年十二月三十一日止年度的人民幣819.37百萬元，減少89.51%。該減少是由於可換股期權中可轉換債券的公允價值變動收益減少以及本年無專利費豁免所致。

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5. Expenses Analysis

For the year ended 31 December 2021, the Group's total expenses amounted to RMB1,236.73 million, representing a decrease of 31.45% as compared with RMB1,804.22 million for the year ended 31 December 2020. The main components of the Group's expenses are as follows:

5. 費用分析

截至二零二一年十二月三十一日止年度，本集團費用共計人民幣1,236.73百萬元，較截至二零二零年十二月三十一日止年度的人幣1,804.22百萬元，減少31.45%。本集團的費用主要構成如下：

		Year ended 31 December		Change compared with last year
		2021	2020	
		二零二一年	二零二零年	同比變化
		(RMB'000)	(RMB'000)	(%)
		(人民幣千元)	(人民幣千元)	(%)
Distribution costs	分銷成本	521,667	1,153,884	-54.79%
Administrative expenses	行政管理開支	358,402	318,068	12.68%
Research and development cost	研發成本	109,673	92,448	18.63%
(Recognition)/reversal of impairment loss on trade and other receivables	(確認)/撥回貿易及其他應收款項減值虧損	3,176	(4,391)	-172.33%
Finance costs	融資成本	243,807	244,206	-0.16%
		1,236,725	1,804,215	-31.45%

Distribution costs mainly consist of (i) marketing costs relating to academic promotion and other marketing activities; (ii) travel costs for marketing purposes; (iii) labour costs; and (iv) other costs.

分銷成本主要包括(i)有關學術推廣及其他營銷活動的營銷成本；(ii)為營銷目的之差旅成本；(iii)勞工成本；及(iv)其他成本。



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The decrease in distribution costs was mainly due to (1) the corresponding decrease in marketing costs driven by shrinking sales scale of the Group's products; and (2) a decrease in marketing expenses and travelling expenses relating to the organization of academic promotion activities and other marketing activities, which were mainly due to the substantial decrease in academic promotion activities as a result of COVID-19 pandemic.

Administrative expenses mainly consist of (1) salaries and welfare benefits for management and administrative personnel; (2) depreciation and amortization costs relating to our office and facilities and land use rights; and (3) other miscellaneous costs. The increase in administrative expenses was mainly due to the increase in depreciation and amortization costs.

For the year ended 31 December 2021, the Group's investment in R&D amounted to RMB246.24 million in total, representing 26.95% of the revenue and a decrease of 75.71% as compared to the corresponding period of last year, among which expenses were RMB109.67 million and capitalized expenditures were RMB136.57 million.

Finance costs mainly consist of interest expense for bank loans and convertible bonds.

分銷成本的減少主要是由於(1)本集團產品銷售規模的縮減所伴隨的營銷成本的相應減少；及(2)有關開展學術推廣及其他營銷活動的營銷成本和差旅費減少，主要是因為受新冠病毒疫情導致學術推廣活動大幅減少所致。

行政管理開支主要包括(1)管理及行政人員的工資及福利；(2)與辦公室設施及土地使用權相關的折舊及攤銷成本；及(3)其他雜項成本。行政管理開支增加主要是折舊及攤銷成本增加所致。

截至二零二一年十二月三十一日止年度，本集團研發投入總計為人民幣246.24百萬元，佔營業額的26.95%，較去年同期減少75.71%，其中費用化支出為人民幣109.67百萬元，資本化支出為人民幣136.57百萬元。

融資成本主要包括銀行貸款及可轉換債券的利息費用。

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6. Loss/Profit Before Taxation

For the year ended 31 December 2021, the Group's loss before taxation amounted to RMB667.18 million in total, representing a decrease of 166.03% as compared to the profit before taxation of RMB1,010.43 million for the year ended 31 December 2020, which was mainly due to decrease in sales volume of core product Kewei.

7. Other Operating Expenses

For the year ended 31 December 2021, other operating expenses of the Group amounted to RMB0.1 million, which was mainly external donation expenditure.

8. Income Tax

For the year ended 31 December 2021, the income tax credits of the Group amounted to RMB79.46 million, and the income tax expenses amounted to RMB173.02 million for the year ended 31 December 2020, which was mainly due to the fact that the Company recorded a loss before taxation for the first time, which was deducted from income tax.

9. Loss/Profit for the Reporting Period

For the year ended 31 December 2021, the Group recorded a net loss amounted to RMB587.72 million for the first time, representing a decrease of 170.18% as compared to the net profit of RMB837.41 million for the year ended 31 December 2020.

6. 除稅前虧損／溢利

截至二零二一年十二月三十一日止年度，本集團除稅前虧損共計人民幣667.18百萬元，較截至二零二零年十二月三十一日止年度的除稅前溢利人民幣1,010.43百萬元，減少166.03%。主要由於核心產品可威的銷售量減少所致。

7. 其他經營開支

截至二零二一年十二月三十一日止年度，本集團其他經營開支為人民幣0.1百萬元，主要是對外捐贈支出。

8. 所得稅

截至二零二一年十二月三十一日止年度，本集團的所得稅抵欠為人民幣79.46百萬元，而截至二零二零年十二月三十一日止年度的所得稅開支為人民幣173.02百萬元，主要由於本公司首次錄得除稅前虧損，抵欠所得稅。

9. 報告期內虧損／溢利

截至二零二一年十二月三十一日止年度，本集團首次錄得虧損淨額人民幣587.72百萬元，較截至二零二零年十二月三十一日止年度的溢利淨值人民幣837.41百萬元減少170.18%。

10. Loss/Profit and Total Comprehensive income attributable to Equity Shareholders of the Company

For the year ended 31 December 2021, loss and total comprehensive income attributable to equity shareholders of the Company (without taking into account the effect of the convertible bonds) was RMB414.92 million, representing a decrease of 170.30% as compared to profit and total comprehensive income attributable to equity shareholders of the Company (without taking into account the effect of the convertible bonds) of RMB590.21 million for the year ended 31 December 2020.

For the year ended 31 December 2021, loss and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) was RMB587.65 million, representing a decrease of 170% as compared to profit and total comprehensive income attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) of RMB839.46 million for the year ended 31 December 2020.

10. 歸屬於本公司權益持有人的虧損／溢利及全面收益總額

截至二零二一年十二月三十一日止年度，歸屬於本公司權益持有人的虧損及全面收益總額（不考慮可轉換債券影響）為人民幣414.92百萬元，較截至二零二零年十二月三十一日止年度的歸屬於本公司權益持有人的溢利及全面收益總額（不考慮可轉換債券影響）人民幣590.21百萬元減少170.30%。

截至二零二一年十二月三十一日止年度，歸屬於本公司權益持有人的虧損及全面收益總額（考慮可轉換債券影響）為人民幣587.65百萬元，較截至二零二零年十二月三十一日止年度的歸屬於本公司權益持有人的溢利及全面收益總額（考慮可轉換債券影響）人民幣839.46百萬元減少170%。

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IV. FINANCIAL POSITION

1. Overview

As at 31 December 2021, the Group's total assets amounted to RMB10,541.58 million, with total liabilities of RMB4,520.82 million and shareholders' equity of RMB6,020.76 million.

As at 31 December 2021, the Group's capital is derived from sales of product and are used in production halls construction, distribution and administrative management etc. The management has clear goals and records in budget, financial and operating performance, and actively monitors them and regularly evaluates internal control measures.

IV. 財務狀況

1. 概覽

於二零二一年十二月三十一日，本集團總資產為人民幣10,541.58百萬元，總負債人民幣4,520.82百萬元，股東權益人民幣6,020.76百萬元。

截至二零二一年十二月三十一日，本集團主要資金來源自產品營銷，應用於生產車間建設、分銷及行政管理等。管理層在預算、財務和經營業績都有清晰的目標與記錄，並且積極地對其加以監控並定期對各項內部控制措施進行評價。

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2. Net Current Assets

The following table sets forth our current assets, current liabilities and net current assets for the date indicated.

2. 流動資產淨值

下表載列我們於所示日期的流動資產、流動負債及流動資產淨值。

		As at 31 December	
		於十二月三十一日	
		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Inventories	存貨	279,696	378,268
Trade and other receivables	貿易及其他應收款項	546,791	599,757
Prepayment	預付款項	7,776	19,927
Restricted cash	受限制現金	91,992	221,191
Cash and cash equivalents	現金及現金等值項目	1,131,121	2,044,967
Total current assets	總流動資產	2,057,376	3,264,110
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	911,680	1,259,440
Contract liabilities	合同負債	74,903	56,152
Bank loans	銀行貸款	48,477	345,987
Interest-bearing borrowings	計息借款	-	2,474,817
Deferred income	遞延收益	4,379	4,379
Current taxation	即期稅項	198,625	20,438
Total current liabilities	總流動負債	1,238,064	4,161,213
Net current assets/(liabilities)	流動資產/(負債)淨額	819,312	(897,103)

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For the year ended 31 December 2021, the Group recorded the total current assets of RMB2,057.38 million, as compared to RMB3,264.11 million for the year ended 31 December 2020. During the Reporting Period, the current assets decreased by RMB1,206.73 million due to the decrease in sales; and the total current liabilities decreased by RMB2,923.15 million due to the reclassification of the convertible bonds to non-current liabilities that are not required to be settled within 12 months, both of which resulted in an increase in the Group's net current assets by RMB1,716.42 million.

3. Intangible Assets

For the year ended 31 December 2021, the Group's intangible assets was RMB3,271.99 million, representing an increase of RMB562.40 million as compared to RMB2,709.59 million for the year ended 31 December 2020. The increase in intangible assets was mainly because 10 out of the Target Products were transferred to intangible assets after obtaining approvals from the China National Medical Products Administration (NMPA) for this year.

4. Gearing Ratio and Quick Ratio

Gearing ratio represents total interest-bearing borrowings as at a record date divided by total shareholders' equity as at the same record date. Quick ratio represents current assets excluding inventories as at a record date divided by current liabilities as at the same record date.

The gearing ratio and the quick ratio of the Group as at 31 December 2021 were 53.04% and 1.44 times respectively. The gearing ratio and the quick ratio of the Group as at 31 December 2020 were 58.99% and 0.69 times respectively.

截至二零二一年十二月三十一日止年度，本集團錄得流動資產總額人民幣2,057.38百萬元，較截至二零二零年十二月三十一日止年度為人民幣3,264.11百萬元。報告期內，由於銷售減少導致流動資產減少人民幣1,206.73百萬元，以及主要由於可轉換債券無需於十二個月內償付而重新分類至非流動負債，總流動負債減少人民幣2,923.15百萬元，綜合導致本集團淨流動資產增加人民幣1,716.42百萬元。

3. 無形資產

截至二零二一年十二月三十一日止年度，本集團的無形資產為人民幣3,271.99百萬元，較截至二零二零年十二月三十一日止年度的人民幣2,709.59百萬元增加了人民幣562.40百萬元。無形資產增加主要是由於本年內目標產品中十項取得中國國家藥品監督管理局(藥監局)批文後轉入無形資產。

4. 資本負債比率及速動比率

資本負債比率指於記錄日期的計息貸款總額除以相同記錄日期的總股東權益。速動比率指於記錄日期的流動資產(不包括存貨)除以相同記錄日期的流動負債。

本集團於二零二一年十二月三十一日的資本負債比率及速動比率分別為53.04%及1.44倍。本集團於二零二零年十二月三十一日的資本負債比率及速動比率分別為58.99%及0.69倍。

5. Bank Loans

For the year ended 31 December 2021, all bank loans were denominated in RMB. For the year ended 31 December 2021, the Group's bank loans was RMB593.38 million, representing an increase of RMB57.54 million as compared to RMB535.84 million for the year ended 31 December 2020. The increase in bank loans was mainly due to the new bank loans used for construction in progress for this year. The Group is in good liquidity position with sufficient funding and has no repayment risk.

6. Capital Expenditure

In order to meet the production demand for our products, the Group constructed plants and buildings, purchased administration offices, machines and equipment, acquired the ownership of approvals and the right of sale for purchasing, manufacturing and launching certain pharmaceutical products from Sunshine Lake Pharma during the year ended 31 December 2021 with an aggregate capital expenditure of RMB579.68 million, representing a decrease of 69.78% as compared to RMB1,918.04 million for the year ended 31 December 2020.

7. Significant Investments

For the year ended 31 December 2021, the Group did not hold any significant investments.

5. 銀行貸款

截至二零二一年十二月三十一日止年度，本集團的所有銀行貸款均為人民幣結算。截至二零二一年十二月三十一日止年度，本集團的銀行貸款為人民幣593.38百萬元，較截至二零二零年十二月三十一日止年度的人民幣535.84百萬元增加人民幣57.54百萬元。銀行貸款增加主要是由於本年新銀行借款用於在建工程建設。本集團的流動資金狀況良好，資金充裕且並無償還風險。

6. 資本支出

本集團為應對產品的生產需求，截至二零二一年十二月三十一日止年度興建廠房及樓宇、購買辦事處、機械設備、向廣東東陽光藥業購買若干藥品批件、生產及上市批文的擁有權銷售權等資本支出共計人民幣579.68百萬元，較截至二零二零年十二月三十一日止年度的人民幣1,918.04百萬元減少69.78%。

7. 重大投資

截至二零二一年十二月三十一日止年度，本集團並無持有重大投資。

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8. Material Acquisitions and Disposals

On 19 March 2021, the Company waived the right to acquire the R&D and commercialization rights of seven pipeline projects (i.e. HIF-PHD inhibitor, soluble guanylate cyclase stimulator, mineralocorticoid receptor antagonist, farnesoid X receptor, 5-HT reuptake inhibitor and 5-HT_{1A} receptor partial agonist, FLT3 highly selective inhibitor and Axl and Mer double-target small molecule tyrosine kinase inhibitor) from Sunshine Lake Pharma. As the projects above are currently under the pre-clinical research stage to phase I of clinical stage, it is expected to have a long R&D cycle, large R&D investment and high R&D risk. Moreover, the projects above have little relevance to the indication area deployment, product pipeline layout and future development plans of the Company. Considering that the subsequent acquisition of the projects above will involve significant devotion in terms of time and capital to establish and improve the production workshops and commercial promotion teams in the relevant indication fields, while the overall cost is material and the return on profit is uncertain, the Company waived the preemptive right over the projects above. For details, please refer to the announcement of the Company dated 19 March 2021.

8. 重大收購與出售

於二零二一年三月十九日，本公司放棄從廣東東陽光藥業收購低氧誘導因子一脯氨酸羧化酶抑制劑、可溶性鳥苷環化酶刺激劑、鹽皮質激素受體拮抗劑、法尼醇X受體激動劑、5-HT再攝取抑制劑和5-HT_{1A}受體部分激動劑、FLT3高選擇性抑制劑、Axl和Mer雙靶點小分子酪氨酸激酶抑制劑共7個在研項目的研發及商業化權利，是考慮到上述項目目前均處於臨床前研究階段至臨床I期階段內，項目研發周期較長，預計研發投入大，研發風險較高，且上述項目與本公司的適應症領域配置、產品管線佈局及未來發展規劃關聯性不大，如收購上述項目，後續還需要投入大量時間和資金建設、完善相關適應症領域的生產車間和商業推廣團隊，整體成本投入大而收益回報不確定，因此本公司放棄上述項目的優先購買權。詳情請參閱本公司日期為二零二一年三月十九日之公告。

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9. Contingent Liabilities

For the year ended 31 December 2021, the Group did not provide external guarantees.

10. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, for the year ended 31 December 2021, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

11. Pledge of Assets

For the year ended 31 December 2021, land use rights held for own use amounting to RMB83.83 million, fixed assets held for own use amounting to RMB262.15 million and construction in progress amounting to RMB258.40 million held by the Group were pledged for bank loans.

For the year ended 31 December 2021, the Group had a total amount of RMB19.58 million bill receivables that were pledged as securities for the issuance of new banks' acceptance bills and bank loans.

9. 或有負債

截至二零二一年十二月三十一日止年度，本集團並無對外擔保事項。

10. 重大投資或資本資產的未來計劃

除上述披露外，截至二零二一年十二月三十一日止年度，本集團並無任何有關重大投資或收購重大資本資產的即時計劃。

11. 資產抵押

截至二零二一年十二月三十一日止年度，本集團持有用以自用的價值人民幣83.83百萬元土地使用權、本集團持有以自用的價值人民幣262.15百萬元的固定資產及本集團持有的價值人民幣258.40百萬元的在建工程抵押用於銀行貸款。

截至二零二一年十二月三十一日止年度，本集團共有價值人民幣19.58百萬元的應收票據質押於銀行用於發行新的銀行承兌匯票及銀行借款。

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12. Employee and Remuneration Policies

(1) Human Resource Summary

For the year ended 31 December 2021, the Group had a total of 3,616 employees. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately RMB356.59 million for the year ended 31 December 2021.

by age:

Age Distribution	年齡分佈	Number 人數	Percentage 百分比
30 or below	30歲或以下	800	22.12%
31-50 (inclusive)	31-50歲(含)	2,713	75.03%
Above 50	50歲以上	103	2.85%
Total	合計	3,616	100%

by education:

Education Level	文化程度	Number 人數	Percentage 百分比
Master or above	碩士(含)以上	80	2.21%
Bachelor	本科	1,175	32.49%
Associate	大專	1,354	37.45%
Vocational or below	專科以下	1,007	27.85%
Total	合計	3,616	100%

12. 僱員及薪酬政策

(1) 人力資源概況

截至二零二一年十二月三十一日止年度，本集團共有僱員3,616人。截至二零二一年十二月三十一日止年度，員工成本(包括董事酬金，但不包括任何退休金計劃供款)約為人民幣356.59百萬元。

按年齡結構分：

Number 人數	Percentage 百分比
800	22.12%
2,713	75.03%
103	2.85%
3,616	100%

按學歷結構分：

Number 人數	Percentage 百分比
80	2.21%
1,175	32.49%
1,354	37.45%
1,007	27.85%
3,616	100%

(2) Remuneration Policy

The objective of the Group's remuneration policy is to motivate and retain talented employees to ensure the Group's development. Such policy is determined by taking into consideration factors such as remuneration in respect of the overall remuneration standard in the industry and employee motivation. The management of the Company will review the remuneration policy of employees of the Group on a regular basis.

(3) Employee Benefits

The Group strictly complies with the Labour Law, the Labour Contract Law and the Social Insurance Law of the PRC, under which it contributes various social insurance premiums and housing provident fund for employees. In addition to the statutory requirements of the PRC, the Group has established corresponding systems such as the Corporate Annuity Plan, Housing Welfare and Children's Welfare, and set up public welfare facilities such as kindergarten and infirmary room. In the future, the Group will provide employees with more benefits and protections in accordance with its development progress.

13. Foreign Exchange Exposure

The Group has not used any financial instruments for hedging, nor used any net investment amounts in foreign currencies for hedging via currency borrowing and/or other hedging instruments.

Almost all of the income and expenditure of the Group were denominated in RMB. Hence, the Group has not been subject to significant exchange rate fluctuation exposure.

(2) 薪酬政策

本集團的薪酬政策根據行業的整體薪酬情況以及員工激勵等因素制定，旨在激勵和挽留優秀人才，為本集團的發展提供保障。本公司管理層定期檢討本集團的僱員薪酬政策。

(3) 員工福利保障

本集團嚴格遵守中國《勞動法》、《勞動合同法》及《社會保險法》，依法為員工繳納各項社會保險及住房公積金。在中國法定保障的基礎上，本集團還制定了《年金制度》、《住房福利》、《子女福利》等相應制度，並建立幼兒園、醫療室等公共福利設施。未來，本集團還將根據自身發展情況，為員工帶來更多的福利保障。

13. 外匯風險

本集團概無使用金融工具做對沖用途，亦概無外幣投資淨額以貨幣借貸及／或其他外沖工具進行對沖。

本集團絕大部分收入及支出均為人民幣為結算單位，故本集團並無重大匯率波動風險。

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V. OTHER SIGNIFICANT EVENTS

1. Successful Bid for the Centralized Procurement of Products

On 3 February 2021, the Company participated in the tender process in respect of the Fourth National Centralized Procurement of Pharmaceuticals (第四批國家組織藥品集中採購) organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals* (國家組織藥品集中採購和使用聯合採購辦公室). Esomeprazole Magnesium Enteric-coated Capsules, Levofloxacin Tablets, Duloxetine Hydrochloride Enteric-coated Capsules and Telmisartan Tablets have won the bid for the centralized procurement. For details, please refer to the announcement of the Company dated 3 February 2021.

On 23 June 2021, the Company participated in the tender process in respect of the Fifth National Centralized Procurement of Pharmaceuticals (第五批國家組織藥品集中採購) organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals* (國家組織藥品集中採購和使用聯合採購辦公室). Aripiprazole Tablets and Rivaroxaban Tablets have won the bid for the centralized procurement. For details, please refer to the announcement of the Company dated 24 June 2021.

On 26 November 2021, the Company participated in the tender process in respect of the Sixth National Centralized Procurement of Pharmaceuticals (第六批國家組織藥品集中採購) organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals* (國家組織藥品集中採購和使用聯合採購辦公室). Recombinant Human Insulin Injection and Insulin Glargine Injection of the Company have won the bid for the centralized procurement.

V. 其他重大事項

1. 產品集中採購中標

於二零二一年二月三日，本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第四批國家組織藥品集中採購的投標。艾司奧美拉唑鎂腸溶膠囊、左氧氟沙星片、鹽酸度洛西汀腸溶膠囊及替米沙坦片中標該次集中採購。詳情請參閱本公司日期為二零二一年二月三日之公告。

於二零二一年六月二十三日，本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第五批國家組織藥品集中採購的投標。阿立哌唑片及利伐沙班片中標該次集中採購。詳情請參閱本公司日期為二零二一年六月二十四日之公告。

於二零二一年十一月二十六日，本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第六批國家組織藥品集中採購的投標。本公司的重組人胰島素注射液及甘精胰島素注射液中標該次集中採購。

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2. Waiver of Pre-Emptive Right

References are made to the strategic cooperation agreement (《宜昌東陽光長江藥業股份有限公司與深圳市東陽光實業發展有限公司戰略合作協議》) (the “**2015 Strategic Cooperation Agreement**”) entered into between the Company and Shenzhen HEC Industrial on 6 December 2015 and the supplemental agreement to the strategic cooperation agreement (the “**Supplemental Agreement**”) entered into between the Company and Shenzhen HEC Industrial on 24 December 2020 for the renewal of the 2015 Strategic Cooperation Agreement, in which the Company has the rights such as acquisition right and pre-emptive right over the research and development results of the pharmaceutical R&D segment of its controlling shareholder and actual controller.

2. 放棄優先購買權

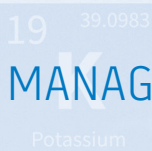
茲提述本公司於二零一五年十二月六日與深圳市東陽光實業簽署的《宜昌東陽光長江藥業股份有限公司與深圳市東陽光實業發展有限公司戰略合作協議》(「**2015戰略合作協議**」)及本公司與深圳市東陽光實業於二零二零年十二月二十四日訂立的戰略合作協議之補充協議(「**補充協議**」)以續簽2015戰略合作協議，本公司擁有其控股股東及其實際控制人下屬藥物研發業務板塊的研發成果的收購選擇權、優先購買權等權利。

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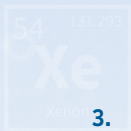
In March 2021, the Company was informed by Shenzhen HEC Industrial that in order to focus on the R&D project of its anti-infection and antitumor metabolic core product lines, Sunshine Lake Pharma (which is controlled by Shenzhen HEC Industrial) intended to grant the R&D and commercialization rights of seven pipeline projects with independent intellectual property rights (i.e. HIF-PHD inhibitor, soluble guanylate cyclase stimulator, mineralocorticoid receptor antagonist, farnesoid X receptor, 5-HT reuptake inhibitor and 5-HT1A receptor partial agonist, FLT3 highly selective inhibitor and Axl and Mer double-target small molecule tyrosine kinase inhibitor) to external parties by way of, including but not limited to, exclusive licensing, and inquired with the Company on whether to exercise the pre-emptive right under the 2015 Strategic Cooperation Agreement and the Supplemental Agreement. As the projects to be licensed are currently under the pre-clinical research stage to phase I of clinical stage, it is expected to have a long R&D cycle, large R&D investment and high R&D risk. Moreover, the projects to be licensed have little relevance to the indication area deployment, product pipeline layout and future development plans of the Company. Considering that the acquisition of the products under such projects will involve subsequently significant devotion in terms of time and capital to establish the production workshops and commercial promotion teams in the relevant indication fields, while the overall cost is material and the return on profit is uncertain, the Company waived the pre-emptive right over the projects. For details, please refer to the announcement of the Company dated 19 March 2021.

於二零二一年三月，本公司收到深圳市東陽光實業的通知，深圳市東陽光實業控股的廣東東陽光藥業為聚焦於抗感染、抗腫瘤代謝領域的核心產品線項目的研發，計劃以包括但不限於獨佔許可等方式將其具有獨立知識產權的低氧誘導因子一脯氨酰羧化酶抑制劑、可溶性鳥苷酸環化酶刺激劑、鹽皮質激素受體拮抗劑、法尼醇X受體激動劑、5-HT再攝取抑制劑和5-HT1A受體部分激動劑、FLT3高選擇性抑制劑、Axl和Mer雙靶點小分子酪氨酸激酶抑制劑共7個在研項目的研發及商業化權利進行對外授予，並詢問本公司是否行使2015戰略合作協議和補充協議下的優先購買權。考慮到許可項目目前均處於臨床前研究階段至臨床I期階段內，項目研發周期較長，預計研發投入大，研發風險較高，且許可項目與本公司的適應症領域配置、產品管線佈局及未來發展規劃關聯性不大，如收購該項目產品後續還需要投入大量時間和資金建設、完善相關適應症領域的生產車間和商業推廣團隊，整體成本投入大而收益回報不確定，因此本公司放棄該項目的優先購買權。詳情請參閱本公司日期為二零二一年三月十九日的公告。



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3. Amendments to the Non-Competition Agreement

As the Company and Sunshine Lake Pharma (which was a controlled subsidiary of the controlling shareholders of the Company by the time entering into the 2021 Non-Competition Agreement (as defined below)) will make more specific arrangements in relation to relevant business cooperation matters, the relevant contents of the 2015 Non-Competition Agreement will no longer be applicable to Sunshine Lake Pharma. Therefore, the then controlling shareholders of the Company proposed to amend the 2015 Non-Competition Agreement to stipulate that the relevant contents of the 2015 Non-Competition Agreement will no longer be applicable to Sunshine Lake Pharma. On 19 March 2021, the Company (i) entered into the 2021 Non-Competition Agreement with HEC Pharm, Yichang HEC Pharmaceutical Co., Ltd.* (宜昌東陽光健康藥業有限公司) (formerly known as Linzhi HEC Pharmaceutical Investment Co., Ltd.* (林芝東陽光藥業投資有限公司)), Dongguan HEC Industrial Development Co., Ltd.* (東莞市東陽光實業發展有限公司), Shenzhen HEC Industrial, Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd.* (乳源瑤族自治縣寓能電子實業有限公司), Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.* (乳源瑤族自治縣新京科技發展有限公司), Ms. Guo Meilan (郭梅蘭) and Mr. Zhang Yushuai (張 寓 帥) (the “**2021 Non-Competition Agreement**”), pursuant to which, the provisions involving Sunshine Lake Pharma (as a controlled subsidiary of the controlling shareholders of the Company) were excluded from the 2021 Non-Competition Agreement. Other terms of the 2021 Non-Competition Agreement remain the same as the terms of the 2015 Non-Competition Agreement; (ii) entered into the Sunshine Lake Pharma Non-Competition Agreement with Sunshine Lake Pharma (the “**Sunshine Lake Pharma Non-Competition Agreement**”), pursuant to which, the

3. 避免同業競爭協議的修訂

鑑於本公司與廣東東陽光藥業（於訂立2021避免同業競爭協議（定義見下文）時為本公司控股股東的控股子公司）將就相關業務合作事宜作出更具體安排，2015避免同業競爭協議相關內容不再適用於廣東東陽光藥業。因此，本公司當時控股股東擬修訂2015避免同業競爭協議，明確約定2015避免同業競爭協議相關內容不再適用於廣東東陽光藥業。於二零二一年三月十九日，本公司與(i)宜昌東陽光、宜昌東陽光健康藥業有限公司（前稱林芝東陽光藥業投資有限公司）、東莞市東陽光實業發展有限公司、深圳市東陽光實業、乳源瑤族自治縣寓能電子實業有限公司、乳源瑤族自治縣新京科技發展有限公司、郭梅蘭女士及張寓帥先生訂立2021避免同業競爭協議（「**2021避免同業競爭協議**」），據此2021避免同業競爭協議僅將涉及廣東東陽光藥業（作為本公司控股股東控股子公司）的內容排除。2021避免同業競爭協議的其他條款與2015避免同業競爭協議的條款保持一致；(ii)廣東東陽光藥業訂立廣藥避免同業競爭協議（「**廣藥避免同業競爭協議**」），據此本公司及廣東東陽光藥業(a)承諾並促使各

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Company and Sunshine Lake Pharma (a) undertook and procured their respective subsidiaries to undertake certain scope of non-competition and commitments with the counterparty and its subsidiaries; and (b) agreed to cooperate in sales of pharmaceutical products within the PRC; and (iii) entered into the Gift Agreement on Equity Interests with Shenzhen HEC Industrial (the “**Gift Agreement on Equity Interests**”, together with the 2021 Non-Competition Agreement and the Sunshine Lake Pharma Non-Competition Agreement, collectively the “**Revised Non-Competition Agreements**”), pursuant to which, the controlling shareholders of the Company intended to transfer 10% of the equity of Sunshine Lake Pharma to compensate the Company through themselves or a third party designated by them.

On 25 June 2021, the then shareholders of the Company (other than Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司)) approved the Revised Non-Competition Agreements at the 2021 first extraordinary general meeting of the Company.

On 10 August 2021, the Company received a notice from Shenzhen HEC Industrial that it has designated its controlling subsidiary, Yichang HEC Research Co., Ltd.* (宜昌東陽光藥研發有限公司) (being the direct controlling shareholder of Sunshine Lake Pharma), to transfer 10% of the equity of Sunshine Lake Pharma to the Company. As at the date of this Annual Report, Sunshine Lake Pharma has completed the relevant registration procedures in respect of the aforesaid change in shareholding interests with the market regulation department.

For details, please refer to the Company’s announcements dated 19 March 2021, 25 June 2021 and 10 August 2021 and the Company’s circular dated 28 May 2021.

自之附屬公司與對方及其附屬公司在若干避免同業競爭的範圍與承諾；及(b)同意就境內醫藥製劑產品的銷售進行開發合作；及(iii)深圳市東陽光實業訂立股權贈與協議(「**股權贈與協議**」，與2021避免同業競爭協議及廣藥避免同業競爭協議統稱「**經修訂避免同業競爭協議**」)，據此本公司控股股東擬通過其自身或其指定的第三方向本公司補償讓與廣東東陽光藥業10%的股權。

於二零二一年六月二十五日，本公司當時股東(廣東東陽光科技控股股份有限公司除外)在本公司二零二一年第一次臨時股東大會上通過批准經修訂避免同業競爭協議。

於二零二一年八月十日，本公司收到深圳市東陽光實業的通知，其已指定其控股子公司宜昌東陽光藥研發有限公司(即廣東東陽光藥業的直接控股股東)向本公司補償讓與了廣東東陽光藥業10%的股權。於本年報日期，廣東東陽光藥業已經在市場監督管理部門辦理完成前述有關股權變更登記手續。

詳情請參閱本公司日期為二零二一年三月十九日、二零二一年六月二十五日及二零二一年八月十日的公告及本公司日期為二零二一年五月二十八日之通函。

4. Continuing Connected Transactions and Connected Transactions

On 19 March 2021, Dongguan Yangzhikang Pharmaceutical and Ruyuan HEC Pharmaceutical entered into the API Purchase Contract (I), pursuant to which, Dongguan Yangzhikang agreed to purchase active pharmaceutical ingredients (“APIs”), such as Alogliptin Benzoate, Moxifloxacin Hydrochloride and Aripiprazole, from Ruyuan HEC Pharmaceutical, and the annual cap for the year ended 31 December 2021 thereunder is RMB5,000,500.

On 19 March 2021, Dongguan Yangzhikang and Yichang HEC Biochemical Manufacturing entered into the API Purchase Contract (II), pursuant to which, Dongguan Yangzhikang shall purchase APIs such as Clarithromycin from Yichang HEC Biochemical Manufacturing, and the annual cap for the year ended 31 December 2021 thereunder is RMB19,200,000.

On 19 March 2021, the Company and Ruyuan HEC Pharmaceutical entered into the API Purchase Contract (III), pursuant to which, the Company agreed to purchase APIs such as Alogliptin Benzoate, Escitalopram Oxalate, Aripiprazole, Linagliptin, Sitagliptin phosphate monohydrate and Rivaroxaban from Ruyuan HEC Pharmaceutical, and the annual cap for the year ended 31 December 2021 thereunder is RMB5,099,100.

4. 持續關連交易及關連交易

於二零二一年三月十九日，東莞市陽之康醫藥與乳源東陽光藥業簽訂原料藥採購合同（一），據此東莞市陽之康同意向乳源東陽光藥業採購苯甲酸阿格列汀、鹽酸莫西沙星及阿立哌唑等原料藥，其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,000,500元。

於二零二一年三月十九日，東莞市陽之康與宜昌東陽光生化製藥訂立原料藥採購合同（二），據此，東莞市陽之康向宜昌東陽光生化製藥採購克拉黴素等原料藥，其項下截至二零二一年十二月三十一日止的年度上限為人民幣19,200,000元。

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立原料藥採購合同（三）。據此，本公司同意向乳源東陽光藥業採購苯甲酸阿格列汀、草酸艾司西酞普蘭、阿立哌唑、利格列汀、磷酸西格列汀一水合物及利伐沙班等原料藥，其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,099,100元。

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On 19 March 2021, the Company and Shaoguan HEC Packaging and Printing Co., Ltd.* (韶關東陽光包裝印刷有限公司) (a subsidiary of Shenzhen HEC Industrial, “**Shaoguan HEC Packaging**”) entered into the Packaging Materials Purchase Contract, pursuant to which, the Company agreed to purchase printed packaging materials from Shaoguan HEC Packaging, and the annual cap for the year ended 31 December 2021 thereunder is RMB16,150,000.

On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Supplemental Chemical Materials and Hardware Materials Purchase Agreement, pursuant to which, the Company agreed to purchase chemical materials and hardware materials from Yichang HEC Biochemical Manufacturing, and the annual cap for the year ended 31 December 2021 thereunder is RMB8,000,000.

On 19 March 2021, the Company and Yichang HEC Power Plant entered into the Steam Supply Supplemental Agreement (I), pursuant to which, the Company agreed to purchase steam from Yichang HEC Power Plant, and the annual cap for the year ended 31 December 2021 thereunder is RMB9,000,000.

On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Steam Supply Supplemental Agreement (II), pursuant to which the Company agreed to purchase steam from Yichang HEC Biochemical Manufacturing with an annual cap of RMB9,000,000 for the year ended 31 December 2021.

於二零二一年三月十九日，本公司與韶關東陽光包裝印刷有限公司（為深圳市東陽光實業的附屬公司（「韶關東陽光包裝」））訂立包裝材料採購合同，據此，本公司同意向韶關東陽光包裝採購包裝材料的印刷品，其項下截至二零二一年十二月三十一日止的年度上限為人民幣16,150,000元。

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥訂立採購化工材料及五金材料補充協議，據此，本公司同意向宜昌東陽光生化製藥採購化工材料及五金材料，其項下截至二零二一年十二月三十一日止的年度上限為人民幣8,000,000元。

於二零二一年三月十九日，本公司與宜昌東陽光火力發電訂立供用蒸汽補充協議（一），據此，本公司同意向宜昌東陽光火力發電採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣9,000,000元。

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥簽訂供用蒸汽補充協議（二），據此，本公司同意向宜昌東陽光生化製藥採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣9,000,000元。

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On 19 March 2021, YiChang HEC Pharmaceutical Manufacturing and Yichang HEC Power Plant entered into the 2021 Steam Supply Contract, pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase steam from Yichang HEC Power Plant with an annual cap of RMB4,200,000 for the year ended 31 December 2021.

On 19 March 2021, the Company and Yichang HEC Power Plant entered into the Power Supply Supplemental Agreement, pursuant to which the Company agreed to purchase electricity from Yichang HEC Power Plant with an annual cap of RMB30,300,000 for the year ended 31 December 2021.

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing and Yichang HEC Power Plant entered into the 2021 Power Supply Contract, pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase electricity from Yichang HEC Power Plant with an annual cap of RMB3,200,000 for the year ended 31 December 2021.

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing and Yidu Machinery entered into the Industrial Products Sale and Purchase Contract (I), pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase tank field and workshop renovation equipment from Yidu Machinery with an annual cap of RMB11,000,000 for the year ended 31 December 2021.

於二零二一年三月十九日，宜昌東陽光製藥與宜昌東陽光火力發電訂立二零二一年度供用蒸汽合同，據此，宜昌東陽光製藥同意向宜昌東陽光火力發電採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣4,200,000元。

於二零二一年三月十九日，本公司與宜昌東陽光火力發電簽訂供用電補充協議，據此，本公司同意向宜昌東陽光火力發電採購電力，其項下截至二零二一年十二月三十一日止的年度上限為人民幣30,300,000元。

於二零二一年三月十九日，宜昌東陽光製藥與宜昌東陽光火力發電簽訂二零二一年度供用電合同，據此，宜昌東陽光製藥同意向宜昌東陽光火力發電採購電力，其項下截至二零二一年十二月三十一日止的年度上限為人民幣3,200,000元。

於二零二一年三月十九日，宜昌東陽光製藥與宜都長江機械設備簽訂工業品買賣合同（一），據此，宜昌東陽光製藥同意向宜都長江機械設備採購罐區及車間改造設備，其項下截至二零二一年十二月三十一日止的年度上限為人民幣11,000,000元。

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On 19 March 2021, the Company and Yidu Machinery entered into the Industrial Products Sale and Purchase Contract (II), pursuant to which the Company agreed to purchase workshop renovation equipment from Yidu Machinery with an annual cap of RMB7,000,000 for the year ended 31 December 2021.

On 19 March 2021, the Company and Ruyuan HEC Pharmaceutical entered into the Entrusted Inspection Contract (I), pursuant to which the Company agreed to engage Ruyuan HEC Pharmaceutical to conduct quality control inspection on the talcum powder with an annual cap of RMB2,300,000 for the year ended 31 December 2021.

On 19 March 2021, the Company and HEC Generic Drugs Development and Research entered into the Entrusted Inspection Contract (II), pursuant to which the Company engaged HEC Generic Drugs Development and Research to conduct testing on the compatibility of injection packaging materials, production component compatibility, drug device compatibility, closure integrity research and analysis of excessive impurities structure during the stability process with an annual cap of RMB1,500,000 for the year ended 31 December 2021.

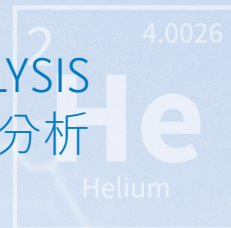
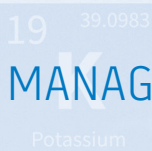
On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Supplemental Entrusted Sewage Treatment Agreement, pursuant to which the Company engaged Yichang HEC Biochemical Manufacturing for the treatment of sewage generated during the Company's production process with an annual cap of RMB3,600,000 for the year ended 31 December 2021.

於二零二一年三月十九日，本公司與宜都長江機械設備訂立工業品買賣合同(二)，據此，本公司同意向宜都長江機械設備採購車間改造設備，其項下截至二零二一年十二月三十一日止的年度上限為人民幣7,000,000元。

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立委託檢驗合同(一)，據此，本公司同意委託乳源東陽光藥業進行滑石粉的質量控制檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣2,300,000元。

於二零二一年三月十九日，本公司與東陽光生物藥研發訂立委託檢驗合同(二)，據此，本公司委託東陽光生物藥研發進行注射劑包材兼容性、生產組件兼容性、用藥器具兼容性、密封完整性研究及穩定性過程中超標雜質結構分析的檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣1,500,000元。

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥簽訂委託處理污水補充協議，據此，本公司委託宜昌東陽光生化製藥處理本公司生產過程中所產生的污水，其項下截至二零二一年十二月三十一日止的年度上限為人民幣3,600,000元。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

On 19 March 2021, the Company and Sunshine Lake Pharma entered into the Entrusted Processing Framework Agreement (I), pursuant to which the Company agreed to engage Sunshine Lake Pharma to process certain pharmaceutical products, including Clarithromycin Tablets, Levofloxacin Tablets, Moxifloxacin Hydrochloride Tablets, Olmesartan Tablets, Alogliptin Benzoate Tablets, Duloxetine Hydrochloride Enteric-coated Capsules, Aripiprazole Tablets, Febuxostat Tablets, Tadalafil Tablets, Ticagrelor Tablets, Olanzapine Tablets, Rosuvastatin Calcium Tablets, Linagliptin Tablets, Sitagliptin Tablets and Entacapone Tablets with an annual cap of RMB105,280,000 for the year ended 31 December 2021.

On 19 March 2021, the Company and Ruyuan HEC Pharmaceutical entered into the Entrusted Processing Framework Agreement (II), pursuant to which the Company agreed to engage Ruyuan HEC Pharmaceutical to process the Rongliflozin API with an annual cap of RMB25,050,700 for the year ended 31 December 2021.

On 19 March 2021, the Company and Yidu Construction entered into the Project Construction Contract, pursuant to which the Company agreed to engage Yidu Construction to carry out the civil works of minor maintenance projects with an annual cap of RMB17,050,000 for the year ended 31 December 2021.

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂委託加工框架協議（一），據此，本公司同意委託廣東東陽光藥業對克拉黴素片、左氧氟沙星片、鹽酸莫西沙星片、奧美沙坦酯片、苯甲酸阿格列汀片、鹽酸度洛西汀腸溶膠囊、阿立哌唑片、非布司他片、他達拉非片、替格瑞洛片、奧氮平片、瑞舒伐他汀鈣片、利格列汀片、西格列汀片和恩他卡朋片等藥品進行加工，其項下載至二零二一年十二月三十一日止的年度上限為人民幣105,280,000元。

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立委託加工框架協議（二），據此，本公司同意委託乳源東陽光藥業對榮格列淨原料藥進行加工，其項下載至二零二一年十二月三十一日止的年度上限為人民幣25,050,700元。

於二零二一年三月十九日，本公司與宜都建築簽訂工程施工合同，據此，本公司同意委託宜都建築進行小額維修項目中土建工程，其項下載至二零二一年十二月三十一日止的年度上限為人民幣17,050,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 19 March 2021, the Company and HEC Medicine Development and Research entered into the Property Lease Contract, pursuant to which the Company agreed to lease a property at No. 368 Zhen An Zhong Road, Chang'an County, Dongguan from HEC Medicine Development and Research with an annual cap of RMB2,426,101.20 for the year ended 31 December 2021.

On 19 March 2021, the Company entered into the API Sales Contract with Sunshine Lake Pharma, pursuant to which the Company agreed to sell APIs of Olmesartan Medoxomil, Moxifloxacin Hydrochloride, Esomeprazole Magnesium, Entacapone, Febuxostat, Duloxetine Hydrochloride, Olanzapine and Levofloxacin to Sunshine Lake Pharma with an annual cap of RMB30,000,000 for the year ended 31 December 2021.

On 19 March 2021, the Company entered into the Pharmaceutical Sales Contract with Sunshine Lake Pharma, pursuant to which after engaging the Company to produce the Morphothiadine Mesylate, Sunshine Lake Pharma agreed to purchase the finished products of Morphothiadine Mesylate from the Company with an annual cap of RMB4,580,000 for the year ended 31 December 2021.

On 19 March 2021, the Company entered into the Entrusted Processing Framework Agreement (III) with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma engaged the Company to develop, research and process Yiqibuvir Tablets, Dong An Tai (東安泰), Dong An En (東安恩) and Dong Tong Shen (東通神) with an annual cap of RMB29,296,263.44 for the year ended 31 December 2021.

於二零二一年三月十九日，本公司與東陽光藥物研發簽訂房屋租賃合同，本公司同意向東陽光藥物研發租賃東莞市長安鎮振安中路368號的房屋，其項下截至二零二一年十二月三十一日止的年度上限為人民幣2,426,101.20元。

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂原料藥銷售合同，據此，本公司同意向廣東東陽光藥業出售奧美沙坦酯、鹽酸莫西沙星、艾司奧美拉唑鎂、恩他卡朋、非布司他、鹽酸度洛西汀、奧氮平、左氧氟沙星等原料藥，其項下截至二零二一年十二月三十一日止的年度上限為人民幣30,000,000元。

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂藥品銷售合同，據此，廣東東陽光藥業同意委託本公司生產甲磺酸莫非賽定後，向本公司採購甲磺酸莫非賽定成品，其項下截至二零二一年十二月三十一日止的年度上限為人民幣4,580,000元。

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂委託加工框架協議(三)，據此，廣東東陽光藥業委託本公司研發及對英強布韋片、東安泰、東安恩及東通神進行加工，其項下截至二零二一年十二月三十一日止的年度上限為人民幣29,296,263.44元。

19 39.0983

MANAGEMENT DISCUSSION AND ANALYSIS

Potassium

Ag
Silver

4.0026

管理層討論及分析

He

Helium

54 131.294
Xe
Xenon

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing entered into the Entrusted Production Service Framework Agreement (I) with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma agreed to engage Yichang HEC Pharmaceutical Manufacturing to evaluate and inspect the production and safety response of Phenylcarbonohydrasonoyl dicyanide, Dong An En, Dong Jian Ze (東健澤), Dong Tong Rui (東通瑞), Dong Tong Shun (東通順), Dong Tong Run (東通潤), Rongliflozin RG04 and other new pharmaceutical intermediates with an annual cap of RMB40,000,000 for the year ended 31 December 2021.

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing and HEC Generic Drugs Development and Research entered into the Entrusted Production Service Framework Agreement (II), pursuant to which HEC Generic Drugs Development and Research engaged Yichang HEC Pharmaceutical Manufacturing to evaluate and inspect the production and safety response on Palamevir, Siponimod and other generic drugs with an annual cap of RMB5,000,000 for the year ended 31 December 2021.

On 19 March 2021, the Company entered into the API Purchase Contract (IV) with Yichang HEC Biochemical Manufacturing, pursuant to which the Company agreed to purchase APIs (Clarithromycin and Azithromycin) from Yichang HEC Biochemical Manufacturing at a consideration of RMB3,000,000.

於二零二一年三月十九日，宜昌東陽光製藥與廣東東陽光藥業簽訂委託生產服務框架協議（一），據此，廣東東陽光藥業同意委託宜昌東陽光製藥對（苯基亞胍基）丙二腈、東安恩、東健澤、東通瑞、東通順、東通潤、榮格列淨RG04、其他新藥品種中間體和進行生產和安全反應評估檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣40,000,000元。

於二零二一年三月十九日，宜昌東陽光製藥與東陽光生物藥研發訂立委託生產服務框架協議（二），據此，東陽光生物藥研發委託宜昌東陽光製藥對帕拉米韋、辛波莫德、其他仿製藥品種和進行生產和安全反應評估檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,000,000元。

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥訂立原料藥採購合同（四），據此，本公司同意向宜昌東陽光生化製藥採購克拉黴素及阿奇黴素等原料藥，代價為人民幣3,000,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 19 March 2021, the Company entered into the Entrusted Production Contract with HEC Generic Drugs Development and Research, pursuant to which the Company has been engaged by HEC Generic Drugs Development and Research to manufacture insulin degludec and insulin degludec/liraglutide injection under GMP conditions, and the Company will provide a warehouse for the storage of drugs and related raw materials, auxiliary materials and other goods for a term until HEC Generic Drugs Development and Research has completed clinical trials at a consideration of RMB6,069,203.

On 25 June 2021, API Purchase Contract (I), the API Purchase Contract (II), the API Purchase Contract (III), API Purchase Contract (IV), the Packaging Materials Purchase Contract, the Supplemental Chemical Materials and Hardware Materials Purchase Agreement, the Steam Supply Supplemental Agreement (I), the Steam Supply Supplemental Agreement (II), the 2021 Steam Supply Contract, the Power Supply Supplemental Agreement, the 2021 Power Supply Contract, the Industrial Products Sale and Purchase Contract (I), the Industrial Products Sale and Purchase Contract (II), the Entrusted Inspection Contract (I), the Entrusted Inspection Contract (II), the Supplemental Entrusted Sewage Treatment Agreement, the Entrusted Processing Framework Agreement (I) and the Entrusted Processing Framework Agreement (II) and the transactions contemplated thereunder (including the respective annual caps) were approved by the shareholders of the Company (other than Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司)) at the 2021 first extraordinary general meeting of the Company.

For details of the transactions under the above-mentioned agreements, please refer to the announcements of the Company dated 19 March 2021 and 25 June 2021 and the circular of the Company dated 28 May 2021.

於二零二一年三月十九日，本公司與東陽光生物藥研發訂立受托生產交易，據此，東陽光生物藥研發委託本公司在符合GMP條件下生產德谷門冬胰島素和德谷利拉魯肽注射劑及本公司將提供倉庫供藥品以及相關原料、輔料等貨物的存放，保存期限至東陽光生物藥研發完成臨床試驗，代價為人民幣6,069,203元。

於二零二一年六月二十五日，本公司股東（廣東東陽光科技控股股份有限公司除外）在本公司二零二一年第一次臨時股東大會上通過原料藥採購合同（一）、原料藥採購合同（二）、原料藥採購合同（三）、原料藥採購合同（四）、包裝材料採購合同、採購化工材料及五金材料補充協議、供用蒸汽補充協議（一）、供用蒸汽補充協議（二）、二零二一年度供用蒸汽合同、用電補充協議、二零二一年度供用電合同、工業品買賣合同（一）、工業品買賣合同（二）、委託檢驗合同（一）、委託檢驗合同（二）、委託處理污水補充協議、委託加工框架協議（一）及委託加工框架協議（二）及其項下的交易（包括相關的年度上限）。

有關上述協議的交易之詳情，請參閱本公司日期為二零二一年三月十九日及二零二一年六月二十五日的公告及本公司日期為二零二一年五月二十八日的通函。

5. Election of Directors of the Third Session of the Board and Election of Supervisors of the Third Session of the Board of Supervisors

On 4 June 2021, the shareholders of the Company approved the election of Mr. JIANG Juncai, Mr. WANG Danjin, Mr. CHEN Yangui and Mr. LI Shuang as executive Directors, Mr. TANG Xinfa and Mr. Eddy HUANG as non-executive Directors and Mr. TANG Jianxin, Mr. ZHAO Dayao, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive Directors of the third session of the Board at the 2020 annual general meeting of the Company (“2020 AGM”) held on 4 June 2021.

On 4 June 2021, the shareholders of the Company approved the election of Mr. TANG Jinlong and Mr. LUO Zhonghua as shareholder representative supervisors of the third session of the board of supervisors of the Company at the 2020 AGM.

On 10 March 2021, Mr. WANG Shengchao was elected as the employee representative supervisor of the third session of the Board of Supervisors by the 2021 first meeting of the employee representatives of the Company.

For details, please refer to the announcements of the Company dated 19 March 2021 and 4 June 2021 and the circular of the Company dated 16 April 2021.

5. 選舉第三屆董事會董事及選舉第三屆監事會監事

於二零二一年六月四日，本公司股東在二零二一年六月四日召開的本公司二零二零年股東週年大會（「二零二零年股東週年大會」）上通過選舉蔣均才先生、王丹津先生、陳燕桂先生及李爽先生作為第三屆董事會執行董事、唐新發先生及黃翊先生作為第三屆董事會非執行董事及唐建新先生、趙大堯先生、向凌女士及李學臣先生作為第三屆董事會獨立非執行董事。

於二零二一年六月四日，本公司股東在二零二零年股東週年大會上通過選舉唐金龍先生及羅忠華先生為本公司第三屆監事會的股東代表監事。

於二零二一年三月十日，王勝超先生經本公司二零二一年第一次職工代表大會選舉為本公司第三屆監事會職工代表監事。

有關詳情請參閱本公司日期為二零二一年三月十九日及二零二一年六月四日的公告及本公司日期為二零二一年四月十六日的通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

6. Settlement Agreement

On 27 August 2021, the Company entered into a settlement agreement with Ruyuan HEC Pharmaceutical, pursuant to which Ruyuan HEC Pharmaceutical agreed to refund all the rental paid by the Company under the plant and equipment leasing contract entered into between the Company and Ruyuan HEC Pharmaceutical dated 27 April 2020 (the “**Plant and Equipment Leasing Contract**”), being RMB8,475,000.00 (tax inclusive), to the Company as full and final settlement of its liabilities under such contract. For details, please refer to the announcement of the Company dated 27 August 2021.

7. Sale and Purchase Agreement

On 27 August 2021, the Company entered into a sale and purchase agreement with Ruyuan HEC Pharmaceutical to sell the chemicals, which have not been used up at the time when the Plant and Equipment Leasing Contract was expired, to Ruyuan HEC Pharmaceutical at a consideration of RMB12,375,673.57 (tax inclusive). For details, please refer to the announcement of the Company dated 27 August 2021.

6. 退款協議

於二零二一年八月二十七日，本公司與乳源東陽光藥業訂立退款協議，據此，乳源東陽光藥業同意向本公司退還本公司根據本公司與乳源東陽光藥業訂立日期為二零二零年四月二十七日的廠房及設備租賃合同（「廠房及設備租賃合同」）支付的全部租金，即人民幣8,475,000.00元（含稅），藉此完全及最終解決其於該合同項下的責任。詳情請參閱本公司日期為二零二一年八月二十七日的公告。

7. 銷售協議

於二零二一年八月二十七日，本公司與乳源東陽光藥業訂立銷售協議，以代價人民幣12,375,673.57元（含稅）向乳源東陽光藥業出售於廠房及設備租賃合同屆滿時尚未使用完畢的化學品。詳情請參閱本公司日期為二零二一年八月二十七日的公告。

8. Share Transfer by Controlling Shareholder of the Company

On 31 August 2021, the Company was informed by its then controlling shareholder Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司) (“Guangdong HEC”) that, Guangdong HEC intended to transfer 452,400,000 shares, representing no more than 51.41% of the issued share capital of the Company, to Sunshine Lake Pharma and its wholly-owned subsidiary, HEC (Hong Kong) Sales Co., Limited (“HEC (Hong Kong)”) (the “Proposed Transfer”).

On 30 December 2021, the Company had been informed by Guangdong HEC that Guangdong HEC has entered into a “Memorandum of Understanding on the Completion of the Major Asset Disposal” with Sunshine Lake Pharma and HEC (Hong Kong) on 29 December 2021 for the purpose of determining the completion date of the Proposed Transfer was on 29 December 2021 (the “Completion Date”). Since the Completion Date, Guangdong HEC lost control of the Company, and the Company was no longer a subsidiary of Guangdong HEC by means of its financial accounts is not consolidated to the financial accounts of Guangdong HEC.

8. 本公司控股股東進行股份轉讓

於二零二一年八月三十一日，本公司獲時任控股股東廣東東陽光科技控股股份有限公司（「廣東東陽光」）通知，廣東東陽光擬轉讓452,400,000股股份（相當於本公司已發行股本不超過51.41%，「建議轉讓」）予廣東東陽光藥業及其全資附屬公司香港東陽光銷售有限公司（「香港東陽光」）。

於二零二一年十二月三十日，本公司獲廣東東陽光通知，廣東東陽光已於二零二一年十二月二十九日與廣東東陽光藥業、香港東陽光簽署了《重大資產出售交割備忘錄》，確認以二零二一年十二月二十九日為建議轉讓交割日（「交割日」）。自交割日起，廣東東陽光喪失對本公司的控制權，本公司不再為廣東東陽光合併報表範圍內的子公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Reporting Period, (i) 226,200,000 domestic shares of the Company (equivalent to 25.71% of the issued share capital of the Company) held by Guangdong HEC have been transferred and registered under the name of Sunshine Lake Pharma; and (ii) 114,298,800 H shares out of the 226,200,000 H shares of the Company (equivalent to 12.99% of the issued share capital of the Company) held by Guangdong HEC have been transferred and registered under the name of HEC (Hong Kong), and the remaining 111,901,200 H shares (the “**Remaining Shares**”) have not been transferred and registered under the name of HEC (Hong Kong). The parties will continue to carry out the transfer and registration procedures for the Remaining Shares in accordance with the major asset disposal agreement entered into by the parties.

For details, please refer to the announcements of the Company dated 31 August 2021, 11 November 2021, 10 December 2021, 20 December 2021 and 30 December 2021.

報告期內，(i) 由廣東東陽光持有本公司226,200,000股(相當於本公司已發行股本的25.71%)內資股股份已經過戶登記至廣東東陽光藥業名下；及(ii) 由廣東東陽光持有本公司226,200,000股H股股份中的114,298,800股H股股份(相當於本公司已發行股本的12.99%)已經過戶登記至香港東陽光名下，剩餘111,901,200股H股股份(「**剩餘股份**」)尚未過戶登記至香港東陽光名下。各方將繼續按照各方簽署的重大資產出售協議的約定進行剩餘股份的過戶登記手續。

詳情請參閱本公司日期為二零二一年八月三十一日、二零二一年十一月十一日、二零二一年十二月十日、二零二一年十二月二十日及二零二一年十二月三十日的公告。

VI. EVENTS AFTER THE REPORTING PERIOD

1. Approved launch of Metoprolol Succinate Sustained-release Tablets

Metoprolol Succinate Sustained-release Tablets (specifications: 47.5mg and 95mg) acquired by the Company from Sunshine Lake Pharma has undergone the assessment and approval process and obtained approval for launch from the China National Medical Products Administration.

For details, please refer to the announcement of the Company dated 10 January 2022.

2. Change of joint company secretary, authorized representative and process agent

Ms. NG Wing Shan has tendered her resignation as the joint company secretary of the Company (the “**Joint Company Secretary**”), the authorized representative of the Company (the “**Authorized Representative**”) as required under Rule 3.05 of the Listing Rules and the authorized representative for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Process Agent**”) for personal reasons with effect from 25 February 2022, and Mr. WONG Wai Chiu has been appointed as the Joint Company Secretary, the Authorized Representative and the Process Agent on the same day. Mr. PENG Qiyun will continue to serve as the other Joint Company Secretary.

For details, please refer to the announcement of the Company dated 25 February 2022.

VI. 報告期後事項

1. 琥珀酸美托洛爾緩釋片獲批准上市

本公司從廣東東陽光藥業收購之琥珀酸美托洛爾緩釋片(規格: 47.5mg及95mg)已獲中國國家藥品監督管理局審批完畢並獲准上市。

詳情請參閱本公司日期為二零二二年一月十日之公告。

2. 變更聯席公司秘書、授權代表及法律程序代理人

吳詠珊女士因個人原因，已提出辭任本公司聯席公司秘書(「**聯席公司秘書**」)、上市規則第3.05條規定之本公司授權代表(「**授權代表**」)及香港法例第622章公司條例第16部規定之本公司於香港接收法律程序文件及通知之獲授權代表(「**法律程序代理人**」)，自二零二二年二月二十五日起生效，而黃偉超先生已於同日獲委任為聯席公司秘書、授權代表及法律程序代理人。彭琪雲先生將繼續擔任另一名聯席公司秘書。

詳情請參閱本公司日期為二零二二年二月二十五日之公告。

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3. Approved launch of Azithromycin Tablets

Azithromycin Tablets (specifications: 0.25g and 0.5g) acquired by the Company from Sunshine Lake Pharma have undergone the assessment and approval process and obtained approval for launch from the China National Medical Products Administration.

For details, please refer to the announcement of the Company dated 8 March 2022.

4. Proposed adjustment of remuneration of Mr. Li Xuechen

On 21 March 2022, the remuneration and evaluation committee of the Company has considered and the Board has considered and approved that the remuneration of Mr. Li Xuechen, an independent non-executive director of the Company, be adjusted from RMB160,000 per annum to RMB340,000 per annum (the “**Proposed Adjustment**”). The Proposed Adjustment will only take effect subject to the shareholders’ consideration and approval at the AGM.

For details, please refer to the announcement of the Company dated 21 March 2022.

3. 阿奇霉素片獲批准上市

本公司從廣東東陽光藥業收購的阿奇霉素片（規格：0.25 g 及 0.5 g）已獲中國國家藥品監督管理局審批完畢並獲准上市。

詳情請參閱本公司日期為二零二二年三月八日之公告。

4. 建議調整李學臣先生薪酬

於二零二二年三月二十一日，本公司薪酬與考核委員會已審議並經董事會審議批准，將本公司獨立非執行董事李學臣先生的薪酬由每年人民幣160,000元調整為每年人民幣340,000元（「**建議調整**」）。建議調整將於股東週年大會經股東考慮及批准後方可生效。

詳情請參閱本公司日期為二零二二年三月二十一日之公告。

VII. RISK FACTORS AND RISK MANAGEMENT

Risks that may have material effects on the operation of the Group are as follows:

1. The risk of products failing to pass Consistency Evaluation

According to the Opinions of the Office of the State Council on the Commencement of Consistency Evaluation on the Quality and Healing Effect of Generic Drugs (Guo Ban Fa [2016] No. 8) (《國務院辦公廳關於開展仿製藥質量和療效一致性》(國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見》(國辦發[2016]8號)) and the Announcement on the Implementation of Matters in Relation to the Opinions of the Office of the State Council on the Commencement of Consistency Evaluation on the Quality and Healing Effect of Generic Drugs issued by the China Food and Drug Administration dated 26 May 2016 (2016 No. 106)(《關於落實〈國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見〉有關事項的公告》(二零一六年第106號)), for generic drugs which have been approved for market launch prior to the implementation of the new registration category of chemical drugs, if the approval was not carried out according to the principle of consistency in quality and curative effect as the original researched pharmaceuticals, such generic drugs are subject to Consistency Evaluation and are required to have consistent quality and curative effect as the original researched pharmaceuticals. For the generic drugs which are not able to pass the Consistency Evaluation within the prescribed period, no further registration will be approved.

VII. 風險因素及風險管理

對本集團經營可能產生重大影響的風險如下：

1. 產品無法通過一致性評價的風險

根據《國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見》(國辦發[2016]8號)和二零一六年五月二十六日食藥監總局發布的《關於落實〈國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見〉有關事項的公告》(二零一六年第106號)，化學藥品新註冊分類實施前批准上市的仿製藥，凡未按照與原研藥品質量和療效一致原則審批的，均須開展一致性評價，要求仿製藥在質量和療效上與原研藥品能夠一致。在規定期限內未通過一致性評價的仿製藥，不予再註冊。

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2. The risk of the decline in drug prices

With continuous progress in the centralized procurement of drugs, deepening of reforms in the medical insurance system and the promulgation of other relevant policies and regulations, a declining trend in drug prices will appear. National centralized procurement of pharmaceuticals has been standardized and put in place on a regular basis. If the enterprise fails in a bid, it tends to lose the market for a long time. Thus, enterprises is unable to ignore centralized procurement.

The National Healthcare Security Administration and the Ministry of Human Resources and Social Security has issued the National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2021) (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2021年)》) (the “**Medical Reimbursement Drug List**”). There are numerous and unprecedented changes in this Medical Reimbursement Drug List and it was the first time to lower the prices of the pharmaceuticals set out in the Medical Reimbursement Drug List through negotiation and suggesting pharmaceutical companies to offer the lowest acceptable prices.

In respect of the Consistency Evaluation, the Group acquired a total of thirty-three Generic Drugs from Sunshine Lake Pharma Co., Ltd., which were all approved by a foreign country for domestic declaration. The Group’s core product Kewei capsules and Benzbromarone tablets have been the first drug varieties to pass the Consistency Evaluation.

2. 藥品價格下降的風險

隨著藥品集中採購持續推進，醫療保險制度改革的不斷深入，以及其他相關政策、法規的出台，藥品價格將呈現整體下降的趨勢。藥品國家集中採購已趨制度化、常態化，如果不能中選，企業會在很長一段時間內失去市場，集採變得讓企業無法忽視。

國家醫保局、人社部已公佈《國家基本醫療保險、工傷保險和生育保險藥品目錄(2021年)》(「**醫保目錄**」)。此次國家醫保目錄調整力度空前，且首次嘗試對醫保目錄內藥品進行降價談判，引導藥企給出可以接受的最低價。

在仿製藥一致性評價方面，本集團已從廣東東陽光藥業有限公司收購的共計三十三款仿製藥，均為國外獲批轉國內申報。本集團核心產品可威膠囊及苯溴馬隆片均為首家通過一致性評價。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As for the risk of decreasing drug price, there is less competition for the Group's core product, Kewei, and the cost of distribution is under control. Meanwhile, the Group is able to achieve self-sufficiency and reduce production costs for the production of Kewei's APIs.

針對藥品價格下降的風險，本集團核心產品可威目前市場競品較少，價格可控。另外，對於生產可威的原料藥，本集團能夠實現自給自足，降低生產成本。

VIII. FUTURE OUTLOOK

2021 was a year of remarkable results in the Group's business in different aspects. In response to national policies, the Group actively participated in the centralized procurement of drugs and has won bids for multiple products, which would enhance the Group's penetration rate of drugs and it is also expected to significantly increase the sales volume of drugs. At the same time, the approval for launch of multiple generic drug varieties further broadens the Company's product line portfolio. In the field of biologic drugs, the Company has made breakthrough progress. Currently, the Company's Recombinant Human Insulin Injection and Insulin Glargine Injection have been approved to launch, and Insulin Aspart Injection and Insulin Aspart 30 Injection are under the approval stage of new drug application. In the future, if the products pass the premarket assessment and approval process of the China National Medical Products Administration, the Company's product portfolio in the area of diabetes treatment will be further enriched, and medical choices of both high quality and fair price of diabetes drugs will be offered to more patients.

VIII. 未來前景

二零二一年是本集團各方面業務取得顯著成效的一年。本集團順應國家的醫藥政策，積極參與集中採購，多個產品獲得集採中標，在提高本集團藥品滲透率的同時，也有望大幅提升藥品的銷售量。同時，本集團多個仿製藥品種獲批上市，進一步豐富了本公司的產品線組合。在生物製劑領域，本公司也取得了突破性的進展，目前本公司的重組人胰島素注射液和甘精胰島素注射液已獲批上市，門冬胰島素注射液及門冬胰島素30注射液均處於上市申請審評階段，未來如順利通過中國國家藥品監督管理局的上市審評審批，將進一步豐富本公司糖尿病治療領域的產品組合，也為更多患者提供質價雙優的糖尿病用藥選擇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Looking forward, the pharmaceutical industry will continue to play a pivotal role in enhancing national health and maintaining the national economy and livelihood. With the continuous implementation of a series of policies such as consistency evaluation of generic drugs, bulk purchase and negotiation on medical insurance, the Group will comply with national policies, continue to promote research and development and innovation to enrich its product portfolio; strengthen production management capabilities to ensure the supply of high-quality products; and improve the establishment of the sales team, to fully utilize the advantages of academic promotion and increase the coverage of medical institutions at all levels. At the same time, the Group will continue to take “for everyone’s health” as its mission, build a comprehensive pharmaceutical platform integrating research and development, production and sales, and strive toward the goal of becoming first-tier pharmaceutical enterprise in China.

展望未來，醫藥行業在提升國民健康，維護國計民生等方面仍發揮著舉足輕重的作用。在仿製藥一致性評價、帶量採購、醫保談判等一系列政策的持續推進下，本集團將順應國家政策，繼續推動研發創新，豐富產品組合；加強生產管理能力，確保高質量產品的供應；完善銷售隊伍建設，充分發揮學術推廣優勢並提高各級醫療機構覆蓋率。同時，本集團將繼續堅定不移地以「為每個人的健康」為使命，打造集研發、生產及銷售為一體的綜合製藥平台，向努力成為國內一流的醫藥企業的目標前進。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

DIRECTORS

董事

During the Reporting Period and as at the date of this Annual Report, the information of the Directors is as follows:

於報告期內及截至本年報日期，董事的資料如下：

Name	Date of appointment	Start of term of office upon expiration of the term of the current session of the Board	Position
姓名	獲委任日期	本屆董事會任期起始之日直至任期屆滿時	職位
Mr. TANG Xinfu 唐新發先生	4 May 2015 二零一五年五月四日	4 June 2021 二零二一年六月四日	Chairman and non-executive Director 董事長兼非執行董事
Mr. JIANG Juncai 蔣均才先生	4 May 2015 二零一五年五月四日	4 June 2021 二零二一年六月四日	Executive Director 執行董事
Mr. WANG Danjin 王丹津先生	27 February 2006 二零零六年二月二十七日	4 June 2021 二零二一年六月四日	Executive Director 執行董事
Mr. CHEN Yangui 陳燕桂先生	4 May 2015 二零一五年五月四日	4 June 2021 二零二一年六月四日	Executive Director 執行董事
Mr. LI Shuang 李爽先生	8 June 2018 二零一八年六月八日	4 June 2021 二零二一年六月四日	Executive Director 執行董事
Mr. Eddy HUANG 黃翊先生	20 February 2019 二零一九年二月二十日	4 June 2021 二零二一年六月四日	Non-executive Director 非執行董事
Mr. TANG Jianxin 唐建新先生	4 May 2015 二零一五年五月四日	4 June 2021 二零二一年六月四日	Independent non-executive Director 獨立非執行董事
Mr. ZHAO Dayao 趙大堯先生	11 October 2019 二零一九年十月十一日	4 June 2021 二零二一年六月四日	Independent non-executive Director 獨立非執行董事
Ms. XIANG Ling 向凌女士	5 June 2020 二零二零年六月五日	4 June 2021 二零二一年六月四日	Independent non-executive Director 獨立非執行董事
Mr. LI Xuechen 李學臣先生	25 September 2020 二零二零年九月二十五日	4 June 2021 二零二一年六月四日	Independent non-executive Director 獨立非執行董事

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. TANG Xinfa (唐新發), aged 52, is the Chairman and a non-executive Director. He joined the Company in May 2015 and has served as a non-executive Director since then. He is a member of the Audit Committee.

唐新發先生，52歲，為董事長兼非執行董事。他於二零一五年五月加入本公司，此後一直擔任非執行董事一職。他為審核委員會成員。

Mr. Tang has extensive working experience in the following companies or entities:

唐先生在下列公司或實體擁有豐富的工作經驗：

Period 任期	Name of Company/Entity 公司／實體名稱	Position 職位	Principal Function 主要職能
Since September 2019 自2019年9月至今	Yidu Tang Junyi Health Industry Development Co., Ltd. 宜都唐俊義健康產業發展有限公司	executive director and general manager 執行董事兼總經理	Corporate management and decision-making 公司管理與決策
Since September 2019 自2019年9月至今	Yidu Tang Juntao Pharmaceutical Technology Co., Ltd. 宜都唐俊濤醫藥科技有限公司	executive director and general manager 執行董事兼總經理	Corporate management and decision-making 公司管理與決策
Since September 2019 自2019年9月至今	Ruyuan Yao Autonomous County Taidong Pharmaceutical Co., Ltd. 乳源瑤族自治縣泰東藥業有限公司	Legal representative and executive director 法定代表人兼執行董事	Corporate management and decision-making 公司管理與決策
Since April 2019 自2019年4月至今	Guangdong HEC Technology Holding Co., Ltd. 廣東東陽光科技控股股份有限公司	Vice chairman, executive director 副董事長、執行董事	Corporate management and decision-making 公司管理與決策
Since August 2018 自2018年8月至今	Dongguan Dong Yang Guang Gaoneng Medical Equipment Co., Ltd. 東莞東陽光高能醫療設備有限公司	director and manager 董事兼經理	Corporate management and decision-making 公司管理與決策

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Period 任期	Name of Company/Entity 公司／實體名稱	Position 職位	Principal Function 主要職能
Since January 2017 自 2017 年 1 月至今	Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. 東莞東陽光太景醫藥研發 有限責任公司	Legal representative, chairman of the board of directors and director 法定代表人、董事長、董事	Corporate management and decision-making 公司管理與決策
Since December 2016 自 2016 年 12 月至今	Linzhi HEC Pharmaceutical Research Co., Ltd. 林芝東陽光藥業研發有限公司	Legal representative and director 法定代表人及董事	Corporate Management and decision-making 公司管理與決策
Since November 2015 自 2015 年 11 月至今	Shenzhen HEC Industrial Development Co., Ltd. 深圳市東陽光實業發展有限公司	Director and general manager 董事兼總經理	Corporate management and decision-making 公司管理及決策
Since December 2014 自 2014 年 12 月至今	Yichang HEC Research Co., Ltd. 宜昌東陽光藥研發有限公司	Legal representative, executive director and general manager 法定代表人、執行董事兼總經理	Corporate management and decision-making 公司管理及決策
Since March 2011 自 2011 年 3 月至今	HEC Pharm Co., Ltd. 宜昌東陽光藥業股份有限公司	Director 董事	Corporate management and decision-making 公司管理及決策
Since October 2010 自 2010 年 10 月至今	Dongguan HEC Medicine Development and Research Co., Ltd. 東莞東陽光藥物研發有限公司	Legal representative, chairman of the board of directors and manager 法定代表人、董事長兼經理	Corporate management and decision-making 公司管理與決策

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Period 任期	Name of Company/Entity 公司／實體名稱	Position 職位	Principal Function 主要職能
Since September 2008 自 2008 年 9 月至今	Guangdong Southern China Advanced Pharmaceutical Co., Ltd 廣東華南新藥創制有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
Since September 2005 自 2005 年 9 月至今	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	Director 董事	Corporate management and decision-making 公司管理與決策
Since December 2004 自 2004 年 12 月至今	Dongguan HEC Industrial Development Co., Ltd. 東莞市東陽光實業發展 有限公司	Legal representative, chairman of the board of directors and manager 法定代表人、董事長兼經理	Corporate management and decision-making 公司管理與決策
From September 2002 to September 2005 自 2002 年 9 月至 2005 年 9 月	Shenzhen HEC Industrial Development Co., Ltd. 深圳市東陽光實業發展 有限公司	Chief of the office 辦公室主任	Corporate management and decision-making 公司管理與決策

Mr. Tang received a master's degree in literary aesthetics from the Department of Chinese of Xiamen University (廈門大學) in September 2002.

唐先生於二零零二年九月獲得廈門大學中文系文藝學專業碩士學位。

Mr. JIANG Juncai (蔣均才), aged 40, is an executive Director and the general manager of the Company. He joined the Company in May 2015 and has served as an executive Director since then. He is a member of the Remuneration and Evaluation Committee.

蔣均才先生，40歲，為執行董事兼本公司總經理。他於二零一五年五月加入本公司，此後一直擔任執行董事一職。他為薪酬與考核委員會成員。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. Jiang served as a director of Yidu HEC Industrial Development Co., Ltd. (宜都市東陽光實業發展有限公司) from March 2012 to May 2015. Prior to that, Mr. Jiang was a director of Yichang Shancheng Cordyceps Sinensis Co., Ltd. (宜昌山城水都冬蟲夏草有限公司) from March 2012 to July 2015, and successively served as a researcher at the biochemistry division, a researcher and deputy head of the traditional Chinese medicine division and the deputy head of the zoological and botanical division of Sunshine Lake Pharma from July 2006 to May 2012.

Mr. Jiang graduated with a master's degree in science from Shenyang Pharmaceutical University (瀋陽藥科大學) in June 2006.

Mr. WANG Danjin (王丹津), aged 52, is an executive Director and a deputy general manager of the Company. He joined the Company in February 2006, and has served as an executive Director since then.

Mr. Wang has also served as a supervisor of HEC Pharm from December 2010 to July 2015, and a director of Yichang HEC Pharmaceutical Co., Ltd. (宜昌東陽光醫藥有限公司) from April 2006 to January 2018. Prior to joining the Company, Mr. Wang was the head of production department of Jilin Tonghua Dongri Pharmaceutical Joint Stock Co., Ltd. (吉林省通化東日藥業股份有限公司) from March 2002 to January 2006, and a technologist at Liaoning Dandong Pharmaceutical Factory (遼寧省丹東製藥廠) from November 1991 to February 2002.

Mr. Wang graduated with a bachelor's degree from Shenyang Pharmaceutical University (瀋陽藥科大學) through correspondence courses in January 2008. He is recognised as a licensed pharmacist by Ministry of Human Resources and Social Security of the People's Republic of China (formerly known as Ministry of Personnel of the People's Republic of China), and was recognised as a pharmacist-in-charge by Bureau of Human Resources and Social Security of Dandong (formerly known as Bureau of Personnel of Dandong (丹東市人事局) in October 2001.

蔣先生自二零一二年三月至二零一五年五月曾出任宜都市東陽光實業發展有限公司的董事。此前，蔣先生曾於二零一二年三月至二零一五年七月期間就任宜昌山城水都冬蟲夏草有限公司的董事，並於二零零六年七月至二零一二年五月期間先後擔任廣東東陽光藥業生物化學所研究員、傳統中藥所研究員及副所長以及動植物部副部長。

蔣先生於二零零六年六月畢業於瀋陽藥科大學，取得理學碩士學位。

王丹津先生，52歲，為執行董事兼本公司副總經理。他於二零零六年二月加入本公司，此後一直擔任執行董事一職。

王先生自二零一零年十二月至二零一五年七月還擔任宜昌東陽光的監事，以及自二零零六年四月至二零一八年一月在宜昌東陽光醫藥有限公司擔任董事。在加入本公司之前，王先生於二零零二年三月至二零零六年一月期間出任吉林省通化東日藥業股份有限公司生產部部長，以及於一九九一年十一月至二零零二年二月期間在遼寧省丹東製藥廠任工藝員。

王先生於二零零八年一月畢業於瀋陽藥科大學函授班，取得學士學位。他具備中華人民共和國人力資源和社會保障部(原中華人民共和國人事部)認可的執業藥師資格，及於二零零一年十月獲得丹東市人力資源和社會保障局(原丹東市人事局)認可的主管藥師資格。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. CHEN Yangui (陳燕桂), aged 40, is an executive Director. He joined the Company in May 2014, serving as the head of the sales department. Mr. Chen has served as an executive Director since May 2015.

In addition, Mr. Chen has served as the chairman and general manager of Yidu Guijun Pharmaceutical Technology Co., Ltd (宜都桂鈞醫藥科技有限公司) since May 2019. Mr. Chen has served as an executive director of Dongguan Yangzhikang Pharmaceutical Co., Ltd. (東莞市陽之康醫藥有限責任公司) since August 2018, has also served as a general manager and an executive director of Yichang HEC Pharmaceutical Co., Ltd. (宜昌東陽光醫藥有限公司) since March 2016 and January 2018, respectively, a legal representative of Yichang HEC Pharmaceutical Co., Ltd. since January 2018, a director of Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. (東莞東陽光太景醫藥研發有限責任公司) since January 2017, a supervisor of Ruyuan HEC Medical Instrument Co., Ltd. (乳源東陽光醫療器械有限公司) since July 2012 and a director of Ruyuan HEC Pharmaceutical Co., Ltd. (乳源東陽光藥業有限公司) since March 2010. Mr. Chen joined Dongguan HEC Medicine Development and Research Co., Ltd. (東莞東陽光藥物研發有限公司) in 2005, and successively held positions as a researcher, the deputy head of research and development department and the head of synthesis department before he was appointed as the deputy head of research institute and the head of generic drug department.

Mr. Chen graduated with a master's degree in science from Hunan University (湖南大學) in June 2006.

Mr. LI Shuang (李爽), aged 41, is an executive Director and the deputy general manager of the Company. He joined the Company in August 2005 and worked as a member of the insulin research team. He has served as the deputy general manager of the Company since May 2015 and served as an executive Director since June 2018.

Mr. Li has also served as the deputy head of the Company's insulin factory since October 2013 and the head of active pharmaceutical ingredient department of that factory since February 2006. Mr. Li was the head of purification department of the Company's insulin factory from December 2008 to September 2013.

陳燕桂先生，40歲，為執行董事。他於二零一四年五月加入本公司並擔任銷售總監。陳先生自二零一五年五月起擔任執行董事。

另外，陳先生自二零一九年五月起擔任宜都桂鈞醫藥科技有限公司董事長兼總經理，陳先生自二零一八年八月起擔任東莞市陽之康醫藥有限責任公司執行董事，自二零一六年三月起及自二零一八年一月起分別擔任宜昌東陽光醫藥有限公司總經理及執行董事，並自二零一八年一月起擔任宜昌東陽光醫藥有限公司法定代表人，自二零一七年一月起擔任東莞東陽光太景醫藥研發有限責任公司董事，自二零一二年七月起擔任乳源東陽光醫療器械有限公司的監事，二零一零年三月起擔任乳源東陽光藥業有限公司的董事。陳先生於二零零五年加入東莞東陽光藥物研發有限公司，先後擔任研究員、研發部副主管及綜合部主管，此後獲委任為研究所副所長及非專利藥部門主管等職。

陳先生於二零零六年六月畢業於湖南大學，取得理學碩士學位。

李爽先生，41歲，為執行董事兼本公司的副總經理。他於二零零五年八月加入本公司，擔任胰島素研究小組成員。他自二零一五年五月起擔任本公司的副總經理，並自二零一八年六月起擔任執行董事一職。

李先生自二零一三年十月起還出任本公司胰島素工廠的副廠長，以及自二零零六年二月起擔任該工廠的原料藥部主管。李先生曾於二零零八年十二月至二零一三年九月期間擔任本公司胰島素工廠純化車間的主管。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. Li graduated with a bachelor's degree in engineering from China Three Gorge University (三峽大學) in June 2004.

Mr. Eddy HUANG (黃翊), aged 46, was appointed as a non-executive Director on 20 February 2019. He is a member of the Nomination Committee.

Mr. Huang is a senior managing director of Blackstone's Private Equity Group. Prior to joining Blackstone, Mr. Huang was a managing director at Morgan Stanley Private Equity Asia where he focused on private equity investments in China. Mr. Huang received an M.B.A. from Harvard Business School in 2002 and a B.A. from Yale University in 1997.

Mr. TANG Jianxin (唐建新), aged 57, was appointed as an independent non-executive Director in May 2015. He is the chairman of the Audit Committee and a member of the Remuneration and Evaluation Committee.

Mr. Tang is currently an independent director of Wuhan Ligong Guangke CO. Ltd. (武漢理工光科股份有限公司) (Shenzhen Stock Exchange ("SZSE") stock number: 300557) (since July 2019), and an independent director of Wuhan Department Store Group (武商集團股份有限公司) (SZSE Stock number: 000501) (since July 2020), an independent director of Hubei Feilihua Quartz Glass Co., Ltd. (湖北菲利華石英玻璃股份有限公司) (Shenzhen Stock Exchange ("SZSE") stock number: 300395) (since August 2021), and an independent director of Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司) (Shenzhen Stock Exchange ("SZSE") stock number: 000046) (since December 2021).

李先生於二零零四年六月畢業於三峽大學，取得工學學士學位。

黃翊先生，46歲，於二零一九年二月二十日獲委任為非執行董事。他為提名委員會成員。

黃先生現擔任黑石私募股權集團高級董事經理。於加入黑石前，黃先生曾擔任Morgan Stanley Private Equity Asia之董事經理，期間其專注於在中國的私募股權投資。黃先生於二零零二年獲得哈佛商學院工商管理碩士學位及於一九九七年獲得耶魯大學學士學位。

唐建新先生，57歲，於二零一五年五月獲委任為獨立非執行董事。他為審核委員會主席及薪酬與考核委員會成員。

唐先生現兼任武漢理工光科股份有限公司(深圳證券交易所(「深交所」)股份代碼：300557)獨立董事(二零一九年七月至今)、武商集團股份有限公司(深交所股份代碼：000501)獨立董事(二零二零年七月至今)、湖北菲利華石英玻璃股份有限公司(深圳證券交易所(「深交所」)股份代碼：300395)獨立董事(二零二一年八月至今)、泛海控股股份有限公司(深圳證券交易所(「深交所」)股份代碼：000046)獨立董事(二零二一年十二月至今)。

PROFILES OF DIRECTORS, SUPERVISORS AND

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董事、監事及高級管理人員簡介

Chromium

Moreover, Mr. Tang was an independent director of Zhejiang Reclaim Construction Group Co., Ltd. (浙江省圍海建設集團股份有限公司) (SZSE stock number: 002586) from December 2019 to November 2021, an independent director of Sino Great Wall Co., Ltd. (神州長城股份有限公司) (SZSE stock number: 000018) from December 2015 to December 2018, an independent director of Zhongbai Holdings Group Co., Ltd. (中百控股集團股份有限公司) (SZSE stock code: 000759) from December 2011 to December 2017, an independent director of Shenzhen Huapengfei Modern Logistics Co., Ltd. (深圳市華鵬飛現代物流股份有限公司) (SZSE stock code: 300350) from August 2010 to August 2016, an independent director of Wuhan Sanzhen Industry Holding Co., Ltd. (武漢三鎮實業控股股份有限公司) (SSE stock code: 600168) from June 2009 to June 2015 and an independent director of Wuhan Zhongnan Commercial (Group) Co., Ltd. (武漢中商集團股份有限公司) (SZSE stock code: 000785) from May 2008 to May 2014. Prior to that, Mr. Tang served as an independent director of Wuhan Accelink Technologies Co., Ltd. (武漢光迅科技股份有限公司) (SZSE stock code: 002281) from September 2006 to September 2009 and an independent director of Hubei Chutian Expressway Co., Ltd (湖北楚天高速公路股份有限公司) (SSE stock code: 600035) from April 2002 to April 2008. Mr. Tang has been a professor of the Accounting Department of Economics and Management School of Wuhan University since 2004 and a doctoral tutor at Wuhan University (武漢大學) since 2006. He served as the dean of Accounting Department of Economics and Management School in the same university from 2005 to 2015. He worked for the postdoctoral research center of the accounting department of Renmin University of China (中國人民大學) from 2000 to 2002.

Mr. Tang received his bachelor's degree from the Economics Department of Wuhan University in June 1985, and then obtained a master's degree in economics and a doctoral degree in economics from Wuhan University in September 1988 and January 1999 respectively. Mr. Tang was granted independent auditor qualifications by the National Audit Office of the People's Republic of China in December 1992, and Certified Public Valuer qualification by the Chinese Institute of Certified Public Valuers in December 1996.

另外，唐先生自二零一九年十二月至二零二一年十一月擔任浙江省圍海建設集團股份有限公司(深交所股份代碼：002586)的獨立董事、自二零一五年十二月至二零一八年十二月擔任神州長城股份有限公司(深交所股份代碼：000018)的獨立董事，自二零一一年十二月至二零一七年十二月擔任中百控股集團股份有限公司(深交所股份代碼：000759)的獨立董事，自二零一零年八月至二零一六年八月擔任深圳市華鵬飛現代物流股份有限公司(深交所股份代碼：300350)的獨立董事，自二零零九年六月至二零一五年六月擔任武漢三鎮實業控股股份有限公司(上交所股份代碼：600168)的獨立董事，及自二零零八年五月至二零一四年五月擔任武漢中商集團股份有限公司(深交所股份代碼：000785)的獨立董事。此前，唐先生於二零零六年九月至二零零九年九月期間擔任武漢光迅科技股份有限公司(深交所股份代碼：002281)的獨立董事，及於二零零二年四月至二零零八年四月期間擔任湖北楚天高速公路股份有限公司(上交所股份代碼：600035)的獨立董事。唐先生自二零零四年起一直擔任武漢大學經濟與管理學院會計系教授，自二零零六年起一直擔任武漢大學的博士生導師。他於二零零五年至二零一五年擔任該校經濟與管理學院會計系主任。他於二零零零年至二零零二年期間在中國人民大學會計學博士後流動站任職。

唐先生於一九八五年六月獲得武漢大學經濟系學士學位，隨後分別於一九八八年九月和一九九九年一月取得武漢大學的經濟學碩士學位及經濟學博士學位。唐先生於一九九二年十二月獲得中華人民共和國審計署授予的獨立審計師資格，並於一九九六年十二月獲得由中國註冊資產評估師協會授予的註冊資產評估師資格。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. ZHAO Dayao (趙大堯), aged 65, was appointed as an independent non-executive Director on 11 October 2019. He is the chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Zhao holds a degree in Neurology and Pediatrics from Beijing University Medical School and a doctorate degree in Science in Neurobiology from Harvard Medical School. Mr. Zhao has served as the chief executive officer of Affamed Therapeutics (Shanghai) Co. Ltd (上海艾邁醫藥科技有限公司) since 2020. He served as the chief executive officer of Eucure (Beijing) Biopharma Co., Ltd (佑和醫藥科技(北京)有限公司) from September 2019 to July 2020. He has extensive experience in drug discovery and development. Since January 2016, Mr. Zhao has been the general manager of Pfizer China R&D Center Shanghai, Wuhan, and Beijing. He was also the head of Pfizer's Drug R&D Organization in China, which was fully responsible for all clinical development of Pfizer for the Chinese and the global markets. From 2011 to 2015, Mr. Zhao was the head of China R&D of Johnson & Johnson's pharmaceutical division. He established the operating model of R&D and scientific affairs and shaped a clear vision for such model to support the new Johnson & Johnson strategy, bringing together several groups from both Johnson & Johnson China and the Asia R&D center into one end-to-end R&D organization based in China. He led Johnson & Johnson China R&D to conduct numerous clinical trials and registered many new products in China and around the world.

Prior to joining Johnson & Johnson, Mr. Zhao was a group vice president at Genzyme Corporation. He headed up Genzyme Corporation's Japan-Asia Pacific R&D where he had overall responsibilities for Clinical Development, Pharmacovigilance, medical affairs and regulatory affairs. His role included the responsibility for all phases I to IV studies in the region. In addition, he had accountability for Genzyme Corporation's Quality Council for the region.

Prior to his position at Genzyme Corporation, Mr. Zhao worked at Pfizer's R&D Center, where he was responsible for exploration and clinical development, and led the central nervous system clinical development team in North America at Novartis.

趙大堯先生，65歲，於二零一九年十月十一日獲委任為獨立非執行董事。他為提名委員會主席及審核委員會成員。

趙先生持有北京大學醫學院神經學及兒科專業醫學學位及哈佛醫學院神經生物學理學博士學位。趙先生自二零二零年至今擔任上海艾邁醫藥科技有限公司執行總裁職務。彼自二零一九年九月至二零二零年七月擔任佑和醫藥科技(北京)有限公司執行總裁。彼於藥物發現及開發方面擁有豐富經驗。自二零一六年一月起，趙先生為輝瑞公司中國研發中心上海、武漢及北京分部的總經理。彼亦為輝瑞公司中國藥物研發組織的負責人，該組織全面負責輝瑞公司中國和全球市場的所有臨床開發。自二零一一年至二零一五年，趙先生為強生公司製藥中國藥物研究及開發部的負責人。彼打造研發與科學事務的營運模式並為該模式形成一個清晰的願景，以支持強生公司的新戰略，並將強生公司中國與亞洲研發中心的數個團隊進行合併，打造一個以中國為基地的端到端研發組織。彼帶領強生公司中國研發團隊開展多項臨床試驗並在中國及全球註冊多項新產品。

於加入強生公司之前，趙先生為健贊公司集團的副總裁。彼負責健贊公司在日本一亞太地區的研發，在此彼全面負責臨床開發、藥物警戒、醫療事務及法規事務。其職責包括負責該地區一至四期研究的全部責任。此外，彼對該地區的健贊公司質量委員會負責。

於彼就職於健贊公司前，趙先生就職於輝瑞公司研發中心，負責探索及臨床開發，並領導諾華公司在北美的中樞神經系統臨床開發團隊。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Ms. XIANG Ling (向凌), aged 39, was appointed as an independent non-executive Director on 5 June 2020. She is the chairman of the Remuneration and Evaluation Committee and a member of the Nomination Committee.

Ms. Xiang graduated from the Law School of Hunan Normal University (湖南師範大學法學院) in 2003 with a bachelor's degree in law. She further obtained a master's degree in Laws (International Economic Law) from the Law School of Sun Yat-sen University (中山大學) in 2006 and a doctoral degree of Judicial Science (Theory of Law) (法學博士(法學理論)學位) from the Law School of Sun Yat-sen University (中山大學) in 2013.

Since July 2006, Ms. Xiang has been teaching at the School of Law of Guangdong University of Finance. Her research mainly covers contract law, company law, intellectual property law and international economic law. Currently, she takes lead of 2 provincial-level research topics, and has participated as a main participant in the projects of National Social Science Foundation (國家社科基金項目), the projects of Humanities and Social Sciences Research Foundation of the Ministry of Education (教育部人文社科基金項目) and the projects of several provincial-level research topics. She has published more than ten papers in core journals such as Political Science and Law (《政治與法律》), Intellectual Property (《知識產權》), Academics in China (《學術界》), Social Sciences in Guangdong (《廣東社會科學》), Journal of Hunan University (《湖南大學學報》) and Presentday Law Science (《時代法學》).

Ms. Xiang participated and successfully graduated in the 97th Independent Director Training (第97期獨立董事培訓) held by the Shenzhen Stock Exchange in September 2018 and was eligible to be incumbent as an independent director of a listed company.

向凌女士，39歲，於二零二零年六月五日獲委任為獨立非執行董事。她為薪酬與考核委員會主席及提名委員會成員。

向女士於二零零三年畢業於湖南師範大學法學院，取得法學學士學位。彼其後進一步於二零零六年在中山大學法學院取得法學碩士(國際經濟法學)學位及於二零一三年在中山大學法學院獲法學博士(法學理論)學位。

自二零零六年七月至今，向女士一直在廣東金融學院法學院任教，其研究領域主要涉及合同法、公司法、知識產權法和國際經濟法。目前共主持省部級等課題2項，作為主要參與人參與了國家社科基金項目、教育部人文社科基金項目及省部級項目多項。在《政治與法律》、《知識產權》、《學術界》、《廣東社會科學》、《湖南大學學報》、《時代法學》等核心刊物發表論文十餘篇。

向女士於二零一八年九月參與深圳證券交易所舉辦的第97期獨立董事培訓並順利結業，獲得上市公司獨立董事任職資格。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Ms. Xiang has been an independent director of SGIS Songshan Co., Ltd. (廣東韶鋼松山股份有限公司) since June 2019, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000717). She is currently an executive director (常務理事) of the Intellectual Property Committee (知識產權學會) of the Guangdong Province Law Society (廣東省法學會), a director (理事) of the Financial Law Research Committee (金融法學研究會) of the Guangdong Province Law Society, a director of the International Law Research Committee (國際法學研究會) of the Guangdong Province Law Society, a director of the Economic Law Research Committee (經濟法學研究會) of the Guangdong Province Law Society, a director of the Guangzhou Law Society, Tianhe District (廣州市天河區法學會), a director of the fifth council of The Association of Registered Tax Agents of Guangdong Province (廣東省註冊稅務師協會第五屆理事會), a consultant on the area of marine rights and interests (海洋權益諮詢專家) of the South China Sea Branch of State Oceanic Administration, a legal consultant of Guangdong Xuping Jewelry Co., Ltd. (廣東旭平首飾有限公司) and a part-time lawyer of the Legal Aid Center of Guangdong University of Finance (廣東金融學院法律援助中心).

Mr. Li Xuechen (李學臣), aged 44, was appointed as an independent non-executive Director on 25 September 2020.

Mr. Li graduated from the College of Chemistry of the Nankai University (南開大學) with a bachelor's degree of Chemistry in 1999. He further obtained a master's degree of Chemistry from the Science Faculty of University of Alberta in 2003 and a doctoral degree of Chemistry and Chemical Biology from the Division of Science of Harvard University in 2006.

From 2007 to 2009, Mr. Li worked for a post-doctoral research at the Memorial Sloan Kettering Cancer Center, USA, responsible for research on chemistry and pharmacy. Mr. Li has been teaching in the Faculty of Science of the University of Hong Kong, his research area principally involves chemical biology and medicinal chemistry since July 2009.

向女士自二零一九年六月起擔任廣東韶鋼松山股份有限公司(其股份於深圳證券交易所上市, 股份代號: 000717)的獨立董事。彼現時為廣東省法學會知識產權學會常務理事、廣東省法學會金融法學研究會理事、廣東省法學會國際法學研究會理事、廣東省法學會經濟法學研究會理事、廣州市天河區法學會理事、廣東省註冊稅務師協會第五屆理事會理事、國家海洋局南海分局海洋權益諮詢專家、廣東旭平首飾有限公司法律顧問及廣東金融學院法律援助中心兼職律師。

李學臣先生, 44歲, 於二零二零年九月二十五日獲委任為獨立非執行董事。

李先生於一九九九年畢業於南開大學化學學院, 取得化學學士學位。彼其後進一步於二零零三年在阿爾伯塔大學理學院取得化學碩士學位及於二零零六年在哈佛大學理學院獲化學及化學生物學博士學位。

於二零零七年至二零零九年期間, 李先生於美國紀念斯隆的凱特琳癌症中心(Memorial Sloan Kettering Cancer Center)擔任博士後研究, 負責化學及藥學研究。自二零零九年七月起, 李先生一直在香港大學理學院任教, 其研究領域主要涉及化學生物學和藥物化學。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. Li has been a member of The Hong Kong Young Academy of Sciences since January 2020. In 2017, Mr. Li was awarded a Croucher Senior Research Fellowship by the Croucher Foundation. In 2018, Mr. Li received the Outstanding Researcher Award from the University of Hong Kong.

自二零二零年一月起，李先生擔任香港青年科學院院士。於二零一七年，李先生獲裘槎基金會授予裘槎優秀科研者獎稱號。於二零一八年，李先生獲香港大學授予傑出研究獎稱號。

SUPERVISORS

監事

During the Reporting Period and as at the date of this Annual Report, the information of the Supervisors is as follows:

於報告期內及截至本年報日期，監事的資料如下：

Name	Date of appointment	Start of term of office upon expiration of the term of the current session of the Board of Supervisors	Position
姓名	獲委任日期	本屆監事會任期起始之日起至任期屆滿時	職位
Mr. TANG Jinlong 唐金龍先生	6 June 2019 二零一九年六月六日	4 June 2021 二零二一年六月四日	Chairman of the Board of Supervisors 監事會主席
Mr. WANG Shengchao 王勝超先生	21 July 2017 二零一七年七月二十一日	4 June 2021 二零二一年六月四日	Employee representative supervisor 職工代表監事
Mr. LUO Zhonghua 羅忠華先生	16 June 2017 二零一七年六月十六日	4 June 2021 二零二一年六月四日	Supervisor 監事

Mr. WANG Shengchao (王勝超), aged 39, is an employee representative Supervisor and the chief of the quality division of the Company. He joined the Company in May 2012 as a quality controller of the quality division, and served as the vice director of quality assurance of the quality division of the Company since April 2015. Mr. Wang held the position of the quality assurance director of the quality division of the Company from May 2016 to June 2017, and served as the deputy chief of the quality division of the Company from July 2017 to June 2019 and served as the chief of the quality division of the Company since July 2019.

王勝超先生，39歲，為本公司職工代表監事及質量科科長。他於二零一二年五月加入本公司並擔任質量科質量控制員，自二零一五年四月起出任本公司質量科質量保證副主任，自二零一六年五月至二零一七年六月擔任本公司質量科質量保證主任，並自二零一七年七月起至二零一九年六月擔任本公司的質量科副科長，並自二零一九年七月擔任本公司的質量科科長。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Prior to joining the Company, Mr. Wang worked as a researcher of new traditional Chinese medicines in Hebei Yiling Pharmaceutical Group (河北以嶺醫藥集團) from July 2008 to March 2010, a pharmaceutical analysis researcher in Pharmaron (Beijing) New Medicines Technology Co., Ltd. (康龍化成(北京)新藥技術有限公司) from April 2010 to May 2011, and an inspection engineer and inspection supervisor of the quality department in Lepu (Beijing) Medical Equipment Co., Ltd. (樂普(北京)醫療器械股份有限公司) from June 2011 to May 2012.

Mr. Wang graduated with a master's degree in science from Shenyang Pharmaceutical University (瀋陽藥科大學) in July 2008.

Mr. LUO Zhonghua (羅忠華), aged 38, is currently the shareholder representative Supervisor of the Company. He joined Dongguan HEC Medicine Development and Research Co., Ltd. (東莞東陽光藥物研發有限公司) (a subsidiary of Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司), the controlling shareholder of the Company, since June 2005 to engage in the research and development of APIs. He is currently the head of the generic drug API synthesis department and deputy head of the generic drug division in Dongguan HEC Medicine Development and Research Co., Ltd. (東莞東陽光藥物研發有限公司). He has been the legal representative and general manager of YiChang HEC Pharmaceutical Manufacturing Co., Ltd. (宜昌東陽光製藥有限公司), a wholly-owned subsidiary of the Company since February 2018, and is responsible for the preparation of the production base of biochemical APIs.

Mr. Luo graduated with a bachelor's degree in pharmaceutical engineering from the Central South University in June 2005, a master's degree in pharmaceutical analysis from Sun Yat-sen University in 2015 and a doctoral degree in biology pharmaceuticals from South China University of Technology (華南理工大學) in August 2020.

加入本公司前，王先生曾於二零零八年七月至二零一零年三月就職於河北以嶺醫藥集團，擔任中藥新藥研究員；於二零一零年四月至二零一一年五月就職於康龍化成(北京)新藥技術有限公司，擔任藥物分析研究員；於二零一一年六月至二零一二年五月就職於樂普(北京)醫療器械股份有限公司，擔任質量部檢驗工程師兼檢驗主管。

王先生於二零零八年七月畢業於瀋陽藥科大學，取得理學碩士學位。

羅忠華先生，38歲，目前為本公司股東代表監事。他自二零零五年六月起加入東莞東陽光藥物研發有限公司(本公司控股股東深圳市東陽光實業發展有限公司之附屬公司)，從事原料藥研發工作，現擔任東莞東陽光藥物研發有限公司仿製藥原料藥合成部部長、仿藥所副所長。他自二零一八年二月起擔任宜昌東陽光製藥有限公司(本公司全資子公司)法定代表人兼總經理，負責籌建化學原料藥生產基地。

羅先生於二零零五年六月畢業於中南大學，取得製藥工程專業學士學位，於二零一五年畢業於中山大學，取得藥物分析碩士學位，並於二零二零年八月畢業於華南理工大學，取得醫藥生物學博士學位。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. TANG Jinlong (唐金龍), aged 53, he was appointed as a Supervisor of the Company on 6 June 2019 and has been a chairman of the Board of Supervisors since then. He joined the Company in July 2001 as deputy head (副部長) of the development department of the Company and served as the chairman of the Board of Supervisors since 6 June 2019. He was the head of development department of the Company from June 2003 to July 2004 and chief engineer of the Company from August 2004 to January 2008. Mr. Tang was the deputy general manager of Yidu HEC Biochemical Manufacturing Co., Ltd. (宜都東陽光生化製藥有限公司) from March 2006 to December 2010 and the factory manager of Hecheng factory (合成分廠廠長) from January 2008 to December 2010. Since June 2015, Mr. Tang is the director of HEC Pharm Co., Ltd. (宜昌東陽光藥業股份有限公司). Since February 2018, Mr. Tang is the chairman and legal representative of YiChang HEC Biochemical API Co., Ltd. (宜昌東陽光化學原料藥有限公司) and the director of YiChang HEC Pharmaceutical Manufacturing Co., Ltd. (宜昌東陽光製藥有限公司). Mr. Tang is the standing committee member of 6th, 7th and 8th Yidu City Committee of the Chinese People's Political Consultative Conference (宜都市政協常委).

Mr. Tang has obtained a bachelor's degree in chemistry and pharmacy (化學製藥學士學位) in Wuhan Institute of Technology (武漢工程大學) in June 1990.

唐金龍先生，53歲，於二零一九年六月六日獲委任為本公司監事，並自此擔任監事會主席一職。他於二零零一年七月加入本公司，任本公司開發部副部長，並於二零一九年六月六日起擔任監事會主席一職。他於二零零三年六月至二零零四年七月擔任本公司開發部部長，並於二零零四年八月至二零零八年一月擔任本公司總工程師。唐先生於二零零六年三月至二零一零年十二月出任宜都東陽光生化製藥有限公司副總經理，並於二零零八年一月至二零一零年十二月出任合成分廠廠長。自二零一零年六月起，唐先生擔任宜昌東陽光藥業股份有限公司董事。自二零一八年二月起，唐先生為宜昌東陽光化學原料藥有限公司董事長及法人代表及宜昌東陽光製藥有限公司董事。唐先生為第六屆、第七屆及第八屆宜都市政協常委。

唐先生於一九九零年六月取得武漢工程大學化學製藥學士學位。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

SENIOR MANAGEMENT

高級管理人員

During the Reporting Period and as at the date of this Annual Report, the information of Senior Management is as follows:

於報告期內及截至本年報日期，高級管理人員的資料如下：

Name 姓名	Date of joining the Group 加入本集團日期	Date of appointment 獲委任日期	Position 職位	Responsibility 職責
Mr. JIANG Juncai 蔣均才先生	4 May 2015 二零一五年五月四日	4 May 2015 二零一五年五月四日	General manager 總經理	Overall day-to-day management 整體的日常管理
Mr. WANG Danjin 王丹津先生	27 February 2006 二零零六年二月二十七日	4 May 2015 二零一五年五月四日	Deputy general manager 副總經理	Operational management 營運管理
Mr. LI Shuang 李爽先生	7 August 2005 二零零五年八月七日	4 May 2015 二零一五年五月四日	Deputy general manager 副總經理	Operational management 營運管理
Mr. ZHANG Qiang 張強先生	23 February 2018 二零一八年二月二十三日	25 February 2019 二零一九年二月二十五日	Chief financial officer 財務總監	Financial management 財務管理
Mr. PENG Qiyun 彭琪雲先生	1 July 2016 二零一六年七月一日	15 October 2018 二零一八年十月十五日	Secretary of the Board 董事會秘書	Day-to-day operation of the Board 董事會的日常營運

For the biography of Mr. JIANG Juncai (蔣均才), Mr. WANG Danjin (王丹津) and Mr. LI Shuang (李爽), please refer to "Directors" in this section.

有關蔣均才先生、王丹津先生及李爽先生的履歷，請參閱本節「董事」部分。

Mr. ZHANG Qiang (張強), aged 46, is the chief financial officer of the Company. Mr. Zhang joined the Company in February 2018 and was appointed as the chief financial officer of the Company on 25 February 2019 and is responsible for the financial management of the Company.

張強先生，46歲，為本公司財務總監。張先生於二零一八年二月加入本公司，於二零一九年二月二十五日獲委任為本公司財務總監，負責本公司財務管理事宜。

Mr. Zhang has been the head of finance department of the Company since February 2018. Mr. Zhang has 20 years of experience in auditing, accounting and financial management. Prior to joining the Company, Mr. Zhang acted as an assistant auditor of Yichang Changjiang Accounting Firm* (宜昌長江會計師事務所) from March 1999 to September 2001. He acted as the financial auditor of Yichang County Military Audit Bureau* (宜昌市點軍區審計局) from October 2001 to May 2005 and served as the head of the finance department of HEC Pharm Co., Ltd. from May 2005 to February 2018.

張先生自二零一八年二月起任本公司財務科長。張先生於審計、會計及財務管理方面擁有20年經驗。加入本公司之前，張先生自一九九九年三月至二零零一年九月擔任宜昌長江會計師事務所助理審計。張先生自二零零一年十月至二零零五年五月擔任宜昌市點軍區審計局財務審計，並自二零零五年五月至二零一八年二月擔任宜昌東陽光藥業股份有限公司財務科長。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. Zhang graduated from Wuhan University of Hydraulic and Electrical Engineering (武漢水利電力大學) with a college degree in financial accounting in June 1997. Mr. Zhang is an intermediate accountant and a PRC certified public accountant.

Mr. PENG Qiyun (彭琪雲), aged 32, is the secretary of the Board. He joined the Company in July 2016, and has served as the assistant to secretary of the Board since then, and served as the secretary of the Board since October 2018.

Mr. Peng graduated from Qingdao University with a bachelor of science degree in mathematics and applied mathematics in June 2013, and obtained a master's degree in finance from Guangdong Finance College in June 2017.

JOINT COMPANY SECRETARIES

Mr. PENG Qiyun (彭琪雲)

For the biography of Mr. Peng Qiyun (彭琪雲), please refer to “Senior Management” in this section.

Ms. NG Wing Shan (吳詠珊)

Ms. Ng Wing Shan (吳詠珊) was appointed as a joint company secretary of the Company on 24 July 2015 and resigned as the joint company secretary of the Company on 25 February 2022. Ms. Ng was an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited and is responsible for assisting listed companies in respect of professional company secretarial work. She has over 10 years of professional experience in the company secretarial field and is a fellow member of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom.

張先生於一九九七年六月畢業於武漢水利電力大學，取得財務會計大專文憑。張先生為中級會計師及中國註冊會計師。

彭琪雲先生，32歲，為董事會秘書。彭先生於二零一六年七月加入本公司，此後一直擔任董事會秘書助理，並自二零一八年十月起擔任董事會秘書。

彭先生於二零一三年六月畢業於青島大學，獲得數學及應用數學理學學士學位，並於二零一七年六月獲得廣東金融學院的金融碩士學位。

聯席公司秘書

彭琪雲先生

有關彭琪雲先生的履歷，請參閱本節「高級管理人員」部份。

吳詠珊女士

吳詠珊女士，於二零一五年七月二十四日獲委任為本公司的聯席公司秘書及於二零二二年二月二十五日辭任本公司的聯席公司秘書。吳女士為方圓企業服務集團(香港)有限公司的副總監，負責為上市公司提供專業公司秘書工作方面的協助。她在公司秘書領域擁有逾10年專業經驗，並為香港公司治理公會(前稱為香港特許秘書公會)及英國特許公司治理公會資深會員。



PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員簡介

Mr. WONG Wai Chiu

Mr. WONG Wai Chiu was appointed as a joint company secretary of the Company on 25 February 2022. Mr. Wong is an associate director of SWCS Corporate Services Group (Hong Kong) Limited. Mr. Wong has extensive experience in compliance and company secretarial work for listed companies. Mr. Wong is a fellow of the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries), a fellow of the Chartered Governance Institute in the United Kingdom, a member of CPA Australia, a member of the Hong Kong Trustee Association and a Certified Trust Practitioner.

黃偉超先生

黃偉超先生，於二零二二年二月二十五日獲委任為本公司的聯席公司秘書。黃先生現任方圓企業服務集團(香港)有限公司聯席董事，擁有豐富的合規及上市公司的公司秘書經驗。黃先生為香港公司治理公會(前稱為香港特許秘書公會)資深會員、英國特許公司治理公會資深會員、澳洲會計師公會會員、香港信託人公會會員及認可信託專業人員。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

The Board of Directors hereby presents the Annual Report and the audited financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2021 to Shareholders.

BOARD OF DIRECTORS

The Board of Directors currently consists of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. The incumbent Directors during the year ended 31 December 2021 and as at the date of this Annual Report are:

Executive Directors

Mr. JIANG Juncai
Mr. WANG Danjin
Mr. CHEN Yangui
Mr. LI Shuang

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)
Mr. Eddy HUANG

Independent Non-executive Directors

Mr. TANG Jianxin
Mr. ZHAO Dayao
Ms. XIANG Ling
Mr. LI Xuechen

PRINCIPAL BUSINESS

The Company is a PRC pharmaceutical manufacturing company that focuses on the development, manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine and metabolic diseases and cardiovascular diseases. For further information of the principal business of the Company, please refer to the section “Business Review” of this Annual Report.

董事會謹此向股東提呈本集團截至二零二一年十二月三十一日止年度的年報及經審核財務報表（「財務報表」）。

董事會

目前，董事會包括十名董事，其中包括四名執行董事、兩名非執行董事及四名獨立非執行董事。截至二零二一年十二月三十一日止年度內及於本年報日期，任職董事如下：

執行董事

蔣均才先生
王丹津先生
陳燕桂先生
李爽先生

非執行董事

唐新發先生（董事長）
黃翊先生

獨立非執行董事

唐建新先生
趙大堯先生
向凌女士
李學臣先生

主要業務

我們是一家專注於抗病毒、內分泌及代謝類疾病、心血管疾病等治療領域產品開發、生產及銷售的中國製藥企業。有關本公司業務的進一步資料，請參見本年報「業務回顧」一節。

REPORT OF THE BOARD OF DIRECTORS 董事會報告

SHARE CAPITAL

As of 31 December 2021, the total share capital of the Company was RMB879,967,700, divided into 879,967,700 shares of RMB1.00 each. Details of movements in the share capital of the Company during the year 2021 are set out in Note 26(c) to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2021.

DEBENTURES IN ISSUE

The Company did not have any debentures in issue for the year ended 31 December 2021.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed “Proceeds from H Share Convertible Bonds” on pages 136 to 138 of this Annual Report, the Company did not enter into any equity-linked agreement, nor did any equity-linked agreement exist during the year ended 31 December 2021.

PERMITTED INDEMNITY PROVISION

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance.

Save as disclosed above, no permitted indemnity provision was made by the Company for the year ended 31 December 2021 and no permitted indemnity provision was in force as at the date of this Annual Report.

股本

於二零二一年十二月三十一日，本公司總股本為人民幣879,967,700元，分為879,967,700股每股面值人民幣1.00元的股份。有關本公司股本於二零二一年度的變動詳情，載於財務報表附註26(c)。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至二零二一年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

已發行債權證

截至二零二一年十二月三十一日止年度，本公司並無任何已發行債權證。

股票掛鈎協議

除本年報第136至138頁所載「H股可轉換債券所得款項」一節所披露者外，截至二零二一年十二月三十一日止年度，本公司並無訂立任何股票掛鈎協議，亦無任何股票掛鈎協議存在。

獲許可彌償條文

本公司已為董事、監事及高級管理人員購買適當的責任保險。獲許可彌償條文的規定載於該等責任保險內。

除上述披露外，截至二零二一年十二月三十一日止年度，本公司並無作出獲許可彌償條文，且於本年報日期，概無獲許可彌償條文生效。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The Controlling Shareholder didn't pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the year ended 31 December 2021.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2021, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its Controlling Shareholder nor breach the terms of any loan agreements for the year ended 31 December 2021.

SHARE OPTION SCHEME

The Company did not adopt any share option scheme.

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

控股股東股份抵押

截至二零二一年十二月三十一日止年度，控股股東並無為本公司的債務或為本公司取得擔保或其他債務支持作出保證而抵押本公司任何股份。

本公司的貸款協議或財務資助

截至二零二一年十二月三十一日止年度，本公司並無向其聯屬公司提供任何根據上市規則第13.16條予以披露之財務資助或擔保。截至二零二一年十二月三十一日止年度，本公司並無訂立任何具有控股股東須履行特定責任相關契約的貸款協議，亦無違反任何貸款協議的條款。

購股權計劃

本公司並無採納任何購股權計劃。

優先購買權及稅項減免

根據公司章程及中國法律，本公司並無有關優先購買權的規定，因此本公司無需按持股比例向現有股東呈請發售新股的建議。本公司不知道現有股東因持有本公司的證券而享有任何稅收減免。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

RESULTS

The audited results of operations of the Company and its subsidiaries for the year ended 31 December 2021 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 195. The financial condition of the Company and its subsidiaries for the year ended 31 December 2021 is set out in the Consolidated Statement of Financial Position on pages 196 to 197. The consolidated cash flow of the Company and its subsidiaries for the year ended 31 December 2021 is set out in the Consolidated Cash Flow Statement on pages 199 to 200.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Company during the year are set out in Management Discussion and Analysis of the Annual Report on pages 32 to 47.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on pages 10 to 12 and pages 14 to 70 of this Annual Report, respectively. Description of possible risks and uncertainties that the Group may be facing can be found on pages 67 to 69 of this Annual Report. No particulars of important events affecting the Group that have occurred since the end of the financial year. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 30 to 47 of this Annual Report.

In addition, further information of the Company's environmental policies, performance and initiatives can be found in the section heading "Environmental Policies and Performance" of this Report of the Board of Directors. The Company's compliance with relevant laws and regulations which have a significant impact on the Company are provided in the section heading "Compliance with Laws and Regulations" of this Report of the Board of Directors. An account of the Company's relationships with its employees, customers and suppliers are disclosed in the section heading "Relationship with Stakeholders" of this Report of the Board of Directors.

業績

本公司及其附屬公司截至二零二一年十二月三十一日止年度的經審核經營業績載於第195頁的綜合損益及其他全面收益表。本公司及其附屬公司截至二零二一年十二月三十一日止年度的財務狀況載於第196至197頁的綜合財務狀況表。本公司及其附屬公司截至二零二一年十二月三十一日止年度的綜合現金流量載於第199至200頁的綜合現金流量表。

有關經營表現的討論及分析與影響本公司年內經營業績及財務狀況的重要因素載於年報第32至47頁的管理層討論及分析。

業務回顧

有關本集團年內業務的審閱及對未來業務發展的討論分別載於本年報第10至12頁及第14至70頁。有關本集團可能面對的主要風險及不明朗因素載於本年報第67至69頁。自財政年度結束以來未發生對本集團有影響的重大事件。主要財務關鍵表現指標對本集團年內表現的分析載於本年報第30至47頁。

此外，有關本公司環境政策、績效及活動的進一步資料載於本董事會報告的「環境政策及績效」部分。遵守對本公司有重大影響的相關法律法規的情況載於本董事會報告的「遵守法律及法規」部分。本公司與其僱員、客戶及供應商的關係說明載於本董事會報告的「持份者關係」部分。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

FINAL DIVIDEND

The Board resolved not to recommend the payment of final dividend for the year ended 31 December 2021 (for the year ended 31 December 2020: Nil).

As at the date of this Annual Report, there was no arrangement under which a Shareholder has waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

In order to ascertain Shareholders' entitlement to attend and vote at the annual general meeting of the Company for the year of 2021 to be held on Thursday, 2 June 2022 (the "AGM"), the register of members of the Company will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022 (both days inclusive), during which period no transfer of shares will be registered.

In order to qualify for attending and voting at the AGM, all unregistered H shareholders of the Company shall lodge transfer documents together with the relevant share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Friday, 27 May 2022. The record date for the entitlement to attend and vote at the AGM is Monday, 30 May 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and its subsidiaries during the year of 2021 are set out in Note 10 to the Financial Statement.

末期股息

董事會議決不建議派發截至二零二一年十二月三十一日止年度的末期股息(截至二零二零年十二月三十一日止年度：無)。

截至本年報日期，概無股東放棄或同意放棄任何股息的安排。

暫停辦理過戶登記及股權登記日

為釐定股東出席將於二零二二年六月二日(星期四)召開的二零二一年度股東週年大會(「股東週年大會」)並於會上投票的資格，本公司將於二零二二年五月三十日(星期一)至二零二二年六月二日(星期四)(包括首尾兩天)暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記手續。

如欲享有出席股東週年大會及於會上投票的資格，本公司的所有未登記H股股東須於二零二二年五月二十七日(星期五)下午四時三十分之前，將股份過戶文件連同有關股票送達本公司的H股股份過戶登記處香港中央證券登記有限公司以作登記，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。出席股東週年大會並於會上投票的權利的記錄日期為二零二二年五月三十日(星期一)。

物業、廠房及設備

本公司及其附屬公司的物業、廠房及設備於二零二一年內的變動詳情載於財務報表附註10。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

RESERVES

Details of movements in the reserves of the Company during the year 2021 are set out in Consolidated Statement of Changes in Equity, of which details of reserves available for distribution to equity Shareholders are set out in Consolidated Statement of Changes in Equity. The Company's reserves available for distribution to equity shareholders as at 31 December 2021 represents the retained profits of approximately RMB2,399.39 million.

DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB0.1 million (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2021 are set out in Note 22 to the Financial Statements.

INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management of the Company are set out on pages 71 to 87 of the Annual Report.

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

儲備

本公司於二零二一年內的儲備變動詳情載於綜合權益變動表，其中可供分配予權益股東的儲備情況載於綜合權益變動表。於二零二一年十二月三十一日，本公司可供分配予權益股東的儲備佔保留溢利約人民幣2,399.39百萬元。

捐款

於報告期間，本集團對外捐款約人民幣0.1百萬元（不包括僱員個人捐款）。

銀行貸款及其他借款

關於本公司及其附屬公司於二零二一年十二月三十一日之銀行貸款及其他借款的詳情載於財務報表附註22。

董事、監事及高級管理人員資料

董事、監事和本公司高級管理人員的簡歷詳情載於本年報第71至87頁。

本公司已收到每名獨立非執行董事根據上市規則第3.13條就其各自獨立性出具的年度確認書，並認為所有獨立非執行董事均獨立於本公司。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with the Directors. The principal particulars of these service contracts are (1) each of the contracts is for a term of three years commencing on the date of approval of their appointment at the annual general meeting of the Company held on 4 June 2021 until the expiry of the third session of the Board; and (2) each of the contracts is subject to termination in accordance with their respective terms. The service contracts may be renewed under the Articles of Association and applicable rules.

The Company has entered into contracts with the Supervisors in respect of, among others, compliance with relevant laws and regulations, the Articles of Association and provisions of arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into a contract of service with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

The remuneration of each executive Director are determined pursuant to the decisions of the Shareholders' general meeting, and with reference to the duty, responsibility and performance of the executive Directors, results of the Group and other factors which may be considered as relevant and appropriate. The non-executive Directors do not receive remuneration from the Company. The remuneration of independent non-executive Directors are determined with reference to their duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

董事及監事的服務合約

本公司已與董事訂立了服務合約。該等服務合約的主要內容為：(1)各合約的期限為自本公司於二零二一年六月四日舉行的股東週年大會批准委任之日起計三年至第三屆董事會任期屆滿為止；及(2)各合約根據其各自的條款終止。服務合約可根據公司章程及適用規則續簽。

本公司已與監事就(其中包括)遵守相關法律及法規、公司章程及仲裁條文訂立合約。

除上文所披露者外，概無董事或監事與本公司訂立本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合約。

董事及監事的酬金

執行董事的薪酬乃根據股東大會的決定而釐定，有關薪酬乃參照執行董事的職責、責任和表現、本集團之業績及可能被視作相關和適宜的其他原因而釐定。非執行董事不在本公司領取薪酬。獨立非執行董事的薪酬乃參考彼等於本公司之職務及職責、本公司薪酬政策及現行市場狀況釐定。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

Details of the emoluments of the Directors and Supervisors in 2021 are set out in Note 7 to the Financial Statements. None of the Directors or Supervisors waived any emoluments during the year ended 31 December 2021. During the Reporting Period, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

董事及監事於二零二一年酬金的詳情載於財務報表附註7。截至二零二一年十二月三十一日止年度，概無董事或監事放棄任何酬金。於報告期間，本集團並無向任何董事、監事或任何五位最高薪酬人士支付任何酬金，作為吸引彼等加入本集團或加入本集團時之報酬或離職補償。

Details of the emoluments of each senior management of the Company (excluding Directors who also hold executive positions) in 2021 are set out below:

各本公司高級管理人員(不包括兼任行政職銜的董事)於二零二一年酬金的詳情載列如下：

		Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2021 Total
		薪金、津貼 及實物福利	定額供款退休 福利計劃供款	酌情花紅	二零二一年 總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Mr. Zhang Qiang	Chief financial officer	238	18	176	432
張強先生	財務總監				
Mr. Peng Qiyun	Secretary of the Board and joint company secretary	185	14	132	331
彭琪雲先生	董事會秘書及聯席公司秘書				
Total		423	32	308	763
總計					

REPORT OF THE BOARD OF DIRECTORS

董事會報告

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

At the end of the year of 2021 or at any time during the year, there were no transactions, arrangement or contracts of significance subsisting in relation to the Group's business to which the Company or any of its subsidiaries was a party, directly or indirectly, and in which any Director or Supervisor (or an entity connected with any Director or Supervisor) had a material interest.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, neither the Company, its holding company, any of its subsidiaries nor fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year of 2021, none of the Directors or their associates had any competing interests in any business that constitutes or may constitute direct or indirect competition with the Company's businesses.

UPDATE OF DIRECTORS' AND SUPERVISORS INFORMATION

Mr. TANG Jianxin ceased to be an independent director of Pingdingshan Tianan Coal Mining Co., Ltd. (平頂山天安煤業股份有限公司) (Shanghai Stock Exchange ("SSE") stock code: 601666) on 25 December 2019, an independent director of Wuhan Boiler Co., Ltd. (武漢鍋爐股份有限公司) (New Third Board stock number: 420063) on 17 February 2022, and an independent director of Zhejiang Reclaim Construction Group Co., Ltd. (浙江省圍海建設集團股份有限公司) (SZSE stock number: 002586) on 19 January 2022. He was appointed as an independent director of Hubei Feilihua Quartz Glass Co., Ltd. (湖北菲利華石英玻璃股份有限公司) (Shenzhen Stock Exchange ("SZSE") stock number: 300395) on 23 August 2021, and an independent director of Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司) (Shenzhen Stock Exchange ("SZSE") stock number: 000046) on 22 December 2021.

Save as disclosed above, there has been no other change in the information of each Director and supervisor that is required to be disclosed under Rules 13.51(2) and 13.51B of the Listing Rules since the Company's last published interim report.

董事及監事於交易、安排或合約的權益

於二零二一年末或年內任何時間，本公司或其任何附屬公司概無參與訂立各董事或監事(或與該董事或監事有關連的實體)直接或間接有重大權益、與本集團業務有關、且仍然有效的重要交易、安排或合約。

購入股份或債權證之安排

於報告期內，概無本公司、其控股公司或其任何附屬公司或同系附屬公司參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債權證而獲益。

董事於競爭業務的權益

於二零二一年度內，概無董事及彼等的聯繫人與本公司業務可能構成直接或間接競爭的任何業務中擁有任何競爭權益。

董事及監事資料更新

唐建新先生於二零一九年十二月二十五日不再擔任平頂山天安煤業股份有限公司(上海證券交易所(「上交所」)股份代碼: 601666)的獨立董事、於二零二二年二月十七日不再擔任武漢鍋爐股份有限公司(新三板股份代碼: 420063)獨立董事、於二零二二年一月十九日不再擔任浙江省圍海建設集團股份有限公司(深交所股份代碼: 002586)的獨立董事。並於二零二一年八月二十三日獲委任湖北菲利華石英玻璃股份有限公司(深圳證券交易所(「深交所」)股份代碼: 300395)獨立董事、於二零二一年十二月二十二日獲委任泛海控股股份有限公司(深圳證券交易所(「深交所」)股份代碼: 000046)獨立董事。

除以上披露之外，自本公司最近期刊發中期報告以來，概無各董事及監事資料其他變動須根據上市規則第13.51(2)及13.51B條予以披露。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事、監事及最高行政人員在股份、相關股份及債權證中擁有的權益及淡倉

As at 31 December 2021, to the knowledge of the Directors, the following Directors, supervisors and chief executive of the Company had interests or short positions in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

於二零二一年十二月三十一日，就董事所知，下列董事、監事及本公司最高行政人員在本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及淡倉），或須根據證券及期貨條例第352條載入有關條例所述由本公司存置的登記冊內的權益及淡倉，或須根據標準守則知會本公司及聯交所的權益及淡倉：

Name 姓名	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Approximate percentage of relevant class of share capital 的概約百分比	Approximate percentage of total issued share capital 已發行股本總額的概約百分比
Directors 董事					
TANG Xinfa 唐新發	H Shares H股	Beneficial owner 實益擁有人	130,400 (L)	0.019% (L)	0.015% (L)
CHEN Yangui 陳燕桂	H Shares H股	Beneficial owner 實益擁有人	66,400 (L)	0.010% (L)	0.007% (L)
LI Shuang 李爽	H Shares H股	Beneficial owner 實益擁有人	66,800 (L)	0.010% (L)	0.007% (L)
WANG Danjin 王丹津	H Shares H股	Beneficial owner 實益擁有人	67,200 (L)	0.010% (L)	0.007% (L)
JIANG Juncai 蔣均才	H Shares H股	Beneficial owner 實益擁有人	66,800 (L)	0.010% (L)	0.007% (L)
LI Xuechen 李學臣	H Shares H股	Beneficial owner 實益擁有人	4,000 (L)	0.00061% (L)	0.00045% (L)

REPORT OF THE BOARD OF DIRECTORS

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Name 姓名	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Approximate percentage of relevant class of share capital 的概約百分比 (%)	Approximate percentage of total issued share capital 已發行股本總額的概約百分比 (%)
Supervisors 監事					
WANG Shengchao 王勝超	H Shares H股	Beneficial owner 實益擁有人	32,000 (L)	0.004% (L)	0.003% (L)
LUO Zhonghua 羅忠華	H Shares H股	Beneficial owner 實益擁有人	66,800 (L)	0.010% (L)	0.007% (L)

(L) — Long position

(L) — 好倉

The calculation is based on the total number of 879,967,700 shares in issue of the Company as at 31 December 2021, comprising 226,200,000 Domestic Shares and 653,767,700 H Shares.

計算乃根據本公司於二零二一年十二月三十一日的已發行股份總數879,967,700股而得出，包括226,200,000股內資股及653,767,700股H股。

Save as disclosed above, as at 31 December 2021, to the knowledge of the Directors, none of the Directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interest and/or short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零二一年十二月三十一日，據董事所知，概無董事、本公司監事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益或淡倉（包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及／或淡倉），或須根據證券及期貨條例第352條載入有關條例所述存置於本公司的登記冊內的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2021, to the knowledge of the Directors, the persons (other than the Directors, Supervisors or chief executive of the Company) who have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

主要股東於股份的權益

於二零二一年十二月三十一日，就董事所知，下列人士（董事、監事或本公司最高行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第 XV 部第 2 及第 3 分部向本公司披露的權益或淡倉，及記錄於根據證券及期貨條例第 336 條須予備存於本公司的登記冊的權益或淡倉：

Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生 工具持有 相關股份數目 (股)	Approximate percentage of relevant class of share capital 相關類別股本 的概約百分比 (%)	Approximate percentage of total issued share capital 已發行股本總額 的概約百分比 (%)
Guangdong HEC Technology Holding Co., Ltd. 廣東東陽光科技控股股份有限公司	H Shares H股	Beneficial owner 實益擁有人	133,716,400 (L)	-	20.45% (L)	15.19% (L)
Shenzhen HEC Industrial Development Co., Ltd. ^{*2} 深圳市東陽光實業發展有限公司 ^{*2}	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	-	37.93% (L)	28.18% (L)
Shaoguan Xinyuneng Industrial Investment Company Limited ² 韶關新萬能實業投資有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	-	37.93% (L)	28.18% (L)
Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. ² 乳源瑤族自治縣萬能電子實業有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	-	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	-	37.93% (L)	28.18% (L)

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Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生 工具持有 相關股份數目 (股)	Approximate percentage of relevant class of share capital 相關類別股本 的概約百分比 (%)	Approximate percentage of total issued share capital 已發行股本總額 的概約百分比 (%)
Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	Domestic Shares 內資股	Beneficial owner 實益擁有人	226,200,000 (L)	–	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	114,298,000 (L)	–	17.48% (L)	12.98% (L)
HEC (Hong Kong) Sales Co., Limited 香港東陽光銷售有限公司	H Shares H股	Beneficial owner 實益擁有人	114,298,000 (L)	–	17.48% (L)	12.98% (L)
Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. ² 乳源瑤族自治縣新京科技發展有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	–	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	–	37.93% (L)	28.18% (L)
Ms. Guo Meilan ³ 郭梅蘭女士 ³	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	–	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	–	37.93% (L)	28.18% (L)
Mr. Zhang Yushuai ⁴ 張寓帥先生 ⁴	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	–	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	–	37.93% (L)	28.18% (L)

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Name of Shareholders 股東名稱	Types of Shares 股份類別	Capacity 身份	Number of Shares/ underlying Shares held (shares)	Number of underlying shares held under equity derivatives (shares)	Approximate percentage of relevant class of share capital	Approximate percentage of total issued share capital
			持有股份/ 相關股份數目 (股)	以股本衍生 工具持有 相關股份數目 (股)	相關類別股本 的概約百分比 (%)	已發行股本總額 的概約百分比 (%)
Ms. Hua Xiaoyi ⁵ 華宵一女士 ⁵	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	–	100% (L)	25.70% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	248,015,200 (L)	–	37.93% (L)	28.18% (L)
North & South Brother Pharmacy Investment Company Limited 南北兄弟藥業投資有限公司	H Shares H股	Beneficial owner 實益擁有人	161,542,800 (L)	–	24.70% (L)	18.35% (L)
	H Shares H股	Beneficial owner 實益擁有人	150,000,000 (S)	–	22.94% (S)	17.04% (S)
North & South Brother Investment Holdings Limited ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	161,542,800 (L)	–	24.70% (L)	18.35% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	150,000,000 (S)	–	22.94% (S)	17.04% (S)
Mr. MO Kit ⁶ 毛杰先生 ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	161,542,800 (L)	–	24.70% (L)	18.35% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	150,000,000 (S)	–	22.94% (S)	17.04% (S)
Stephen A. Schwarzman ⁷	H Shares H股	Interest in controlled corporation 受控制法團權益	–	165,263,156 (L)	25.27% (L)	18.78% (L)
			–	165,263,156 (S)	25.27% (S)	18.78% (S)
The Blackstone Group L.P. ⁷	H Shares H股	Interest in controlled corporation 受控制法團權益	–	165,263,156 (L)	25.27% (L)	18.78% (L)
			–	165,263,156 (S)	25.27% (S)	18.78% (S)
Blackstone Dawn Pte. Ltd. ⁷	H Shares H股	Beneficial owner 實益擁有人	–	161,957,892 (L)	24.77% (L)	18.40% (L)
			–	161,957,892 (S)	24.77% (S)	18.40% (S)

(L) — Long position

(L) — 好倉

(S) — Short position

(S) — 淡倉

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The calculation is based on the total number of 879,967,700 shares in issue of the Company as at 31 December 2021, comprising 226,200,000 Domestic Shares and 653,767,700 H Shares.

Notes:

- * Mr. Tang Xinfu is a director of Shenzhen HEC Industrial Development Co., Ltd..
1. The shareholding information of the shareholders of the Company as at 31 December 2021 are based on the information recorded in the register required to be kept by the Company under section 352 of the SFO.
 2. As at 31 December 2021, Shenzhen HEC Industrial Development Co., Ltd. owned directly and indirectly 43.47% equity interest in Guangdong HEC Technology Holding Co., Ltd., 27.97% of which is directly owned, therefore Shenzhen HEC Industrial Development Co., Ltd. is deemed to be interested in the Shares held by Guangdong HEC Technology Holding Co., Ltd.

Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. owned 42.34% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 58.00% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.

Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. owned 30.66% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 42% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.
 3. As at 31 December 2021, Ms. Guo Meilan (“**Ms. Guo**”) owned 74.63% equity interest in Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd., therefore Ms. Guo is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.
 4. The interests of Mr. Zhang Zhongneng have been inherited by Mr. Zhang Yushuai, the son of Mr. Zhang Zhongneng.
 5. Ms. Hua Xiaoyi is the spouse of Mr. Zhang Yushuai and, therefore, is deemed to be interested in the Shares which are interested by Mr. Zhang Yushuai under the SFO.

計算乃根據本公司於二零二一年十二月三十一日的已發行股份總數879,967,700股而得出，包括226,200,000股內資股及653,767,700股H股。

附註：

- * 唐新發先生為深圳市東陽光實業發展有限公司的董事。
1. 本公司股東於二零二一年十二月三十一日的持股資料乃根據本公司按照證券及期貨條例第352條須予備存的登記冊所記錄的資料。
 2. 於二零二一年十二月三十一日，深圳市東陽光實業發展有限公司直接及間接擁有廣東東陽光科技控股股份有限公司43.47%股本權益，其中27.97%為直接擁有，因此深圳市東陽光實業發展有限公司被視為於廣東東陽光科技控股股份有限公司所持有之股份中擁有權益。

乳源瑤族自治縣寓能電子實業有限公司擁有深圳市東陽光實業發展有限公司42.34%股本權益及擁有韶關新寓能實業投資有限公司(其擁有深圳市東陽光實業發展有限公司27.00%股本權益)58.00%股本權益，因此乳源瑤族自治縣寓能電子實業有限公司被視為於深圳市東陽光實業發展有限公司擁有的股份中擁有權益。

乳源瑤族自治縣新京科技發展有限公司擁有深圳市東陽光實業發展有限公司30.66%股本權益及擁有韶關新寓能實業投資有限公司(其擁有深圳市東陽光實業發展有限公司27.00%股本權益)42%股本權益，因此乳源瑤族自治縣新京科技發展有限公司被視為於深圳市東陽光實業發展有限公司擁有的股份中擁有權益。
 3. 於二零二一年十二月三十一日，郭梅蘭女士(「**郭女士**」)擁有乳源瑤族自治縣新京科技發展有限公司74.63%股本權益。因此郭女士被視為於乳源瑤族自治縣新京科技發展有限公司擁有的股份中擁有權益。
 4. 張中能先生的權益已由其子張寓帥先生繼承。
 5. 華宵一女士是張寓帥先生的配偶，因而根據證券及期貨條例，被視為於張寓帥先生擁有的股份中擁有權益。

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6. As at 31 December 2021, North & South Brother Investment Holdings Limited owned 100% equity interest in North & South Brother Pharmacy Investment Company Limited and is deemed to be interested in the Shares which are interested by North & South Brother Pharmacy Investment Company Limited. Mr. Mo Kit owned 100% equity interest in North & South Brother Investment Holdings Limited and therefore, he is deemed to be interested in the Shares which are interested by North & South Brother Investment Holdings Limited.

7. This represents the Shares to be issued upon the exercise of the conversion right attached to the H Share convertible bonds, which price being initially HK\$38 per H Share, subject to adjustment. The price is adjusted to HK\$19 per H Share due to the completion of bonus issue of Shares on 10 July 2020. Stephen A. Schwarzman through The Blackstone Group L.P. and its directly and indirectly controlled entities are deemed to be interested in the unlisted derivatives — convertible instruments in relation to 80,978,946 Shares (which are adjusted to 161,957,892 Shares due to bonus issue of Shares) held by Blackstone Dawn Pte. Ltd., in relation to 464,803 Shares (which are adjusted to 929,606 Shares due to bonus issue of Shares) held by Blackstone Dawn Holdings ESC (Cayman) Ltd. and in relation to 1,187,829 Shares (which are adjusted to 2,375,658 Shares due to bonus issue of Shares) held by BCP VII Dawn ESC (Cayman) NQ Ltd.

Save as disclosed above, as at 31 December 2021, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors, Supervisors or chief executive of the Company) in the Shares or underlying shares of the Company which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

MANAGEMENT CONTRACT

No contract concerning the management and administration of all or any substantial part of our business was entered into by the Company or existed in 2021.

CONNECTED TRANSACTIONS

The Group has conducted certain non-exempt connected transactions during the year of 2021.

6. 於二零二一年十二月三十一日，North & South Brother Investment Holdings Limited 擁有南北兄弟藥業投資有限公司100%股本權益，因而被視為於南北兄弟藥業投資有限公司擁有權益的股份中擁有權益。毛杰先生於North & South Brother Investment Holdings Limited 擁有100%股本權益，因此被視為於North & South Brother Investment Holdings Limited 擁有的股份中擁有權益。

7. 此代表行使H股可轉換債券上的轉換權時將予發行之股份。初始價格為每股H股38港元(可予調整)，因二零二零年七月十日完成派發紅股，價格調整為每股H股19港元。Stephen A. Schwarzman 透過 The Blackstone Group L.P. 及其直接及間接控制實體被視為於非上市衍生工具中擁有權益，非上市衍生工具指有關 Blackstone Dawn Pte. Ltd. 所持 80,978,946 股股份(因派發紅股調整為 161,957,892 股股份)，有關 Blackstone Dawn Holdings ESC (Cayman) Ltd. 所持 464,803 股股份(因派發紅股調整為 929,606 股股份)以及有關 BCP VII Dawn ESC (Cayman) NQ Ltd. 所持有 1,187,829 股股份(因派發紅股調整為 2,375,658 股股份)之可轉換工具。

除上文所披露外，於二零二一年十二月三十一日，據董事所知，概無任何人士(除董事、監事或本公司最高行政人員外)於本公司股份或相關股份或債權證中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露的任何權益或淡倉，或記錄於根據證券及期貨條例第336條須予備存的本公司登記冊的權益或淡倉。

管理合約

於二零二一年內本公司並無就有關全部或任何重大部分業務的管理及行政工作簽訂或存在任何合約。

關連交易

本集團於二零二一年內進行了若干非豁免關連交易。

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董事會報告

Continuing Connected Transactions

The Group has conducted certain non-exempt continuing connected transactions during the year of 2021:

持續關連交易

本集團於二零二一年內進行了若干非豁免持續關連交易：

Continuing connected transactions 持續關連交易	Connected persons 關連人士	Annual caps for 2021 二零二一年 年度上限 RMB'000 人民幣千元	Actual transaction amount in 2021 於二零二一年的 實際交易金額 RMB'000 人民幣千元
API Purchase Contract (I) 原料藥採購合同(一)	Ruyuan HEC Pharmaceutical Co., Ltd. 乳源東陽光藥業有限公司	5,000.50	3,999.83
API Purchase Contract (II) 原料藥採購合同(二)	Yichang HEC Biochemical Manufacturing Co. Ltd. 宜昌東陽光生化製藥有限公司	19,200.00	15,981.95
API Purchase Contract (III) 原料藥採購合同(三)	Ruyuan HEC Pharmaceutical Co., Ltd. 乳源東陽光藥業有限公司	5,099.10	829.80
API Purchase Contract (IV) 原料藥採購合同(四)	Yichang HEC Biochemical Manufacturing Co. Ltd. 宜昌東陽光生化製藥有限公司	3,000.00	2,123.89
Packaging Materials Purchase Contract 包裝材料採購合同	Shaoguan HEC Packaging and Printing Co., Ltd. 韶關東陽光包裝印刷有限公司	16,150.00	6,721.96
Supplemental Chemical Materials and Hardware Materials Purchase Agreement 採購化工材料及五金材料補充協議	Yichang HEC Biochemical Manufacturing Co. Ltd. 宜昌東陽光生化製藥有限公司	8,000.00	6,154.45
Steam Supply Supplemental Agreement (I) 供用蒸汽補充協議(一)	Yichang HEC Power Plant Co., Ltd. 宜昌東陽光火力發電有限公司	9,000.00	5,707.83
Steam Supply Supplemental Agreement (II) 供用蒸汽補充協議(二)	Yichang HEC Biochemical Manufacturing Co. Ltd. 宜昌東陽光生化製藥有限公司	9,000.00	5,624.37
2021 Steam Supply Contract 二零二一年度供用蒸汽合同	Yichang HEC Power Plant Co., Ltd. 宜昌東陽光火力發電有限公司	4,200.00	402.12
Power Supply Supplemental Agreement 供用電補充協議	Yichang HEC Power Plant Co., Ltd. 宜昌東陽光火力發電有限公司	30,300.00	21,360.64
2021 Power Supply Contract 二零二一年度供用電合同	Yichang HEC Power Plant Co., Ltd. 宜昌東陽光火力發電有限公司	3,200.00	2,584.10
Industrial Products Sale and Purchase Contract (I) 工業品買賣合同(一)	Yidu Changjiang Machinery Equipment Co., Ltd. 宜都長江機械設備有限公司	11,000.00	2,502.00
Industrial Products Sale and Purchase Contract (II) 工業品買賣合同(二)	Yidu Changjiang Machinery Equipment Co., Ltd. 宜都長江機械設備有限公司	7,000.00	1,004.78
Entrusted Inspection Contract (I) 委託檢驗合同(一)	Ruyuan HEC Pharmaceutical Co., Ltd. 乳源東陽光藥業有限公司	2,300.00	-
Entrusted Inspection Contract (II) 委託檢驗合同(二)	Dongguan HEC Generic Drugs Development and Research Co. Ltd. 東莞市東陽光生物藥研發有限公司	1,500.00	-

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董事會報告

Continuing connected transactions 持續關連交易	Connected persons 關連人士	Annual caps for 2021 二零二一年 年度上限 RMB'000 人民幣千元	Actual transaction amount in 2021 於二零二一年的 實際交易金額 RMB'000 人民幣千元
Supplemental Entrusted Sewage Agreement 委託污水補充協議	Yichang HEC Biochemical Manufacturing Co. Ltd. 宜昌東陽光生化製藥有限公司	3,600.00	3,185.84
Entrusted Processing Framework Agreement (I) 委託加工框架性協議(一)	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	105,280.00	42,235.86
Entrusted Processing Framework Agreement (II) 委託加工框架性協議(二)	Ruyuan HEC Pharmaceutical Co., Ltd. 乳源東陽光藥業有限公司	25,050.70	10,392.92
Construction Contract 工程施工合同	Yidu Shanchengshuidu Project Construction Co., Ltd 宜都山城水都建築工程有限公司	17,050.00	14,240.65
Property Lease Contract 房屋租賃合同	Dongguan HEC Drug Development 東莞東陽光藥物研發	2,426.10	2,225.78
API Sales Contract 原料藥銷售合同	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	30,000.00	5,450.43
Pharmaceutical Sales Contract 藥品銷售合同	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	4,580.00	-
Entrusted Processing Framework Agreement (III) 委託加工框架協議(三)	Sunshine Lake Pharma Co., Ltd. 廣東東陽光藥業有限公司	29,296.26	-
Entrusted Production Service Framework Agreement (I) 委託生產服務框架協議(一)	Sunshine Lake Pharma Co., Ltd. HEC Generic Drugs Development and Research Co., Ltd.	40,000.00	4,971.01
Entrusted Production Service Framework Agreement (II) 委託生產服務框架協議(二)	HEC Generic Drugs Development and Research Co., Ltd. 東陽光仿製藥研發有限公司	5,000.00	-
Construction Work Contract 建設工程施工合同	Yidu Shanchengshuidu Project Construction Co., Ltd 宜都山城水都建築工程有限公司	27,893.05	23,979.88

1. API Purchase Contract (I)

On 19 March 2021, Dongguan Yangzhikang and Ruyuan HEC Pharmaceutical entered into the API Purchase Contract (I), pursuant to which Dongguan Yangzhikang agreed to purchase active pharmaceutical ingredients, such as Alogliptin Benzoate, Moxifloxacin Hydrochloride and Aripiprazole, from Ruyuan HEC Pharmaceutical with an annual cap of RMB5,000,500 for the year ending 31 December 2021.

1. 原料藥採購合同(一)

於二零二一年三月十九日，東莞市陽之康與乳源東陽光藥業訂立原料藥採購合同(一)。據此，東莞市陽之康同意向乳源東陽光藥業採購苯甲酸阿格列汀、鹽酸莫西沙星及阿立呱唑等原料藥。其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,000,500元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the API Purchase Contract (I), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Ruyuan HEC Pharmaceutical is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Ruyuan HEC Pharmaceutical is a connected person of the Company by virtue of being an associate of Guangdong HEC. Dongguan Yangzhikang is a direct wholly-owned subsidiary of the Company. Therefore, the transactions between Ruyuan HEC Pharmaceutical and Dongguan Yangzhikang constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the API, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. As the Company is also engaged in manufacturing of pharmaceutical products industry, we are familiar with the market price of relevant APIs required for the production. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this API Purchase Contract to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

2. API Purchase Contract (II)

On 19 March 2021, Dongguan Yangzhikang and Yichang HEC Biochemical Manufacturing entered into the API Purchase Contract (II), pursuant to which, Dongguan Yangzhikang shall purchase APIs such as Clarithromycin from Yichang HEC Biochemical Manufacturing with an annual cap of RMB19,200,000 for the year ending 31 December 2021.

於原料藥採購合同(一)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而乳源東陽光藥業為深圳市東陽光實業的直接非全資附屬公司。故此，乳源東陽光藥業作為廣東東陽光的聯屬人，因而為本公司的關連人士。東莞市陽之康為本公司的直接全資附屬公司。因此，乳源東陽光藥業與東莞市陽之康之間交易構成本公司之持續關連交易。

定價政策

選擇原料藥供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。由於本公司亦有從事藥物生產，熟知生產所需的相關原料藥的市價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在原料藥採購合同下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

2. 原料藥採購合同(二)

於二零二一年三月十九日，東莞市陽之康與宜昌東陽光生化製藥訂立原料藥採購合同(二)，據此，東莞市陽之康向宜昌東陽光生化製藥採購克拉黴素等原料藥，其項下載至二零二一年十二月三十一日止的年度上限為人民幣19,200,000元。



REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the API Purchase Contract (II), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Biochemical Manufacturing is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Biochemical Manufacturing is a connected person of the Company by virtue of being an associate of Guangdong HEC. Dongguan Yangzhikang is a direct wholly-owned subsidiary of the Company. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and Dongguan Yangzhikang constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the API, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. As the Company is also engaged in manufacturing of pharmaceutical products industry, we are familiar with the market price of relevant APIs required for the production. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this API Purchase Contract to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

於原料藥採購合同(二)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光生化製藥為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光生化製藥作為廣東東陽光的聯屬人，因而為本公司的關連人士。東莞市陽之康為本公司的直接全資附屬公司。因此，宜昌東陽光生化製藥與東莞市陽之康之間交易構成本公司之持續關連交易。

定價政策

選擇原料藥供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。由於本公司亦有從事藥物生產，熟知生產所需的相關原料藥的市價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在原料藥採購合同下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

REPORT OF THE BOARD OF DIRECTORS

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3. API Purchase Contract (III)

On 19 March 2021, the Company entered into the API Purchase Contract (III) with Ruyuan HEC Pharmaceutical, pursuant to which, the Company agreed to purchase APIs such as Alogliptin Benzoate, Escitalopram Oxalate, Aripiprazole, Linagliptin, Sitagliptin phosphate monohydrate and Rivaroxaban from Ruyuan HEC Pharmaceutical with an annual cap of RMB5,099,100 for the year ending 31 December 2021.

As at the date of the API Purchase Contract (III), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Ruyuan HEC Pharmaceutical is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Ruyuan HEC Pharmaceutical is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and Dongguan Yangzhikang constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the API, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. As the Company is also engaged in manufacturing of pharmaceutical products industry, we are familiar with the market price of relevant APIs required for the production. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this API Purchase Contract to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

3. 原料藥採購合同(三)

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立原料藥採購合同(三)。據此，本公司同意向乳源東陽光藥業採購苯甲酸阿格列汀、草酸艾司西酞普蘭、阿立呱唑、利格列汀、磷酸西格列汀一水合物及利伐沙班等原料藥，其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,099,100元。

於原料藥採購合同(三)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而乳源東陽光藥業為深圳市東陽光實業的直接非全資附屬公司。故此，乳源東陽光藥業作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光生化製藥與東莞市陽之康之間交易構成本公司之持續關連交易。

定價政策

選擇原料藥供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。由於本公司亦有從事藥物生產，熟知生產所需的相關原料藥的市價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在原料藥採購合同下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

REPORT OF THE BOARD OF DIRECTORS

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4. API Purchase Contract (IV)

On 19 March 2021, the Company entered into the API Purchase Contract (IV) with Yichang HEC Biochemical Manufacturing, pursuant to which the Company agreed to purchase APIs (Clarithromycin and Azithromycin) from Yichang HEC Biochemical Manufacturing at a consideration of RMB3,000,000.

As at the date of the API Purchase Contract (IV), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Biochemical Manufacturing is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Biochemical Manufacturing is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the API, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. As the Company is also engaged in manufacturing of pharmaceutical products industry, we are familiar with the market price of relevant APIs required for the production. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this API Purchase Contract to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

4. 原料藥採購合同(四)

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥訂立原料藥採購合同(四)，據此，本公司同意向宜昌東陽光生化製藥採購克拉黴素及阿奇黴素等原料藥，代價為人民幣3,000,000元。

於原料藥採購合同(四)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光生化製藥為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光生化製藥作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光生化製藥與本公司之間的交易構成本公司之持續關連交易。

定價政策

選擇原料藥供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。由於本公司亦有從事藥物生產，熟知生產所需的相關原料藥的市價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在原料藥採購合同下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

REPORT OF THE BOARD OF DIRECTORS

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5. Packaging Materials Purchase Contract

On 19 March 2021, the Company entered into the Packaging Materials Purchase Contract with Shaoguan HEC Packaging, pursuant to which the Company agreed to purchase printed packaging materials from Shaoguan HEC Packaging with an annual cap of RMB16,150,000 for the year ending 31 December 2021.

As at the date of the Packaging Materials Purchase Contract, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Shaoguan HEC Packaging is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Shaoguan HEC Packaging is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Shaoguan HEC Packaging and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the packaging materials, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this Packaging Materials Purchase Contract to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

5. 包裝材料採購合同

於二零二一年三月十九日，本公司與韶關東陽光包裝訂立包裝材料採購合同，據此，本公司同意向韶關東陽光包裝採購包裝材料的印刷品，其項下截至二零二一年十二月三十一日止的年度上限為人民幣16,150,000元。

於包裝材料採購合同簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而韶關東陽光包裝為深圳市東陽光實業的直接非全資附屬公司。故此，韶關東陽光包裝作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，韶關東陽光包裝與本公司之間交易構成本公司之持續關連交易。

定價政策

選擇包裝材料供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在包裝材料採購合同下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。



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6. Supplemental Chemical Materials and Hardware Materials Purchase Agreement

On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Supplemental Chemical Materials and Hardware Materials Purchase Agreement, pursuant to which the Company agreed to purchase chemical materials and hardware materials from Yichang HEC Biochemical Manufacturing with an annual cap of RMB8,000,000 for the year ending 31 December 2021.

As at the date of the Supplemental Chemical Materials and Hardware Materials Purchase Agreement, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Biochemical Manufacturing is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, YiChang HEC Pharmaceutical Manufacturing is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between YiChang HEC Pharmaceutical Manufacturing and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

When selecting supplier of the chemical materials and hardware materials, our Company will obtain quotations from the Group's connected person as well as from at least two independent third party suppliers. The price and terms offered by the Group's connected person will be fair and reasonable and comparable to those offered by such independent third party suppliers. Our Directors believe that by requiring the price and terms offered by the Group's connected person under this Supplemental Chemical Materials and Hardware Materials Purchase Agreement to be comparable to two other independent third party suppliers, this will ensure that such price and terms will be on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

6. 採購化工材料及五金材料補充協議

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥訂立採購化工材料及五金材料補充協議，據此，本公司同意向宜昌東陽光生化製藥採購化工材料及五金材料，其項下載至二零二一年十二月三十一日止的年度上限為人民幣8,000,000元。

於採購化工材料及五金材料補充協議簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光深化製藥為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光製藥作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光製藥與本公司之間交易構成本公司之持續關連交易。

定價政策

選擇化工材料及五金材料供貨商時，本公司將向本集團關連人士及至少兩名獨立第三方供貨商索取報價。本集團關連人士所提供的價格及條款將屬公平合理，並與該等獨立第三方供貨商所提供者相若。董事認為，通過要求本集團關連人士在採購化工材料及五金材料補充協議下所提供的價格及條款與兩名其他獨立第三方供貨商所提供者相若，能確保有關價格及條款將按正常商業條款進行，亦不損害本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

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7. Steam Supply Supplemental Agreement (I)

On 19 March 2021, the Company and Yichang HEC Power Plant entered into the Steam Supply Supplemental Agreement (I), pursuant to which the Company agreed to purchase steam from Yichang HEC Power Plant with an annual cap of RMB9,000,000 for the year ending 31 December 2021.

As at the date of the Steam Supply Supplemental Agreement (I), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Power Plant is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Power Plant is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Power Plant and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price for the steam to be charged under the Steam Supply Supplement Agreement (I) was determined with reference to the reply from Yichang Municipal Price Bureau to Yichang HEC Power Plant on direct supply of steam price in Yichang District.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

8. Steam Supply Supplemental Agreement (II)

On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Steam Supply Supplemental Agreement (II), pursuant to which the Company agreed to purchase steam from Yichang HEC Biochemical Manufacturing with an annual cap of RMB9,000,000 for the year ending 31 December 2021.

7. 供用蒸汽補充協議(一)

於二零二一年三月十九日，本公司與宜昌東陽光火力發電訂立供用蒸汽補充協議(一)，據此，本公司同意向宜昌東陽光火力發電採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣9,000,000元。

於供用蒸汽補充協議(一)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光火力發電為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光火力發電作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光火力發電與本公司之間交易構成本公司之持續關連交易。

定價政策

供用蒸汽補充協議(一)項下所收取蒸汽之價格乃參考宜昌市物價局對宜昌東陽光火力發電直供區內蒸汽價格的批覆而定。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

8. 供用蒸汽補充協議(二)

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥簽訂供用蒸汽補充協議(二)，據此，本公司同意向宜昌東陽光生化製藥採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣9,000,000元。

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As at the date of the Steam Supply Supplemental Agreement (II), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Biochemical Manufacturing is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Biochemical Manufacturing is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price for the steam to be charged under the Steam Supply Supplement Agreement (II) was determined with reference to the reply from Yichang Municipal Price Bureau to Yichang HEC Power Plant on direct supply of steam price in Yichang District.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

9. 2021 Steam Supply Contract

On 19 March 2021, YiChang HEC Pharmaceutical Manufacturing and Yichang HEC Power Plant entered into the 2021 Steam Supply Contract, pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase steam from Yichang HEC Power Plant with an annual cap of RMB4,200,000 for the year ending 31 December 2021.

As at the date of the 2021 Steam Supply Contract, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Power Plant is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Power Plant is a connected person of the Company by virtue of being an associate of Guangdong HEC. YiChang HEC Pharmaceutical Manufacturing is a wholly-owned subsidiary of the Company. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and YiChang HEC Pharmaceutical Manufacturing constitutes a continuing connected transaction of the Company.

於供用蒸汽補充協議(二)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光生化製藥為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光生化製藥作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光生化製藥與本公司之間交易構成本公司之持續關連交易。

定價政策

供用蒸汽補充協議(二)項下所收取蒸汽之價格乃參考宜昌市物價局對宜昌東陽光火力發電直供區內蒸汽價格的批覆而定。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

9. 二零二一年度供用蒸汽合同

於二零二一年三月十九日，宜昌東陽光製藥與宜昌東陽光火力發電訂立二零二一年度供用蒸汽合同，據此，宜昌東陽光製藥同意向宜昌東陽光火力發電採購蒸汽，其項下截至二零二一年十二月三十一日止的年度上限為人民幣4,200,000元。

於二零二一年度供用蒸汽合同簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光火力發電為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光火力發電作為廣東東陽光的聯屬人，因而為本公司的關連人士。宜昌東陽光製藥為本公司的全資附屬公司。因此，宜昌東陽光生化製藥與宜昌東陽光製藥之間的交易構成本公司之持續關連交易。

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Pricing policy

The price for the steam to be charged under the 2021 Steam Supply Contract was determined with reference to the reply from Yichang Municipal Price Bureau to Yichang HEC Power Plant on direct supply of steam price in Yichang District.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

10. Power Supply Supplemental Agreement

On 19 March 2021, the Company and Yichang HEC Power Plant entered into the Power Supply Supplemental Agreement, pursuant to which the Company agreed to purchase electricity from Yichang HEC Power Plant with an annual cap of RMB30,300,000 for the year ending 31 December 2021.

As at the date of the Power Supply Supplemental Agreement, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Power Plant is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Power Plant is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and Yichang HEC Pharmaceutical Manufacturing constitutes a continuing connected transaction of the Company.

Pricing policy

The electricity fees charged under the Power Supply Supplemental Agreement and the 2021 Power Supply Contract are determined with reference to the on-grid tariff of RMB0.4161/kWh offered by Yichang HEC Power Plant, which was approved by the Provincial Price Bureau in the notice of reasonable adjustment of the electricity tariff structure pursuant to Hubei Provincial Price Bureau (E Jia Huan Zi [2017] No. 92) (鄂價環資[2017]92號文) and the approval of Yichang Municipal Price Bureau (Yi Dong Dian [2011] No. 1) (宜東電[2011]1號文) stipulates the power supply tariff in the direct supply zone shall not lower than 80% of the on-grid tariff in Hubei Province in the same period and not higher than the principle on-grid tariff of Hubei Province in the same period, and is subject to an agreed pricing of RMB0.3329/kWh throughout the year.

定價政策

二零二一年度供用蒸汽合同項下所收取蒸汽之價格乃參考宜昌市物價局對宜昌東陽光火力發電直供區內蒸汽價格的批覆而定。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

10. 供用電補充協議

於二零二一年三月十九日，本公司與宜昌東陽光火力發電簽訂供用電補充協議，據此，本公司同意向宜昌東陽光火力發電採購電力，其項下截至二零二一年十二月三十一日止的年度上限為人民幣30,300,000元。

於供用電補充協議簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光火力發電為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光火力發電作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光生化製藥與宜昌東陽光製藥之間的交易構成本公司之持續關連交易。

定價政策

供用電補充協議及二零二一年度供用電合同項下所收取電費之價格乃參考宜昌東陽光火力發電提供的上網電價每千瓦時人民幣0.4161元，該電價乃根據湖北省物價局鄂價環資[2017]92號文通知對電費作出合理調整所批准，而宜昌市物價局宜東電[2011]1號文的批覆規定直供地區的供電費用不得低於同期湖北省上網電價的80%，且不得高於同期湖北省原則上的上網電價，並須受限於全年執行的協議定價每千瓦時人民幣0.3329元。

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For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

11. 2021 Power Supply Contract

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing and Yichang HEC Power Plant entered into the 2021 Power Supply Contract, pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase electricity from Yichang HEC Power Plant with an annual cap of RMB3,200,000 for the year ending 31 December 2021.

As at the date of the 2021 Power Supply Contract, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Power Plant is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Power Plant is a connected person of the Company by virtue of being an associate of Guangdong HEC. YiChang HEC Pharmaceutical Manufacturing is a wholly-owned subsidiary of the Company. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and YiChang HEC Pharmaceutical Manufacturing constitutes a continuing connected transaction of the Company.

Pricing policy

The electricity fees charged under the Power Supply Supplemental Agreement and the 2021 Power Supply Contract are determined with reference to the on-grid tariff of RMB0.4161/kWh offered by Yichang HEC Power Plant, which was approved by the Provincial Price Bureau in the notice of reasonably adjustment of the electricity tariff structure pursuant to Hubei Provincial Price Bureau (E Jia Huan Zi [2017] No. 92) (鄂價環資[2017]92號文) and the approval of Yichang Municipal Price Bureau (Yi Dong Dian [2011] No. 1) (宜東電[2011]1號文) stipulates the power supply tariff in the direct supply zone shall not lower than 80% of the on-grid tariff in Hubei Province in the same period and not higher than the principle on-grid tariff of Hubei Province in the same period, and is subject to an agreed pricing of RMB0.3329/kWh throughout the year.

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

11. 二零二一年度供用電合同

於二零二一年三月十九日，宜昌東陽光製藥與宜昌東陽光火力發電簽訂二零二一年度供用電合同，據此，宜昌東陽光製藥同意向宜昌東陽光火力發電採購電力，其項下截至二零二一年十二月三十一日止的年度上限為人民幣3,200,000元。

於二零二一年度供用電合同簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光火力發電為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光火力發電作為廣東東陽光的聯屬人，因而為本公司的關連人士。宜昌東陽光製藥為本公司的全資附屬公司。因此，宜昌東陽光生化製藥與宜昌東陽光製藥之間的交易構成本公司之持續關連交易。

定價政策

供用電補充協議及二零二一年度供用電合同項下所收取電費之價格乃參考宜昌東陽光火力發電提供的上網電價每千瓦時人民幣0.4161元，該電價乃根據湖北省物價局鄂價環資[2017]92號文通知對電費作出合理調整所批准，而宜昌市物價局宜東電[2011]1號文的批覆規定直供地區的供電費用不得低於同期湖北省上網電價的80%，且不得高於同期湖北省原則上的上網電價，並須受限於全年執行的協議定價每千瓦時人民幣0.3329元。

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For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

12. Industrial Products Sale and Purchase Contract (I)

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing and Yidu Machinery entered into the Industrial Products Sale and Purchase Contract (I), pursuant to which Yichang HEC Pharmaceutical Manufacturing agreed to purchase of tank field and workshop renovation equipment from Yidu Machinery with an annual cap of RMB11,000,000 for the year ending 31 December 2021.

As at the date of the Industrial Products Sale and Purchase Contract (I), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yidu Machinery is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yidu Machinery is a connected person of the Company by virtue of being an associate of Guangdong HEC. YiChang HEC Pharmaceutical Manufacturing is a wholly-owned subsidiary of the Company. Therefore, the transactions between Yidu Machinery and YiChang HEC Pharmaceutical Manufacturing constitutes a continuing connected transaction of the Company.

Pricing policy

The price charged by Yidu Machinery to the Group for the purchase of equipment adopts a “cost-plus” mechanism in which a range of 10%–15% of the profit is charged.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

12. 工業品買賣合同(一)

於二零二一年三月十九日，宜昌東陽光製藥與宜都長江機械設備簽訂工業品買賣合同(一)，據此，宜昌東陽光製藥同意向宜都長江機械設備採購罐區及車間改造設備，其項下截至二零二一年十二月三十一日止的年度上限為人民幣11,000,000元。

於工業品買賣合同(一)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜都長江機械設備為深圳市東陽光實業的直接非全資附屬公司。故此，宜都長江機械設備作為廣東東陽光的聯屬人，因而為本公司的關連人士。宜昌東陽光製藥為本公司的全資附屬公司。因此，宜都長江機械設備與宜昌東陽光製藥之間的交易構成本公司之持續關連交易。

定價政策

宜都長江機械設備向本集團收取購買設備之價格採取「成本加成」機制，即其收取10%–15%的利潤。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

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13. Industrial Products Sale and Purchase Contract (II)

On 19 March 2021, the Company entered into the Industrial Products Sale and Purchase Contract (II) with Yidu Machinery, pursuant to which the Company agreed to purchase workshop renovation equipment from Yidu Machinery with an annual cap of RMB7,000,000 for the year ending 31 December 2021.

As at the date of the Industrial Products Sale and Purchase Contract (II), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yidu Machinery is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yidu Machinery is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yidu Machinery and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price charged by Yidu Machinery to the Group for the purchase of equipment adopts a “cost-plus” mechanism in which a range of 10%–15% of the profit is charged.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

14. Entrusted Inspection Contract (I)

On 19 March 2021, the Company entered into the Entrusted Inspection Contract (I) with Ruyuan HEC Pharmaceutical, pursuant to which the Company agreed to engage Ruyuan HEC Pharmaceutical to conduct a quality control inspection on the talcum powder with an annual cap of RMB2,300,000 for the year ending 31 December 2021.

13. 工業品買賣合同(二)

於二零二一年三月十九日，本公司與宜都長江機械設備訂立工業品買賣合同(二)，據此，本公司同意向宜都長江機械設備採購車間改造設備，其項下截至二零二一年十二月三十一日止的年度上限為人民幣7,000,000元。

於工業品買賣合同(二)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜都長江機械設備為深圳市東陽光實業的直接非全資附屬公司。故此，宜都長江機械設備作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜都長江機械設備與本公司之間的交易構成本公司之持續關連交易。

定價政策

宜都長江機械設備向本集團收取購買設備之價格採取「成本加成」機制，即其收取10%–15%的利潤。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

14. 委託檢驗合同(一)

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立委託檢驗合同(一)，據此，本公司同意委託乳源東陽光藥業進行滑石粉的質量控制檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣2,300,000元。

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As at the date of the Entrusted Inspection Contract (I), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Ruyuan HEC Pharmaceutical is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Ruyuan HEC Pharmaceutical is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Ruyuan HEC Pharmaceutical and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price charged by the Group's connected person to the Company for the inspection fees adopts a "cost-plus" mechanism in which a range of 10%–15% of the profit is charged.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

15. Entrusted Inspection Contract (II)

On 19 March 2021, the Company entered into the Entrusted Inspection Contract (II) with HEC Generic Drugs Development and Research, pursuant to which the Company commissioned HEC Generic Drugs Development and Research to conduct testing on the compatibility of injection packaging materials, production component compatibility, drug device compatibility, closure integrity research and analysis of excessive impurities structure during the stability process with an annual cap of RMB1,500,000 for the year ending 31 December 2021.

As at the date of the Entrusted Inspection Contract (II), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and HEC Generic Drugs Development and Research is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, HEC Generic Drugs Development and Research is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between HEC Generic Drugs Development and Research and the Company constitutes a continuing connected transaction of the Company.

於委託檢驗合同(一)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而乳源東陽光藥業為深圳市東陽光實業的直接非全資附屬公司。故此，乳源東陽光藥業作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，乳源東陽光藥業與本公司之間的交易構成本公司之持續關連交易。

定價政策

本集團關連人士向本公司收取檢驗費用採取「成本加成」機制，即其收取10%–15%的利潤。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

15. 委託檢驗合同(二)

於二零二一年三月十九日，本公司與東陽光生物藥研發訂立委託檢驗合同(二)，據此，本公司委託東陽光生物藥研發進行注射劑包材兼容性、生產組件兼容性、用藥器具兼容性、密封完整性研究及穩定性過程中超標雜質結構分析的檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣1,500,000元。

於委託檢驗合同(二)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而東陽光生物藥研發為深圳市東陽光實業的直接非全資附屬公司。故此，東莞市生物藥研發作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，東莞市生物藥研發與本公司之間的交易構成本公司之持續關連交易。

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Pricing policy

The price charged by the Group's connected person to the Company for the inspection fees adopts a "cost-plus" mechanism in which a range of 10%–15% of the profit is charged.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

16. Supplemental Entrusted Sewage Agreement

On 19 March 2021, the Company and Yichang HEC Biochemical Manufacturing entered into the Supplemental Entrusted Sewage Treatment Agreement, pursuant to which the Company agreed to engage Yichang HEC Biochemical Manufacturing for the treatment of sewage generated during the Company's production process with an annual cap of RMB3,600,000 for the year ending 31 December 2021.

As at the date of the Supplemental Entrusted Sewage Agreement, Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Yichang HEC Biochemical Manufacturing is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Yichang HEC Biochemical Manufacturing is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Yichang HEC Biochemical Manufacturing and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price charged by Yichang HEC Biochemical Manufacturing to the Company for the commissioned sewage treatment fees adopts a "cost-plus" (such as staff costs, electricity bills, equipment, venues and raw materials related to sewage treatment) mechanism in which a range of 10%–15% of the profit is charged.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

定價政策

本集團關連人士向本公司收取檢驗費用採取「成本加成」機制，即其收取10%–15%的利潤。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

16. 委託污水補充協議

於二零二一年三月十九日，本公司與宜昌東陽光生化製藥簽訂委託處理污水補充協議，據此，本公司委託宜昌東陽光生化製藥處理本公司生產過程中所產生的污水，其項下載至二零二一年十二月三十一日止的年度上限為人民幣3,600,000元。

於委託污水補充協議簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而宜昌東陽光生化製藥為深圳市東陽光實業的直接非全資附屬公司。故此，宜昌東陽光生化製藥作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，宜昌東陽光生化製藥與本公司之間的交易構成本公司之持續關連交易。

定價政策

宜昌東陽光生化製藥向本公司收取委託污水處理費用採取「成本加成」（如員工成本、電費、設備、場地、污水處理相關原材料等）機制，即其收取10%–15%的利潤。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

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17. Entrusted Processing Framework Agreement (I)

On 19 March 2021, the Company entered into the Entrusted Processing Framework Agreement (I) with Sunshine Lake Pharma, pursuant to which the Company agreed to engage Sunshine Lake Pharma to process certain pharmaceutical products, including Clarithromycin Tablets, Levofloxacin Tablets, Moxifloxacin Hydrochloride Tablets, Olmesartan Tablets, Alogliptin Benzoate Tablets, Duloxetine Hydrochloride Enteric-coated Capsules, Aripiprazole Tablet, Febuxostat Tablets, Tadalafil Tablets, Ticagrelor Tablets, Olanzapine Tablets, Rosuvastatin Calcium Tablets, Linagliptin Tablets, Sitagliptin Tablets and Entacapone Tablets with an annual cap of RMB105,280,000 for the year ending 31 December 2021.

As at the date of the Entrusted Processing Framework Agreement (I), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Sunshine Lake Pharma is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Sunshine Lake Pharma is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Sunshine Lake Pharma and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

A “cost plus” basis was adopted for the pricing of the processing fee payable to the Group’s connected person by the Group. Other than the necessary costs and expenses arising from the processing services, the Group’s connected person charged the Group a premium, which is within about 10% of the processing cost.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

17. 委託加工框架性協議（一）

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂委託加工框架協議（一），據此，本公司同意委託廣東東陽光藥業對克拉黴素片、左氧氟沙星片、鹽酸莫西沙星片、奧美沙坦酯片、苯甲酸阿格列汀片、鹽酸度洛西汀腸溶膠囊、阿立呱唑片、非布司他片、他達拉非片、替格瑞洛片、奧氮平片、瑞舒伐他汀鈣片、利格列汀片、西格列汀片和恩他卡朋片等藥品進行加工，其項下截至二零二一年十二月三十一日止的年度上限為人民幣105,280,000元。

於委託加工框架性協議（一）簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而廣東東陽光藥業為深圳市東陽光實業的直接非全資附屬公司。故此，廣東東陽光藥業作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，廣東東陽光藥業與本公司之間的交易構成本公司之持續關連交易。

定價政策

就本集團應付本集團關連人士之加工費價格採用「成本加成」機制。除加工服務產生之必需成本及開支外，本集團關連人士向本集團收取加工費用約10%以內作為額外費用。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

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18. Entrusted Processing Framework Agreement (II)

On 19 March 2021, the Company entered into the Entrusted Processing Framework Agreement (II) with Ruyuan HEC Pharmaceutical, pursuant to which the Company agreed to engage Ruyuan HEC Pharmaceutical to process the Rongliflozin API with an annual cap of RMB25,050,700 for the year ending 31 December 2021.

As at the date of the Entrusted Processing Framework Agreement (II), Guangdong HEC directly held 53.89% equity interests in the Company and was therefore a then Controlling Shareholder of the Company. Shenzhen HEC Industrial is the holding company of Guangdong HEC and Ruyuan HEC Pharmaceutical is a direct non-wholly owned subsidiary of Shenzhen HEC Industrial. Therefore, Ruyuan HEC Pharmaceutical is a connected person of the Company by virtue of being an associate of Guangdong HEC. Therefore, the transactions between Ruyuan HEC Pharmaceutical and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

A “cost plus” basis was adopted for the pricing of the processing fee payable to the Group’s connected person by the Group. Other than the necessary costs and expenses arising from the processing services, the Group’s connected person charged the Group a premium, which is within about 10% of the processing cost.

For the reasons of entering into the connected transactions and other details, please refer to the circular of the Company dated 28 May 2021 and the announcement of the Company dated 19 March 2021.

18. 委託加工框架性協議(二)

於二零二一年三月十九日，本公司與乳源東陽光藥業訂立委託加工框架協議(二)，據此，本公司同意委託乳源東陽光藥業對榮格列淨原料藥進行加工，其項下截至二零二一年十二月三十一日止的年度上限為人民幣25,050,700元。

於委託加工框架性協議(二)簽訂日期，廣東東陽光直接持有本公司53.89%的股權，因此當時為本公司的控股股東。深圳市東陽光實業為廣東東陽光的控股公司，而乳源東陽光藥業為深圳市東陽光實業的直接非全資附屬公司。故此，乳源東陽光藥業作為廣東東陽光的聯屬人，因而為本公司的關連人士。因此，乳源東陽光藥業與本公司之間的交易構成本公司之持續關連交易。

定價政策

就本集團應付本集團關連人士之加工費價格採用「成本加成」機制。除加工服務產生之必需成本及開支外，本集團關連人士向本集團收取加工費用約10%以內作為額外費用。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年五月二十八日的通函及本公司日期為二零二一年三月十九日的公告。

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19. Construction Contract

On 19 March 2021, the Company entered into the Construction Contract with Yidu Construction, pursuant to which the Company agreed to engage Yidu Construction to carry out the civil works of minor maintenance projects with an annual cap of RMB17,050,000 for the year ending 31 December 2021.

As at the date of the Construction Contract, Yidu Construction was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Yidu Construction and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The price charged by Yidu Construction to the Company adopts a “cost-plus” mechanism, i.e. it charges a profit ranging from 5% to 10%.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Construction Contract are fair and reasonable, and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal or more favourable commercial terms with the Construction Contract in the interests of the Company and the Shareholder(s) as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

20. Property Lease Contract

On 19 March 2021, the Company entered into the Property Lease Contract with HEC Medicine Development and Research, pursuant to which the Company agreed to lease a property from HEC Medicine Development and Research with an annual cap of RMB2,426,101.20 for the year ending 31 December 2021.

19. 工程施工合同

於二零二一年三月十九日，本公司與宜都建築簽訂工程施工合同，據此，本公司同意委託宜都建築進行小額維修項目中土木工程，其項下截至二零二一年十二月三十一日止的年度上限為人民幣17,050,000元。

於工程施工合同簽訂日期，宜都建築為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，宜都建築為本公司的關連人士。因此，本公司與宜都建築之間交易構成本公司之持續關連交易。

定價政策

宜都建築向本公司收取之價格採取「成本加成」機制，即其收取5%-10%的利潤。

董事（包括獨立非執行董事）認為，工程施工合同的條款屬公平合理，且其項下擬進行的交易乃按本公司的日常及一般業務中訂立，且屬正常商業條款或更優惠條款進行，以及工程施工合同符合本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

20. 房屋租賃合同

於二零二一年三月十九日，本公司與東陽光藥物研發簽訂房屋租賃合同，據此本公司同意向東陽光藥物研發租賃房屋，其項下截至二零二一年十二月三十一日止的年度上限為人民幣2,426,101.20元。

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As at the date of the Property Lease Contract, HEC Medicine Development and Research was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between HEC Medicine Development and Research and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The rental charged by HEC Medicine Development and Research to the Company is determined after arm's length negotiations by reference to the current rent for the same type of property in the vicinity at the time of entering into the Property Lease Contract.

The Directors (including the independent non-executive Directors) are of the view that the Property Lease Contract (including the annual cap) is entered into in the ordinary and usual course of business of the Group, and the terms are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or favourable to the Company and the Property Lease Contract is in the interests of the Company and Shareholder(s) as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

21. API Sales Contract

On 19 March 2021, the Company entered into the API Sales Contract with Sunshine Lake Pharma, pursuant to which the Company agreed to sell APIs of Olmesartan Medoxomil, Moxifloxacin Hydrochloride, Esomeprazole Magnesium, Entacapone, Febuxostat, Duloxetine Hydrochloride, Olanzapine and Levofloxacin to Sunshine Lake Pharma with an annual cap of RMB30,000,000 for the year ending 31 December 2021.

於房屋租賃合同簽訂日期，東陽光藥物研發為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，東陽光藥物研發為本公司的關連人士。因此，本公司與東陽光藥物研發之間交易構成本公司之持續關連交易。

定價政策

東陽光藥物研發向本公司收取租金參考訂立房屋租賃合同時鄰近相同類型物業之現時租金經公平磋商後釐定。

董事(包括獨立非執行董事)認為，房屋租賃合同(及年度上限)乃在本集團日常及一般業務中訂立，且條款屬公平合理，其項下擬進行的交易乃按本公司的正常商業條款或更優惠條款進行，以及房屋租賃合同符合本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

21. 原料藥銷售合同

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂原料藥銷售合同，據此本公司同意向廣東東陽光藥業出售奧美沙坦酯、鹽酸莫西沙星、艾司奧美拉唑鎂、恩他卡朋、非布司他、鹽酸度洛西汀、奧氮平、左氧氟沙星等原料藥，其項下載至二零二一年十二月三十一日止的年度上限為人民幣30,000,000元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the API Sales Contract, Sunshine Lake Pharma was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Sunshine Lake Pharma and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

As the Group also sells pharmaceutical products and APIs to independent third parties, the fees to be charged shall not be lower than the price charged to any independent third parties. In addition, Morphothiadine Mesylate is a class I innovative drug which has currently no reference price in the market. The price charged by the Company to Sunshine Lake Pharma adopts a “cost-plus” mechanism, i.e. it charges 30% of the profit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the API Sales Contract and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and the annual caps are on normal commercial terms and fair and reasonable and in the interests of the Company and Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

22. Pharmaceutical Sales Contract

On 19 March 2021, the Company entered into the Pharmaceutical Sales Contract with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma agreed to purchase the finished products of Morphothiadine Mesylate from the Company after engaging the Company to produce the Morphothiadine Mesylate with an annual cap of RMB4,580,000 for the year ending 31 December 2021.

於原料藥銷售合同簽訂日期，廣東東陽光藥業為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，廣東東陽光藥業本公司的關連人士。因此，本公司與廣東東陽光藥業之間交易構成本公司之持續關連交易。

定價政策

由於本集團亦向獨立第三方銷售醫藥產品及原料藥，故所收取的費用不得低於向任何獨立第三方收取的價格。另外，甲磺酸莫非賽為I類創新藥，現時市場並無參考價格。本公司向廣東東陽光藥業收取之價格採取「成本加成」機制，即其收取30%的利潤。

董事(包括獨立非執行董事)認為，原料藥銷售合同及其項下擬進行之交易乃於本集團日常及一般業務過程中按一般之商業條款訂立，以及年度上限亦按一般商業條款訂立，屬公平合理及符合本公司及其股東整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

22. 藥品銷售合同

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂藥品銷售合同，據此廣東東陽光藥業同意委託本公司生產甲磺酸莫非賽定後，向本公司採購甲磺酸莫非賽定成品，其項下截至二零二一年十二月三十一日止的年度上限為人民幣4,580,000元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the Pharmaceutical Sales Contract, Sunshine Lake Pharma was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Sunshine Lake Pharma and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

As the Group also sells pharmaceutical products and APIs to independent third parties, the fees to be charged shall not be lower than the price charged to any independent third parties. In addition, Morphothiadine Mesylate is a class I innovative drug which has currently no reference price in the market. The price charged by the Company to Sunshine Lake Pharma adopts a “cost-plus” mechanism, i.e. it charges 30% of the profit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Pharmaceutical Sales Contract and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and the annual caps are on normal commercial terms and fair and reasonable and in the interests of the Company and Shareholders as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

23. Entrusted Processing Framework Agreement (III)

On 19 March 2021, the Company and Sunshine Lake Pharma entered into the Entrusted Processing Framework Agreement (III), pursuant to which Sunshine Lake Pharma agreed to engage the Company to process Yiqibuvir Tablets, Dong An Tai, Dong An En and Dong Tong Shen with an annual cap of RMB29,296,263.44 for the year ending 31 December 2021.

於藥品銷售合同簽訂日期，廣東東陽光藥業為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，廣東東陽光藥業本公司的關連人士。因此，本公司與廣東東陽光藥業之間交易構成本公司之持續關連交易。

定價政策

由於本集團亦向獨立第三方銷售醫藥產品及原料藥，故所收取的費用不得低於向任何獨立第三方收取的價格。另外，甲磺酸莫非賽為I類創新藥，現時市場並無參考價格。本公司向廣東東陽光藥業收取之價格採取「成本加成」機制，即其收取30%的利潤。

董事（包括獨立非執行董事）認為，藥品銷售合同及其項下擬進行之交易乃於本集團日常及一般業務過程中按一般之商業條款訂立，以及年度上限亦按一般商業條款訂立，屬公平合理及符合本公司及其股東整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

23. 委託加工框架協議(三)

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂委託加工框架協議(三)，據此廣東東陽光藥業委託本公司研發及對英強布韋片、東安泰、東安恩及東通神進行加工，其項下截至二零二一年十二月三十一日止的年度上限為人民幣29,296,263.44元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the Entrusted Processing Framework Agreement (III), Sunshine Lake Pharma was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Sunshine Lake Pharma and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The Group adopts a “cost-plus” mechanism for charging a service fee to the Group’s connected persons (the service fee includes raw and auxiliary materials, packaging materials, labour and manufacturing expenses provided by Party B), i.e. it charges 20% of the profit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Processing Framework Agreement (III) are fair and reasonable, and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and on normal commercial terms or more favourable to the Company, and the Entrusted Processing Framework Agreement (III) are in the interests of the Company and Shareholder(s) as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

24. Entrusted Production Service Framework Agreement (I)

On 19 March 2021, the Company and Sunshine Lake Pharma entered into the Entrusted Processing Framework Agreement (I), pursuant to which Sunshine Lake Pharma agreed to engage Yichang HEC Pharmaceutical Manufacturing to evaluate and inspect the production and safety response of Phenylcarbonohydrazonoyl dicyanide, Dong An En, Dong Jian Ze (東健澤), Dong Tong Rui (東通瑞), Dong Tong Shun (東通順), Dong Tong Run (東通潤), Rongliflozin RG04 and other new pharmaceutical intermediates with an annual cap of RMB40,000,000 for the year ending 31 December 2021.

於委託加工框架協議(三)簽訂日期，廣東東陽光藥業為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，廣東東陽光藥業本公司的關連人士。因此，本公司與廣東東陽光藥業之間交易構成本公司之持續關連交易。

定價政策

本集團向本集團關連人士收取服務費採取「成本加成」機制(服務費包括乙方提供的原輔料、包材、人工及製造費用)，即其收取20%的利潤。

董事(包括獨立非執行董事)認為，委託加工框架協議(三)的條款屬公平合理，且其項下擬進行的交易乃按本公司的日常及一般業務中訂立、且屬正常商業條款或更優惠條款進行，以及委託加工框架協議(三)符合本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

24. 委託生產服務框架協議(一)

於二零二一年三月十九日，本公司與廣東東陽光藥業簽訂委託加工框架協議(一)，據此廣東東陽光藥業同意委託宜昌東陽光製藥對(苯基亞胍基)丙二腈、東安恩、東健澤、東通瑞、東通順、東通潤、榮格列淨RG 04、其它新藥品種中間體和進行生產和安全反應評估檢驗，其項下截至二零二一年十二月三十一日止的年度上限為人民幣40,000,000元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the Entrusted Processing Framework Agreement (I), Sunshine Lake Pharma was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Sunshine Lake Pharma and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The Group adopts a “cost-plus” mechanism for charging a service fee to the Group’s connected persons (the service fee includes raw and auxiliary materials, packaging materials, labour and manufacturing expenses provided by Party B), i.e. it charges 20% of the profit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Processing Framework Agreement (I) are fair and reasonable, and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and on normal commercial terms or more favourable to the Company, and the Entrusted Processing Framework Agreement (I) are in the interests of the Company and Shareholder(s) as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

25. Entrusted Production Service Framework Agreement (II)

On 19 March 2021, Yichang HEC Pharmaceutical Manufacturing (a subsidiary of the Company) and HEC Generic Drugs Development and Research entered into the Entrusted Production Service Framework Agreement (II), pursuant to which, HEC Generic Drugs Development and Research engaged Yichang HEC Pharmaceutical Manufacturing to evaluate and inspect the production and safety response on Palamevir, Siponimod and other generic drugs. The Entrusted Production Service Framework Agreement (II) (such as term and payment method) is consistent with the Entrusted Production Service Framework Agreement (I) with an annual cap of RMB5,000,000 for the year ending 31 December 2021.

於委託加工框架協議(一)簽訂日期，廣東東陽光藥業為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，廣東東陽光藥業本公司的關連人士。因此，本公司與廣東東陽光藥業之間交易構成本公司之持續關連交易。

定價政策

本集團向本集團關連人士收取服務費採取「成本加成」機制(服務費包括乙方提供的原輔料、包材、人工及製造費用)，即其收取20%的利潤。

董事(包括獨立非執行董事)認為，委託加工框架協議(一)的條款屬公平合理，且其項下擬進行的交易乃按本公司的日常及一般業務中訂立、且屬正常商業條款或更優惠條款進行，以及委託加工框架協議(一)符合本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

25. 委託生產服務框架協議(二)

於二零二一年三月十九日，宜昌東陽光製藥(本公司之附屬公司)與東陽光仿製藥研發訂立委託生產服務框架協議(二)的，據此，東陽光仿製藥研發委託宜昌東陽光製藥對帕拉米韋、辛波莫德、其他仿製藥品種和進行生產和安全反應評估檢驗。委託生產服務框架協議(二)(如期限及付款方式)與委託生產服務框架協議(一)一致，其項下截至二零二一年十二月三十一日止的年度上限為人民幣5,000,000元。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

As at the date of the Entrusted Processing Framework Agreement (II), HEC Generic Drugs Development and Research was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between HEC Generic Drugs Development and Research and Yichang HEC Pharmaceutical Manufacturing (a subsidiary of the Company) constitutes a continuing connected transaction of the Company.

Pricing policy

The Group adopts a “cost-plus” mechanism for charging a service fee to the Group’s connected persons (the service fee includes raw and auxiliary materials, packaging materials, labour and manufacturing expenses provided by Party B), i.e. it charges 20% of the profit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Processing Framework Agreement (II) are fair and reasonable, and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and on normal commercial terms or more favourable to the Company, and the Entrusted Processing Framework Agreement (II) are in the interests of the Company and Shareholder(s) as a whole.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 19 March 2021.

26. Construction Work Contract

On 28 July 2020, HEC Pharmaceutical Manufacturing and Yidu Construction entered into the Construction Work Contract, pursuant to which HEC Pharmaceutical Manufacturing entrusted Yidu Construction to provide EPC (Engineering, Procurement and Construction) services for its workshop with an annual cap of RMB27,893,045 for the year ending 31 December 2021.

於委託加工框架協議(二)簽訂日期，東陽光仿製藥為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，東陽光仿製藥本公司的關連人士。因此，宜昌東陽光製藥(本公司之附屬公司)與東陽光仿製藥之間交易構成本公司之持續關連交易。

定價政策

本集團向本集團關連人士收取服務費採取「成本加成」機制(服務費包括乙方提供的原輔料、包材、人工及製造費用)，即其收取20%的利潤。

董事(包括獨立非執行董事)認為，委託加工框架協議(二)的條款屬公平合理，且其項下擬進行的交易乃按本公司的日常及一般業務中訂立、且屬正常商業條款或更優惠條款進行，以及委託加工框架協議(二)符合本公司及股東的整體利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二一年三月十九日的公告。

26. 建設工程施工合同

於二零二零年七月二十八日，宜昌東陽光製藥(本公司之直接全資附屬公司)與宜都建築簽訂建設工程施工合同，據此，宜昌東陽光製藥委託宜都建築提供合成車間的總承包服務(包括建築、工程及施工)，其項下載至二零二一年十二月三十一日止的年度上限為人民幣27,893,045元。

REPORT OF THE BOARD OF DIRECTORS 董事會報告

As at the date of the Construction Work Contract, Yidu Construction was an indirect subsidiary of Shenzhen HEC Industrial, the then controlling shareholder of the Company, and therefore a connected person of the Company. Therefore the transactions between Yidu Construction and the Company constitutes a continuing connected transaction of the Company.

Pricing policy

The consideration under the Construction Work Contract is the bidding price (i.e. RMB55,893,045 in total) offered by Yidu Construction, the successful bidder, at the tender for the Construction Work Contract, who obtained the highest overall score in the evaluation.

The Directors are of the view that the tender procedures and the established system of tendering can ensure that the transactions under the Construction Work Contract will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

For the reasons of entering into the connected transactions and other details, please refer to the announcement of the Company dated 28 July 2020.

Review by and Confirmation of Independent Non-executive Directors of the Company

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) made on normal or better commercial terms (as defined in the Listing Rules); and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

於建設工程施工合同簽訂日期，宜都建築為當時本公司的控股股東深圳市東陽光實業的間接附屬公司。故此，宜都建築為本公司的關連人士。因此，本公司與宜都建築之間交易構成本公司之持續關連交易。

定價政策

建設工程施工合同項下的代價為中標人宜都建築在投標建設工程施工合同時所提供的投標價（即共人民幣55,893,045元），而宜都建築在評審中獲最高綜合評分。

董事認為，招標程序及完善的招標系統可確保建設工程施工合同項下的交易乃按正常商業條款進行，以及不會損害本公司及其少數股東的利益。

有關關連交易理由及其他詳情，請參閱本公司日期為二零二零年七月二十八日的公告。

本公司獨立非執行董事審閱及確認

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (i) 乃於本集團一般日常業務中進行；
- (ii) 按照一般或更佳商務條款（按上市規則所界定）訂立；及
- (iii) 乃根據相關交易協議的條款進行，屬公平合理，並符合股東的整體利益。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

External auditor's report on the Group's continuing connected transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (revised), "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter to the Board in respect of the continuing connected transactions disclosed by the Group on page 104 and 105 of the Annual Report in accordance with Listing Rule 14A.56, including confirming that, in respect of such continuing connected transactions:

- (a) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Company's board of directors;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the relevant annual cap.

A copy of the auditor's letter has been provided to the Stock Exchange by the Company.

有關本集團持續關連交易之外部核數師報告

本公司的核數師已獲委聘，根據香港會計師公會所頒佈《香港核證工作準則》第3000號(經修訂)「歷史財務資料審計或審閱以外的核證工作」，及參考《實務說明》第740號(經修訂)「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。核數師已根據上市規則第14A.56條向董事會發出有關本集團於年報第104及105頁所披露之持續關連交易的函件，其中包括確認就該等持續關連交易而言：

- (a) 不曾知悉任何事項會致使彼等相信持續關連交易並未獲本公司董事會批准；
- (b) 就有關本集團提供貨品或服務之交易而言，不曾知悉任何事項會致使彼等相信該等交易在各重大方面違反本集團之定價政策；
- (c) 不曾知悉任何事項會致使彼等相信該等交易在各重大方面並未根據規管該等交易之相關協議訂立；及
- (d) 就各項持續關連交易之總金額而言，不曾知悉任何事項會致使彼等相信持續關連交易已超過有關年度上限。

本公司已向聯交所提供核數師函件副本。

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Details of the related party transactions of the Group are set out in Note 29 of the Consolidated Financial Statements. Apart from the connected transactions and continuing connected transactions as disclosed in this Annual Report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to announcement or independent shareholders' approval requirements. The Company has complied with disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions and the continuing connected transactions as set out in the Annual Report.

NON-COMPETITION UNDERTAKING

The Company had entered into a non-competition agreement on 6 December 2015 with HEC Pharm, Linzhi HEC Pharmaceutical Investment Co., Ltd. (林芝東陽光藥業投資有限公司), Dongguan HEC Industrial Development Co., Ltd. (東莞市東陽光實業發展有限公司), Shenzhen HEC Industrial, Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. (乳源瑤族自治縣寓能電子實業有限公司), Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. (乳源瑤族自治縣新京科技發展有限公司), Mr. ZHANG Zhongneng (張中能) and Ms. GUO Meilan (郭梅蘭).

The independent non-executive Directors have reviewed the Non-competition Agreement and had determined that Mr. Zhang Yushuai, the Then Controlling Shareholders and their subsidiaries have not been in breach of the Non-competition Undertaking during the year ended 31 December 2021.

AMENDMENT TO NON-COMPETITION AGREEMENT

As the Company and Sunshine Lake Pharma (which was a controlled subsidiary of the controlling shareholders of the Company by the time entering into the 2021 Non-Competition Agreement (as defined below)) will make more specific arrangements in relation to the business cooperation, the relevant contents of the 2015 Non-Competition Agreement will no longer be applicable to Sunshine Lake Pharma. Therefore, the controlling shareholders of the Company proposed to amend the 2015 Non-Competition Agreement to stipulate that the relevant contents of the 2015 Non-Competition Agreement

本集團的關聯方交易詳情載於綜合財務報表附註29。除於本年報披露的關連交易及持續關連交易外，概無關聯方交易構成上市規則第十四A章項下須予公告或由獨立股東批准的關連交易或持續關連交易。本公司已就年報內所載列的關連交易和持續關連交易遵守之上市規則第十四A章項下的披露規定。

避免同業競爭承諾

本公司已於二零一五年十二月六日與宜昌東陽光、林芝東陽光藥業投資有限公司、東莞市東陽光實業發展有限公司、深圳市東陽光實業、乳源瑤族自治縣寓能電子實業有限公司、乳源瑤族自治縣新京科技發展有限公司、張中能先生及郭梅蘭女士訂立避免同業競爭協議。

獨立非執行董事已審閱避免同業競爭協議，並確定於截至二零二一年十二月三十一日止年度，張寓帥先生、時任控股股東及彼等的附屬公司並無違反避免同業競爭承諾。

避免同業競爭協議的修訂

鑑於本公司與廣東東陽光藥業(於訂立2021避免同業競爭協議(定義見下文)時為本公司控股股東的控股子公司)將就相關業務合作事宜作出更具體安排，2015避免同業競爭協議相關內容不再適用於廣東東陽光藥業。因此，本公司控股股東擬修訂2015避免同業競爭協議，明確約定2015避免同業競爭協議相關內容不再適用於廣東東陽光藥業。於二零二一年三月十九

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will no longer be applicable to Sunshine Lake Pharma. On 19 March 2021, the Company (i) entered into the 2021 Non-Competition Agreement with HEC Pharm, Yichang HEC Pharmaceutical Co., Ltd.* (宜昌東陽光健康藥業有限公司) (formerly known as Linzhi HEC Pharmaceutical Investment Co., Ltd.* (林芝東陽光藥業投資有限公司), Dongguan HEC Industrial Development Co., Ltd.* (東莞市東陽光實業發展有限公司), Shenzhen HEC Industrial, Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd.* (乳源瑤族自治縣寓能電子實業有限公司), Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.* (乳源瑤族自治縣新京科技發展有限公司), Ms. Guo Meilan () and Mr. Zhang Yushuai () (the “**2021 Non-Competition Agreement**”), pursuant to which, the provisions involving Sunshine Lake Pharma (as a controlled subsidiary of the controlling shareholders of the Company) were excluded from the 2021 Non-Competition Agreement. Other terms of the 2021 Non-Competition Agreement remain the same as the terms of the 2015 Non-Competition Agreement; (ii) entered into the Sunshine Lake Pharma Non-Competition Agreement with Sunshine Lake Pharma (the “**Sunshine Lake Pharma Non-Competition Agreement**”), pursuant to which, the Company and Sunshine Lake Pharma (a) undertook and procured their respective subsidiaries to undertake certain scope of non-competition and commitments with the counterparty and its subsidiaries; and (b) agreed to cooperate in sales of pharmaceutical products within the PRC; and (iii) entered into the Gift Agreement on Equity Interests with Shenzhen HEC Industrial (the “**Gift Agreement on Equity Interests**”, together with the 2021 Non-Competition Agreement and the Sunshine Lake Pharma Non-Competition Agreement, collectively the “**Revised Non-Competition Agreements**”), pursuant to which, the controlling shareholders of the Company intended to transfer 10% of the equity of Sunshine Lake Pharma to compensate the Company through themselves or a third party designated by them.

On 25 June 2021, the then shareholders of the Company (other than Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司)) approved the Revised Non-Competition Agreements at the 2021 first extraordinary general meeting of the Company.

On 10 August 2021, the Company received a notice from Shenzhen HEC Industrial that it has designated its controlling subsidiary, Yichang HEC Research Co., Ltd.* (宜昌東陽光藥研發有限公司) (being the direct controlling shareholder of Sunshine Lake Pharma), to transfer 10% of the equity of Sunshine Lake Pharma to the Company. As at the date of this Annual Report, Sunshine Lake Pharma has completed the relevant registration procedures in respect of the aforesaid change in shareholding interests with the market regulation department.

日，本公司與(i)宜昌東陽光、宜昌東陽光健康藥業有限公司(前稱林芝東陽光藥業投資有限公司)、東莞市東陽光實業發展有限公司、深圳市東陽光實業、乳源瑤族自治縣寓能電子實業有限公司、乳源瑤族自治縣新京科技發展有限公司、郭梅蘭女士及張寓帥先生訂立2021避免同業競爭協議(「**2021避免同業競爭協議**」)，據此2021避免同業競爭協議僅將涉及廣東東陽光藥業(作為本公司控股股東控股子公司)的內容排除。2021避免同業競爭協議的其他條款與2015避免同業競爭協議的條款保持一致；(ii)廣東東陽光藥業訂立廣藥避免同業競爭協議(「**廣藥避免同業競爭協議**」)，據此本公司及廣東東陽光藥業(a)承諾並促使各自之附屬公司與對方及其附屬公司在若干避免同業競爭的範圍與承諾；及(b)同意就境內醫藥製劑產品的銷售進行開發合作；及(iii)深圳市東陽光實業訂立股權贈與協議(「**股權贈與協議**」)，與2021避免同業競爭協議及廣藥避免同業競爭協議統稱「**經修訂避免同業競爭協議**」，據此本公司控股股東擬通過其自身或其指定的第三方向本公司補償讓與廣東東陽光藥業10%的股權。

於二零二一年六月二十五日，本公司當時股東(廣東東陽光科技控股股份有限公司除外)在本公司二零二一年第一次臨時股東大會上通過批准經修訂避免同業競爭協議。

於二零二一年八月十日，本公司收到深圳市東陽光實業的通知，其已指定其控股子公司宜昌東陽光藥研發有限公司(即廣東東陽光藥業的直接控股股東)向本公司補償讓與了廣東東陽光藥業10%的股權。於本年報日期，廣東東陽光藥業已經在市場監督管理部門辦理完成前述有關股權變更登記手續。



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For details, please refer to the announcements of the Company dated 19 March 2021, 25 June 2021 and 10 August 2021 and the circular of the Company dated 28 May 2021. On 25 June 2021, the shareholders of the Company (other than Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司)) approved the Revised Non-Competition Agreements at the 2021 first extraordinary general meeting of the Company.

On 10 August 2021, the Company received a notice from Shenzhen HEC Industrial that it has designated its controlling subsidiary, Yichang HEC Research Co., Ltd.* (宜昌東陽光藥研發有限公司) (being the direct controlling shareholder of Sunshine Lake Pharma), to transfer 10% of the equity of Sunshine Lake Pharma to the Company. As at the date of this Annual Report, Sunshine Lake Pharma has completed the relevant registration procedures in respect of the aforesaid change in shareholding interests with the market regulation department.

For details, please refer to the announcements of the Company dated 19 March 2021, 25 June 2021 and 10 August 2021 and the circular of the Company dated 28 May 2021.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2021, the total amount of procurement from the five largest suppliers of the Group accounted for 52.24% of the total amount of procurement of the year. Among the five largest suppliers for the year of 2021, Sunshine Lake Pharma, Yichang HEC Biochemical Manufacturing and Yidu Construction and Yichang HEC Power Plant are subsidiaries of Shenzhen HEC Industrial; the single largest supplier was Sunshine Lake Pharma and our purchase from that company accounted for 40.06% of the total purchase amount during the year.

For the year ended 31 December 2021, the total amount of sales to the five largest customers of the Group accounted for 19.36% of the total revenue of sales of the year. The sales to the largest customers accounted for 7.06% of the total revenue of sales of the year.

詳情請參閱本公司日期為二零二一年三月十九日、二零二一年六月二十五日及二零二一年八月十日的公告及本公司日期為二零二一年五月二十八日的通函。於二零二一年六月二十五日，本公司股東(廣東東陽光科技控股股份有限公司除外)在本公司二零二一年第一次臨時股東大會上通過批准經修訂避免同業競爭協議。

於二零二一年八月十日，本公司收到深圳市東陽光實業的通知，其已指定其控股子公司宜昌東陽光藥研發有限公司(即廣東東陽光藥業的直接控股股東)向本公司補償讓與了廣東東陽光藥業10%的股權。於本年報日期，廣東東陽光藥業已經在市場監督管理部門辦理完成前述有關股權變更登記手續。

詳情請參閱本公司日期為二零二一年三月十九日、二零二一年六月二十五日及二零二一年八月十日的公告及本公司日期為二零二一年五月二十八日之通函。

主要客戶及供貨商

截至二零二一年十二月三十一日止年度，本集團向五大供貨商的採購總額佔年度採購總額的52.24%。二零二一年度五大供貨商中，廣東東陽光藥業、宜昌東陽光生化製藥、宜都建築和宜昌東陽光火力發電為深圳市東陽光實業的附屬公司；最大供貨商為廣東東陽光藥業，而我們向該公司的採購額佔年內採購總額的40.06%。

截至二零二一年十二月三十一日止年度，本集團向五大客戶的銷售總額佔年度銷售總額19.36%。本公司最大客戶的銷售總額佔年度銷售總額7.06%。

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Save as disclosed above, during the year of 2021, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares of the Company) had interests in the five largest suppliers or customers of the Company.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this Annual Report, at no time during the year of 2021 had the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to the Note 5(b) to the Consolidated Financial Statements for detailed information on the retirement and employee benefits scheme.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2021.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares during the current year and up to the latest practicable date prior to the date of issue of this Annual Report, which was in line with the requirement under the Listing Rules.

除以上所披露外，於二零二一年年內，就董事所知，董事、其緊密聯繫人或據董事所知任何擁有本公司已發行的股份數目5%以上的本公司股東概無擁有本公司五大供貨商或客戶的任何權益。

重要合約

除本年報所披露者外，於二零二一年內任何時間，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立任何重要合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重要合約。

退休及僱員福利計劃

退休及僱員福利計劃詳情載於綜合財務報表附註5(b)。

遵守企業管治守則

本公司作為聯交所上市公司，始終致力於保持高水平的企業管治，並已於截至二零二一年十二月三十一日止年度遵守載於上市規則附錄十四所載的企業管治守則的所有守則條文。

公眾持股量

根據本公司可公開獲得的資料及就董事所知，於本年度至本年報發佈之日之前的最後實際可行日期，公眾人士持有本公司已發行股份不少於25%，符合上市規則的規定。

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USE OF PROCEEDS

Proceeds from the Global Offering

According to the final results of the Global Offering, the net proceeds raised from the Global Offering are approximately HK\$1,307.5 million (approximately RMB1,095.4 million).

In view of the relatively low interests rate on deposits and in order to enhance the efficiency of use of the net proceeds from the Global Offering and avoid exchange loss, based on the latest construction budget for the new oral formulation production plant and new insulin production plant, the Board resolved on 22 December 2017 to reallocate the unutilised net proceeds originally allocated to (i) new oral formulation production plant and (ii) promotional and marketing activities of approximately RMB701.4 million for (i) the new insulin production plant and (ii) working capital and general corporate purposes, including the payment of the patent royalties in connection with Oseltamivir Phosphate and cash dividends to the Shareholders.

As at 31 December 2021, details of utilization of the net proceeds raised from the Global Offering are as follows:

所得款項用途

全球發售所得款項

根據全球發售最終結果，全球發售募集資金淨額約1,307.5百萬港元（約人民幣1,095.4百萬元）。

鑒於存款利率相對較低，為提升全球發售所得款項淨額的使用效率及避免匯兌虧損，基於最新的新口服製劑生產工廠及新胰島素生產工廠的工程預算，董事會於二零一七年十二月二十二日決議將初始分配用作(i)興建新口服製劑生產工廠及(ii)產品推廣及營銷活動的未動用所得款項淨額約人民幣701.4百萬元進行重新分配，用於(i)興建新胰島素生產工廠及(ii)營運資金及一般企業用途，包括支付有關磷酸奧司他韋的專利授權許可使用費及股東現金股利等。

於二零二一年十二月三十一日，全球發售所得款項淨額的使用詳情如下：

		Revised allocation of use of net proceeds (Approximate RMB million)	Utilized amount as at 31 December 2021 (Approximate RMB million)	Unutilized amount as at 31 December 2021 (Approximate RMB million)
			於截至二零二一年 十二月三十一日 的已動用金額 (約人民幣百萬元)	於截至二零二一年 十二月三十一日 的未動用金額 (約人民幣百萬元)
New oral formulation production plant	新口服製劑生產工廠	300.0	300.0	0
New insulin production plant	新胰島素生產工廠	328.7	328.7	0
Promotional and marketing activities	推廣及營銷活動	136.1	136.1	0
Working capital and general corporate purposes	營運資金及一般企業用途	330.6	327.5	3.1
Total	總計	1,095.4	1,092.3	3.1

The net proceeds raised from the Global Offering are expected to be fully utilized during 2022.

全球發售所得款項淨額預計於二零二二年內使用完畢。

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Proceeds from H Share Convertible Bonds

On 14 August 2018, the Company entered into a subscription agreement the (“**Subscription Agreement**”) with certain entities ultimately controlled by The Blackstone Group L.P. (the “**Blackstone Fund SPVs**”), pursuant to which, the Blackstone Fund SPVs have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the H share convertible bonds with an aggregate principal amount of US\$400,000,000 (the “**H Share Convertible Bonds**”).

The H Share Convertible Bonds, which bear interest at the rate of 3.0% per annum and may be converted into 82,631,578 conversion shares at the initial conversion price of HK\$38 per share (assuming full conversion of the H Share Convertible Bonds), representing approximately 18.41% of the existing issued share capital of the Company as at the date of this Annual Report and approximately 15.55% of the total issued share capital as enlarged by the issue of the conversion shares.

The proceeds from the issue of the H Share Convertible Bonds are intended to be used for the purposes of the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients), capital expenditure on production facilities, expansion of sales and distribution networks and other purposes subject to the prior written consent of the subscriber.

The issue of H Share Convertible Bonds represents an excellent opportunity for the Company to embrace market opportunities and enhance its market positions in the pharmaceutical industry. At the same time, the Group plans to tap this opportunity to introduce The Blackstone Group L.P. and its affiliated companies as a long-term strategic investor to help the Company carry out drug acquisitions, advance its development strategy, operation and management, strengthen international cooperation, and improve corporate governance and investor relations.

All the conditions precedent for the issue and subscription of the H Share Convertible Bonds under the Subscription Agreement have been fulfilled and that completion took place on 20 February 2019.

H 股可轉換債券所得款項

於二零一八年八月十四日，本公司與由The Blackstone Group L.P.最終控制的若干實體（「**黑石基金特殊目的實體**」）訂立認購協議（「**認購協議**」），據此，黑石基金特殊目的實體已有條件同意認購，而本公司已有條件同意發行，本金金額合共為400,000,000美元的H股可轉換債券（「**H股可轉換債券**」）。

H股可轉換債券以年利率3.0%計息，且可按每股38港元的初始轉換價格轉換為82,631,578股轉換股份（假設H股可轉換債券獲悉數轉換），佔於本年報日期本公司現有已發行股本的約18.41%及佔經發行轉換股份擴大的已發行股本總額的約15.55%。

發行H股可轉換債券所得資金擬用於收購藥品和其他製藥產品（包括原料藥）、生產設施資本支出、擴大銷售和分銷網絡以及受限於認購人事先書面同意的其他目的。

發行H股可轉換債券是本公司把握市場機遇及提升於醫藥行業的市場地位的良機。同時，本集團計劃藉此機會引入The Blackstone Group L.P.及其聯屬公司作為長期戰略投資者，以幫助本公司開展藥品收購，推進發展策略、運營及管理，加強國際合作及提升企業管治及投資者關係。

認購協議項下之發行及認購H股可轉換債券的全部先決條件已獲滿足，故於二零一九年二月二十日交割。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

On 20 February 2019, the Company issued a tranche of 1,600 H Share Convertible Bonds with an aggregate principal amount of USD400,000,000. Each has a face value of USD250,000. The Company has received the net proceeds from the issue of the H Share Convertible Bonds, after deduction of expenses payable in connection with the issue of the H Share Convertible Bonds, of approximately USD396.44 million, with net proceeds from each of the H Share Convertible Bonds amounting to approximately USD247,778.

On 5 June 2020, the conversion price of the H Share Convertible Bonds has been adjusted from HK\$38 per conversion share to HK\$19 per conversion share as the Shareholders have approved the bonus issue of shares at the 2019 annual general meeting. Based on the total outstanding principal amount of the H Share Convertible Bonds of USD400,000,000, the maximum number of shares that will be issued upon conversion of all the outstanding bonds at the adjusted conversion price is 165,263,156 shares.

Proceeds from the H Share Convertible Bonds had been used up fully utilized during 2020.

During the Reporting Period, the Company implemented various safeguard measures for repayment in accordance with the Subscription Agreement. The Company fully paid interest to Blackstone Fund SPVs on time, and there was no interest payment default. The willingness to repay the debt was normal, which fully protected the legitimate interests of Blackstone Fund SPVs.

During the Reporting Period, the Company recorded a loss due to the decrease in sales volume of the core product, Kewei, resulting from the ongoing COVID-19 pandemic. The cash and cash equivalents amounted to RMB1,327.6 million, which is sufficient to guarantee subsequent interest payments. In addition, the Group's multiple products have been approved to launch and it won the bid for centralized bulk purchase of drugs, and the Company entered into the "Amendments to the Non-Competition Agreement" with Sunshine Lake Pharma on 19 March 2021, which are conducive to the Company's introduction of more new products. It is believed that these measures are conducive to the improvement of the Group's operating conditions and will help to generate new cash flows, so as to protect the legitimate interests of Blackstone Fund SPVs.

於二零一九年二月二十日，本公司發行一批1,600份的H股可轉換債券，本金金額合共為400,000,000美元。每一份的面值為250,000美元。本公司已收到發行H股可轉換債券所得資金淨額（經扣除發行H股可轉換債券相關應付費用後）約為396.44百萬美元，每一份H股可轉換債券所得淨額約為247,778美元。

於二零二零年六月五日，股東於二零一九年股東週年大會上批准發行紅股，故H股可轉換債券的轉換價格已由每股轉換股份38港元調整為每股轉換股份19港元，而根據於H股可轉換債券的未償還本金總額400,000,000美元計算，按經調整轉換價格轉換所有未償還債券後將予發行的最高股份數目為165,263,156股。

H股可轉換債券所得款項已經於二零二零年度使用完畢。

報告期內，本公司按照認購協議約定執行各項償債保障措施。本公司按時足額完成對黑石基金特殊目的實體的利息支付，未出現付息違約的情況，償債意願正常，充分保障黑石基金特殊目的實體的合法權益。

報告期內，因為新冠病毒疫情持續，導致核心產品可威銷量下降而出現虧損。現金及現金等值項目為人民幣1,327.6百萬元，能夠保障後續利息支付。此外，本集團有多個產品獲批准上市及中標全國藥品集中帶量採購，及本公司與廣東東陽光藥業於二零二一年三月十九日簽署的《避免同業競爭協議的修訂》，有利於本公司引進更多新產品。相信這些措施有利於本集團經營狀況改善，會形成新的現金流，能夠保障黑石基金特殊目的實體的合法權益。

REPORT OF THE BOARD OF DIRECTORS

24 董事會報告

Save as disclosed above, none of the conversion rights under the H Share Convertible Bonds had been exercised as at the date of this Annual Report.

Details of the H Share Convertible Bonds were disclosed in the announcements of the Company dated 14 August 2018, 15 October 2018, 20 February 2019 and 16 June 2020 and the circular of the Company dated 11 September 2018.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2021, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

AUDIT COMMITTEE

The audit committee of the Company includes two independent non-executive directors, namely Mr. Tang Jianxin and Mr. Zhao Dayao and one non-executive director, namely Mr. Tang Xinfu. With professional qualification and experience in finance, Mr. Tang Jianxin was appointed as the chairman of the audit committee. The primary duties of the audit committee are to make independent recommendations on the effectiveness of our financial reporting procedures, internal control and risk management systems and maintaining good relationship with external auditors of the Group, so as to assist the Board, supervise the audit process and perform other responsibilities and related duties assigned by the Board. The audit committee will meet with the external auditors of the Company and in-house auditors, and review their plans, internal audit procedures, their results of audits and review of the risk management and internal supervision system.

The audit committee of the Company has reviewed the Group's 2021 annual results announcement, the Annual Report and the audited financial statements for the year ended 31 December 2021 prepared in accordance with the IFRSs.

於本年報日期，除上文披露外，概無H股可轉換債券項下的轉換權獲行使。

有關H股可轉換債券之詳情於本公司日期為二零一八年八月十四日、二零一八年十月十五日、二零一九年二月二十日及二零二零年六月十六日之公告及本公司日期為二零一八年九月十一日之通函內披露。

重大法律訴訟

截至二零二一年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所知，亦無任何尚未了結或本公司可能面臨的重大法律訴訟或索賠。

審核委員會

本公司的審核委員會包括兩名獨立非執行董事唐建新先生及趙大堯先生及一名非執行董事唐新發先生。唐建新先生具備財務專業資格和經驗，獲委任為審核委員會主席。審核委員會的主要職責乃就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見，藉以協助董事會、監督審核過程及履行董事會委派的其他職責及有關責任。審核委員會與本公司之外聘核數師及內部核數師會晤，並審閱其審核計劃、內部審核程序、其審查及評估風險管理及內部監控系統之結果。

本公司的審核委員會已審閱本集團二零二一年之年度業績公告、年報及按國際財務報告準則編製的截至二零二一年十二月三十一日止年度的經審核財務報表。



REPORT OF THE BOARD OF DIRECTORS 董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to the sustainable development of the environment and the society. In recognition of the potential climate impact due to manufacturing of pharmaceutical products, the Company strives to enhance the environmental performance of its pharmaceutical products manufacturing and development through eco-friendly operational measures as well as supporting a number of external charters with regard to energy efficiency and carbon reduction. In addition, during the Reporting Period, the Group had continually increased investment in research and development, upgrading its technology, improved production process, focused on the establishment of drug quality system, extended the life cycle of pharmaceutical products and lowered the cost in order to offer safe, efficient, affordable pharmaceutical products and services. The Group constantly strengthened environment protection, optimized the production process and improved the utilization rate of the production facilities for the purposes of energy saving, emission reduction and environment protection. The Group emphasized harmonious development with nature to protect the sustainable development of the environment. The Group also improved clean production as well as environmental protection construction, and proactively supported environmental protection and charitable matters in the community.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licences. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the year of 2021, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company, including but not limited to the Company Law of the PRC, the Securities Law of the PRC, the Code of Corporate Governance for Listed Companies, the Listing Rules, the Law of the PRC on the Administration of Drugs, the Measures for the Administration of Drug Registration and the Good Manufacture Practice of Drugs.

環境政策及績效

本公司矢志促進環境和社會的可持續發展。我們深明製造藥品對氣候有一定的影響，因此，本公司通過環保的營運措施，致力提高旗下藥品製造及發展的環境績效，並簽訂多份約章以承諾提高能源效益及減少碳排放。此外，於報告期內，本集團持續加大研發投入，不斷改進技術、改善生產工藝流程，注重藥品質量體系建設，延長藥品生命週期、降低成本，為民眾提供更為安全、有效、平價的藥品和服務；持續增加環保投入，優化生產工藝，提升生產設施的利用效能，以實現節能減排、保護環境；強調與自然和諧發展，保障環境的可持續發展，同時在清潔生產、環保建設等方面持續改善，積極支持社會環保公益事業。

遵守法律及法規

本集團深明遵守監管要求的重要性，而未能遵守該等要求則可予終止營運牌照。本集團已分配系統及人力資源，以確保一直遵守規則及法規，以及透過有效溝通有效地與監管機構維持良好關係。於二零二一年期間，就我們所知悉，本集團已遵守所有對本公司有重要影響的相關規則及法規，包括但不限於《中國公司法》、《中華人民共和國證券法》、《上市公司治理規則》、上市規則、《中華人民共和國藥品管理法》、《藥品註冊管理辦法》及《藥品生產質量管理規範》。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognizes that our employees, customers and business associates are keys to our sustainable journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human capital. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company administers its employee health and safety management system and ensures the adoption of the principles across the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take 'Customer First' as one of our core values. We value the feedback from customers through daily communication, regular inspections and etc. We have also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, we treat it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards.

We believe that our suppliers are equally important in driving quality delivery of our products. We proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable products and services. We have included certain requirements in our standard tender documents. These requirements include regulatory compliance, labour practices, anti-corruption and other business ethics. We assure the performance of our suppliers through supplier approval process and by conducting factory audits/site visits and spot checks on the delivered goods at site during the contractual periods.

持份者關係

本公司深明在可持續發展的路上，員工、顧客和業務夥伴是我們可持續發展里程的關鍵。我們致力與員工緊密聯繫，為顧客提供優質服務，同時與業務夥伴協力同心，支持社會公益事務，以達至企業可持續發展。

本公司重視人力資源。為員工提供公平的工作環境，提倡共融及多元文化背景。我們提供具競爭力的薪酬待遇，並按照員工的表現，提供不同的晉升機會。本公司管理其僱員健康及安全管理系統，確保本集團採納各項原則落實執行。本公司為員工提供定期培訓，包括內部培訓和由外間專業機構提供的進修課程，從而使員工對市場及行業的最新發展有所了解。

為提高客戶滿意度及提倡以客為本的服務文化，我們以「顧客至上」為核心價值之一。我們非常重視顧客的意見，因此透過日常溝通及定期巡視等調查了解他們的想法。此外，我們亦訂立了處理顧客服務、支援和投訴的機制。當回應顧客投訴時，我們會將其視作改善與客戶關係的良機，遵循國際標準的指引，迅速作出反應。

我們深信若要營造優質的產品，供應商的角色亦同樣重要。我們積極與業務夥伴(包括供應商及承建商)合作，以提供優質可持續的產品及服務。我們於招標文件中訂明若干規定，包括遵守法規、勞工僱傭守則、防止貪污賄賂及其他商業道德守則。我們透過供應商評核程序，以及到工廠實地視察及審核評估其表現，並於合約期內即場為付運之產品作抽樣檢查，確保供應商之表現。

REPORT OF THE BOARD OF DIRECTORS 董事會報告

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2021 have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment at the AGM. A resolution for the re-appointment of KPMG as the Company's auditors will be proposed for shareholders' approval at the AGM. The Company did not change the auditor in the preceding three years.

FINANCIAL SUMMARY

Summary of results of operation and the assets and liabilities of the Group for the last five financial years is set out on page 4 in this Annual Report.

On behalf of the Board

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

TANG Xinfa

Chairman

Hubei, the PRC

21 March 2022

核數師

本集團截至二零二一年十二月三十一日止年度綜合財務報表由畢馬威會計師事務所審核。畢馬威會計師事務所將於股東週年大會退任，惟其合資格並願意獲續聘連任。有關續聘畢馬威會計師事務所為本公司核數師的決議案，將於股東週年大會上提呈。本公司於過去三年內並無更換核數師。

財務摘要

本集團過往五個財政年度的經營業績、資產及負債摘要載列於本年報的第4頁。

代表董事會

宜昌東陽光長江藥業股份有限公司

董事長

唐新發

中國，湖北

二零二二年三月二十一日

REPORT OF THE BOARD OF SUPERVISORS

24 監事會報告

In 2021, all members of the Board of Supervisors complied with the requirement of the Company Law of the PRC, the Articles of Association, as well as relevant regulations to diligently and honestly perform their duties. They independently exercised their power under the law to ensure the standard operation of the Company and protect the interests of the Company and the investors. The Board of Supervisors supervised the Company's operation plans, use of proceeds from financing activities, connected transactions, production and operation activities of the Company, financial position and performance of duty of Directors and senior management of the Company as well as the operation of subsidiaries, and facilitated the compliant operation and healthy development of the Company. The report of main works of the Board of Supervisors for the year is set forth below:

1. BASIC ASSESSMENT OF THE COMPANY'S OPERATION AND MANAGEMENT ACTIVITIES AND PERFORMANCE IN 2021

In 2021, the Board of Supervisors strictly complied with the requirements of the Company Law of the PRC, the Articles of Association, the Rules of the Procedures of the Board of Supervisors as well as relevant laws and regulations to honestly perform its supervise duties in pragmatically protecting the interests and rights of the Company and the many minority Shareholders.

二零二一年度監事會全體成員按照《中國公司法》、公司章程以及相關的法規要求，勤勉、認真地履行職能，依法獨立行使職權，以保障本公司規範運作，維護本公司和投資者利益。監事會對本公司經營計劃、募集資金使用情況、關聯交易、本公司生產經營活動、財務狀況和本公司董事、高級管理人員的履職情況、附屬公司的經營情況進行了監督，促進了本公司規範運作和健康發展。現將監事會在本年度的主要工作報告如下：

一、對本公司二零二一年度經營管理行為和業績的基本評價

二零二一年監事會嚴格按照《中國公司法》、公司章程、《監事會議事規則》和有關法律、法規的要求，從切實維護本公司利益和廣大中小股東權益出發，認真履行監督職責。

REPORT OF THE BOARD OF SUPERVISORS

監事會報告

After having attended each of the meetings of the Board of Directors and the Shareholders' general meetings in 2021, the Board of Supervisors is of the opinion that the Board of Directors has earnestly implemented resolutions of the Shareholders' general meetings and faithfully performed fiduciary duties, it has not conducted any acts which would damage the interests of the Company and the Shareholders. Each resolution of the Board of Directors has been in compliance with the requirements of the Company Law of the PRC and other laws and regulations as well as the Articles of Association. The Board of Supervisors supervised the production and operation activities of the Company during its session period. It considers that the management members of Company earnestly implemented every resolution of the Board with due diligence and conducted no acts of violation in the course of business.

2. DETAILS OF MEETINGS OF BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors held 2 meetings in aggregate:

- (1) On 10 March 2021, the first meeting of 2021 of Board of Supervisors was convened and approved the resolutions in relation to Work Report of Board of Supervisors for 2020, 2020 Final Accounts Report of the Company, The Plan Regarding Dividend Distribution for 2020, and The Proposal Regarding Continuing Connected Transactions for 2020.

監事會列席了二零二一年曆次董事會會議和股東大會，並認為：董事會認真執行了股東大會的決議，忠實履行了誠信義務，未出現損害本公司、股東利益的行為，董事會的各項決議符合《中國公司法》等法律法規和公司章程的要求。監事會對任期內本公司的生產經營活動進行了監督，認為本公司經營班子勤勉盡責，認真執行了董事會的各項決議，經營中不存在違規操作行為。

二、監事會會議情況

於報告期內，監事會共召開2次會議：

- (一) 二零二一年三月十日，召開二零二一年第一次監事會會議，會議審議通過了以下議案：《本公司二零二零年度監事會工作報告》、《本公司二零二零年度財務決算報告》、《關於二零二零年度股息分配的預案》及《關於二零二零年度持續關連交易的議案》。

REPORT OF THE BOARD OF SUPERVISORS

監事會報告

- (2) On 27 August 2021, the second meeting of 2021 of Board of Supervisors was convened and approved the resolution in relation to the interim results announcement for the six months ended 30 June 2021, interim report for the six months ended 30 June 2021, The Proposal Regarding the 2021 Interim Dividend Distribution Plan and The Proposal regarding the Group's Continuing Connected Transactions.

- (二) 二零二一年八月二十七日，召開二零二一年第二次監事會會議，會議審議通過了以下議案：《截至二零二一年六月三十日止六個月之中期業績公告》、《截至二零二一年六月三十日止六個月之中期報告》、《關於二零二一年中期股息分配方案的議案》及《關於本集團持續關連交易事宜的議案》。

3. THE SUPERVISORY OPINION FROM THE BOARD OF SUPERVISORS ON RELATED MATTERS OF THE COMPANY IN 2021

三、監事會對本公司二零二一年度有關事項的監督意見

(1) Financial Conditions of the Company

(一) 本公司財務狀況

The Board of Supervisors conducted inspection with regard to the financial conditions of the Company's own segment and its subsidiaries after having taken into account the actual situation of the Company in ways of hearing reports from financial department and regular auditing and other methods, thus strengthening the supervision over the Company's financial affairs. The Board of Supervisors is of the view that the Company and each of its subsidiaries have established their own independent financial departments with separate financial books and have conducted auditing independently, and that they have complied with Accounting Law of the PRC as well as relevant financial regulations and rules. In 2021, the financial management of the Company and each of its subsidiaries was carried out on a standard basis and the accounting statements gave a true and accurate picture of the actual situation of the Company and each of its subsidiaries.

監事會結合本公司實際情況，通過聽取財務部門匯報、進行定期審計等方式，對本公司本部、附屬公司的財務情況進行了檢查，強化了對本公司財務工作的監督。監事會認為，本公司及各附屬公司設有獨立的財務部門，有獨立財務賬冊，獨立核算，遵守《中國會計法》和有關財務規章制度。二零二一年的本公司及各附屬公司財務管理規範，會計報表真實、準確地反映了本公司及各附屬公司的實際情況。

REPORT OF THE BOARD OF SUPERVISORS

監事會報告

(2) Details of Connected Transactions

During the Reporting Period, the ordinary connected transactions between the Company and its connected persons have all been considered and approved on the meetings of the Board of Directors or Shareholders' general meetings (if applicable) of the Company. The connected transactions were carried out in accordance with contracts or agreements in arm's length with no damages to the interests of the Company.

(二) 關聯交易情況

報告期內，本公司與關聯人士的日常性關聯交易事項均通過了本公司董事會或股東大會(如適用)的審議，關聯交易中按合同或協議公平交易，沒有損害本公司的利益。

4. COMPREHENSIVE OPINION FROM BOARD OF SUPERVISORS ON THE COMPANY'S SITUATION IN 2021

(1) During the Reporting Period, members of Board of Supervisors earnestly performed duties and supervised the Board of Director's performance of duties and its implementations of the Company's decision procedures by attending meetings of the Board of Directors. The Board of Supervisors is of the view that each resolution and decision procedure has been arrived by the Board of Directors in due compliance of the requirements of the Company Law of the PRC, the Articles of Association and the Rules of the Procedures of the Meetings of the Board of Directors and are legal and effective.

(2) During the Reporting Period, the senior management members of the Company fulfilled their duties in accordance with the Articles of Association and relevant laws and regulations of China. With aims to protect the interests of the Company and its Shareholders, they earnestly implemented the resolutions of the Shareholder's general meetings of the Company, fulfilled obligations of fiduciary and due diligence so as to facilitate the Company to carry out a standard operation, democratic decision, management science, clear targeting and continuing innovation, having achieved favorable economic benefits without acts of violation.

四、監事會對本公司二零二一年度情況的綜合意見

(一) 報告期內，監事會成員認真履行職責，恪盡職守，通過列席董事會會議，對董事會履行職權、執行本公司決策程序進行了監督。監事會認為，本公司董事會所形成的各項決議和決策程序認真履行了《中國公司法》、公司章程和董事會議事規則的規定，是合法有效的。

(二) 報告期內，本公司高級管理人員履行職務時能遵守公司章程和國家法律、法規，以維護本公司股東利益為出發點，認真執行本公司股東大會決議，履行誠信和勤勉盡責的義務，使本公司運作規範，決策民主、管理科學、目標明確、不斷創新，取得了良好的經濟效益，沒有出現違法違規行為。

REPORT OF THE BOARD OF SUPERVISORS

監事會報告

- (3) The Board of Supervisors has earnestly reviewed the financial reports for 2021 and other relevant information. It considers that such reports give an objective view of the Company's financial conditions and operating results. The operating results of the Company for 2021 are true and accurate and the control over cost is effective.
- (4) Opinion Regarding the Company's Self-Appraisal on its Internal Control: The Company has, taking into account of the Company's actual situation, established and developed an internal control system that covers all areas of the Company according to the relevant requirements of the Listing Rules, Company Law of the PRC and Articles of Association. Such system has ensured that the Company's operating activities are in a normal and ordinary course and has safeguarded the security and integrity of the Company's assets. The institutional framework of the internal control of the Company is complete and the internal auditing department and personnel allocation are in place, which has ensured that the implementation of and supervision over key activities under the Company's internal control are sufficient and effective. In 2021, no circumstances under which the Company would violate the Guidelines for Internal Control of Listed Companies and the internal control system of the Company occurred. The Board of Supervisors considers that the Company's self-appraisal on its internal control gives a comprehensive and true picture of the actual situation of the internal control of the Company.

Chairman of the Board of Supervisors

TANG Jinlong

Hubei, the PRC

21 March 2022

- (三) 監事會認真審核了二零二一年度財務報告等有關資料，認為報告客觀的反映了本公司的財務狀況和經營成果，本公司二零二一年度實現的業績是真實的，成本控制效果顯著。

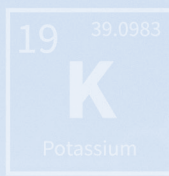
- (四) 對本公司內部控制自我評價的意見：本公司根據上市規則、《中華人民共和國公司法》、公司章程的有關規定，按照本公司實際情況，建立健全了覆蓋本公司各環節的內部控制制度，保證了本公司業務活動的正常活動，保護本公司資產的安全和完整。本公司內部控制組織機構完整，內部審計部門及人員配備到位，保證了本公司內部控制重點活動的執行及監督充分有效。二零二一年本公司沒有違反《上市公司內部控制指引》及本公司內部控制制度的情形發生。監事會認為，本公司內部控制自我評價全面、真實的反映了本公司內部控制的實際情況。

監事會主席

唐金龍

中國，湖北

二零二二年三月二十一日



CORPORATE GOVERNANCE REPORT 企業管治報告



The Board is pleased to present this corporate governance report.

董事會欣然提呈本企業管治報告。

The Group strive to maintain high standards of corporate governance to enhance Shareholders' value and safeguard Shareholders' interests. The Company's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to Shareholders.

本集團致力維持高標準企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。

CORPORATE GOVERNANCE PRACTICE

企業管治常規

The Company had complied with all the code provisions of the corporate governance code as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2021.

截至二零二一年十二月三十一日止年度內，本公司已遵守上市規則附錄十四所載的企業管治守則內的所有守則條文。

The Company will review its corporate governance practices regularly to ensure its compliance with the corporate governance code.

本公司將定期檢討其企業管治常規，以確保其符合企業管治守則。

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

遵守有關董事及監事所進行證券交易之標準守則

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code regarding Directors' and Supervisors' dealings in the Company's securities.

本公司已採納上市規則附錄十所載的標準守則作為其有關董事及監事買賣本公司證券的守則。

The Company has made specific enquiry to all of the Directors and Supervisors and all of the Directors and Supervisors have confirmed that they have complied with the Model Code for the year ended 31 December 2021.

本公司已向全體董事及監事作出特定查詢，而全體董事及監事均已確認，彼等於截至二零二一年十二月三十一日止年度已遵守標準守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Board composition

The Board is responsible for overseeing the Group's strategic development, and determining the objectives, business strategies and policies of the Group. The Board also monitors and controls operating and financial performance in pursuit of the Group's strategic objectives.

On 4 June 2021, the resolution in respect of the re-election of the third session of the Board of Directors was considered and approved at the annual general meeting of the Company. With the approval at the annual general meeting, Mr. JIANG Juncai, Mr. WANG Danjin, Mr. CHEN Yangui and Mr. LI Shuang were re-elected as the executive Directors of the third session of the Board of Directors, Mr. TANG Xinfu and Mr. Eddy HUANG were re-elected as the non-executive Directors of the third session of the Board of Directors, and Mr. TANG Jianxin, Mr. ZHAO Dayao, Ms. XIANG Ling and Mr. LI Xuechen were re-elected as the independent non-executive Directors of the third session of the Board of Directors. The Directors of the third session of the Board of Directors will serve for a term of three years. The Board of Directors currently consists of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. The incumbent Directors during the year ended 31 December 2021 and as at the date of this Annual Report are:

Executive Directors

Mr. JIANG Juncai
Mr. WANG Danjin
Mr. CHEN Yangui
Mr. LI Shuang

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)
Mr. Eddy HUANG

Independent Non-executive Directors

Mr. TANG Jianxin
Mr. ZHAO Dayao
Ms. XIANG Ling
Mr. LI Xuechen

董事會

董事會之組成

董事會負責監管本集團的戰略發展，決定本集團的目標、商務策略及政策，並監察及掌握營運及財務表現，以達到本集團的戰略性目標。

於二零二一年六月四日，本公司股東周年大會審議並批准了第三屆董事會換屆的議案。經股東周年大會的批准，蔣均才先生、王丹津先生、陳燕桂先生及李爽先生被重新選舉為第三屆董事會執行董事，唐新發先生及黃翊先生被重新選舉為第三屆董事會非執行董事以及唐建新先生、趙大堯先生、向凌女士及李學臣先生被重新選舉為第三屆董事會獨立非執行董事。第三屆董事會董事任期三年。目前，董事會包括十名董事，其中包括四名執行董事、兩名非執行董事及四名獨立非執行董事。於截至二零二一年十二月三十一日止年度內及直至本年報日期期間，任職董事如下：

執行董事

蔣均才先生
王丹津先生
陳燕桂先生
李爽先生

非執行董事

唐新發先生(董事長)
黃翊先生

獨立非執行董事

唐建新先生
趙大堯先生
向凌女士
李學臣先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors have no financial, business, family or other material/relevant relationships with each other.

The biographies of the Directors are set out in the section headed “Profiles of Directors, Supervisors and Senior Management” of this Annual Report.

Each of the Directors has entered into a service contract with the Company. The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years commencing from 4 June 2021 (being the date of their election or appointments approved by the annual general meeting of the Company held on 4 June 2021) until the expiration of the third session of the Board; and (b) each of the contracts is subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles of Association and the applicable rules.

As at the date of this Annual Report, the Board at all times complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

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

董事彼此間概無任何財務、業務、家族或其他重大／相關關連。

董事簡歷載於本年報「董事、監事及高級管理人員簡介」一節。

各董事已與本公司簽訂服務合約。該等服務合約之主要內容為：(a) 各合約的期限為由二零二一年六月四日（即由本公司於二零二一年六月四日舉行的股東週年大會批准委任／重選之日）起計3年至第三屆董事會任期屆滿為止；及(b) 各合約根據其各自的條款終止。服務合約可以根據公司章程和適用規則續簽。

於本年報日期，董事會一直遵守上市規則中有關委任至少三名獨立非執行董事以及其中至少一名獨立非執行董事須擁有相關專業資格或會計或相關財務管理專長的規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定就其獨立性發出的書面確認書。根據上市規則所載的獨立性指引，本公司認為全體獨立非執行董事均具獨立性。

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITIES OF THE BOARD

The Articles of Association states the functions and powers of the Board, including:

- To convene the general meetings, submit relevant matters to the general meetings for passing, and report on its work to the Shareholders;
- To implement the resolution of the general meeting;
- To decide on the business plans and investment schemes of the Company;
- To formulate the Company's proposed annual financial budget and final accounts;
- To formulate the Company's profit distribution plan and plan for making up for losses;
- To formulate proposals for the increase or reduction of the Company's registered capital, and plans for the issue of corporate bonds or other securities and the listing plan;
- To draw up plans for material assets acquisition or disposal, purchase of the Company's Shares, or merger, demerger, dissolution or change of the form of the Company;
- To decide on the establishment of the Company's internal management organization;

董事會之職責

公司章程列載董事會的職權，其中包括：

- 召集股東大會會議，提請股東大會通過有關事項，並向股東報告工作；
- 執行股東大會的決議；
- 決定本公司的經營計劃和投資方案；
- 制訂本公司的年度財務預算方案和決算方案；
- 制訂本公司的利潤分配方案和彌補虧損方案；
- 制訂本公司增加或者減少註冊資本的方案以及發行公司債券或其他證券及上市的方案；
- 擬訂本公司重大資產收購或出售、購買本公司股份或合併、分立、解散及變更本公司形式的方案；
- 決定本公司內部管理機構的設置；

CORPORATE GOVERNANCE REPORT

企業管治報告

- To appoint or remove the Company's general manager and secretary of the Board; to appoint or remove other senior management officers pursuant to the general manager's nominations, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;
- To formulate the Company's basic management system;
- To formulate proposals for any amendment to the Articles of Association;
- To decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and subsidiaries;
- To change the use of the placement to the extent beyond the decision of the general meeting as required by laws and regulations;
- To decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- To propose at the general meetings a resolution in respect of candidates for independent Directors and replacement of independent Directors;
- To propose at the general meetings for the appointment, renewal or removal of accountants' firm conducting auditing for the Company;
- To hear the work report and inspect the work of the general manager;
- To manage information disclosure of the Company;
- To formulate the equity incentive plan;
- 聘任或者解聘本公司總經理、董事會秘書；根據總經理的提名，聘任或者解聘其他高級管理人員；並決定前述高級管理人員薪酬事項和獎懲；
- 制定本公司的基本管理制度；
- 制訂公司章程的修改方案；
- 決定本公司的全資附屬公司及附屬公司的合併、分立、重組或解散等事項；
- 修改募集資金的使用用途，但法律法規要求由股東大會決定的除外；
- 決定董事會專門委員會的設置和任免專門委員會負責人；
- 向股東大會提出獨立董事候選人和提議撤換獨立董事的議案；
- 向股東大會提請聘任、續聘或解聘承辦本公司審計業務的會計師事務所；
- 聽取總經理的工作匯報並檢查總經理工作；
- 管理本公司信息披露事項；
- 制訂股權激勵方案；

CORPORATE GOVERNANCE REPORT

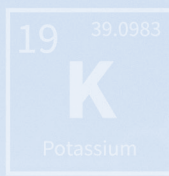
企業管治報告

- Save as otherwise required to be decided by the general meetings under laws and regulations and the Articles of Association, the Board exercises its power to make decisions on external investments (including capital increase and equity transfer of the invested enterprises), financing, risk management and trust management, external guarantees, etc.;
 - To decide on other major affairs of the Company, save for matters to be resolved at the general meetings as required by the PRC Company Law and the Articles of Association;
 - To exercise other functions and powers as granted by the Articles of Association or the general meetings of the Company; and
 - To conduct other matters as required by PRC laws and regulations.
- 董事會對除法律法規以及公司章程規定的必須由股東大會決策以外的對外投資(包括對所投資企業的增資和股權轉讓)、融資、風險投資及委託理財、對外擔保等事項行使決策權；
 - 除中國公司法和公司章程規定由股東大會決議的事項外，決定本公司的其他重大事務；
 - 行使公司章程或本公司股東大會授予的其他職權；及
 - 中國法律法規規定的其他事項。

In addition, the Board performs corporate governance function, including:

此外，董事會履行企業管治職能，包括：

- To establish and review the Company's corporate governance policies and codes;
 - To review and monitor the training and continuous professional development of the Company's Directors, Supervisors and senior management;
 - To review and monitor the Company's policies and codes in connection with compliance with laws and regulatory requirements;
 - To establish, review and monitor the codes of conduct and compliance manual (if any) applicable to Directors and employees;
 - To review the Company's compliance with the Code on Corporate Governance Practices and the disclosures made in the Corporate Governance Report.
- 制定及檢討本公司的企業管治政策及常規；
 - 檢討及監察本公司董事、監事及高級管理人員的培訓及持續專業發展；
 - 檢討及監察本公司在遵守法律及監管規定方面的政策及守則；
 - 制定、檢討及監察董事及僱員適用的操守準則及合規手冊(如有)；
 - 檢討本公司遵守企業管治常規守則的情況及在企業管治報告內的披露。



CORPORATE GOVERNANCE REPORT 企業管治報告



During the Reporting Period, the Board had reviewed the Company's corporate governance policies and codes; the training and continuous professional development of the Company's Directors, Supervisors and senior management and the policies and codes in connection with compliance with laws and regulatory requirements. Also, the Board had reviewed the Company's compliance with the Code on Corporate Governance Practices and the disclosures made in the Corporate Governance Report.

The Group's management team, which possesses extensive operating experience and industry knowledge, has been delegated by the Board with the authority and responsibility for the day-to-day management of the Group. During the year, the Board considered and approved the annual budget and its performance under management supervision together with the business reports from the management. The Board also reviewed and approved the annual results for the year ended 31 December 2021, the interim results for the six months ended 30 June 2021 and other critical business operations. The Board also assessed the internal control and the financial matters of the Group.

In addition, this Corporate Governance Report has been reviewed by the Board in discharge of its corporate governance function.

OPERATION OF THE BOARD

Meetings of the Board of Directors should be held at least 4 times each year. Such meetings shall be convened by the chairman of the Board.

In case of any of the followings, the chairman of the Board should convene an interim meeting of the Board of Directors within 10 days:

- When proposed by Shareholders representing one tenth of voting rights or more;
- When proposed by one third of Directors or more;
- When the chairman of the Board deems it necessary;

於報告期內，董事會已檢討本公司的企業管治政策及守則、本公司董事、監事及高級管理人員的培訓及持續專業發展以及遵守法律法規的政策及守則的情況，同時亦已檢討本公司是否遵守企業管治常規守則以及於企業管治報告中所作的披露。

本集團的管理層團隊具備廣泛的營運經驗及行業知識，並已獲董事會授予權利及責任以負責本集團日常管理。年內，董事會已審議並批准年度預算及在管理層監察下的預算表現，連同管理層的業務報告。董事會亦已審閱並批准截至二零二一年十二月三十一日止年度的年度業績與截至二零二一年六月三十日止六個月的中期業績及其他重要業務活動，董事會亦已評核本集團的內部監控及財務事宜。

此外，董事會已審閱本企業管治報告，以履行其於企業管治職能的責任。

董事會之運作

董事會每年應當至少召開四次會議，由董事長召集。

倘發生下列任何事項時，董事長應自接到提議後十日內召開臨時會議：

- 代表十分之一以上表決權的股東提議；
- 三分之一以上的董事聯名提議；
- 董事長認為必要時；

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- When proposed by two or more independent Directors;
 - When proposed by the Board of Supervisors; or
 - When the general manager proposes the convening of the interim meetings of the Board of Directors.
- 兩名或以上獨立董事提議時；
 - 監事會提議時；或
 - 總經理提議召開臨時董事會會議時。

To convene a regular or interim meeting of the Board of Directors, a written notice shall be sent to all Directors and Supervisors 14 days prior to the date of a regular meeting or 3 days prior to an interim meeting. By written consent of all Directors present at the meeting, the above time limit may not be observed. The office or other department designated by the Board of Directors is responsible for serving the written meeting notice to all Directors and Supervisors by direct service, fax, e-mail or other means. If an interim meeting of the Board of Directors needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral methods, provided that the convener makes an explanation thereof at the meeting.

Meetings of the Board of Directors may be held only if more than one half of the Directors are present. Each Director shall have one vote. Unless specified otherwise in the laws, administrative regulations or the Articles of Association, resolutions of the Board must be passed by more than half of all the Directors.

Directors shall not vote the resolution on the approval of contract, arrangement or other suggestions that they or their associates maintain interests inside (which shall not be included in the quorum of the relevant meetings). Even though such Directors claim to vote, the votes will not be counted, unless otherwise specified in laws, administrative regulations, relevant regulatory regulations or rules.

召開董事會定期會議應當於會議召開十四日前或臨時會議應當於會議召開三日前書面通知全體董事、監事。經出席會議的全體董事書面同意的，可不受上述時間限制。董事會辦公室或董事會指定的其他部門負責將書面會議通知通過直接送達、傳真、電子郵件或者其他方式，提交全體董事及監事。情況緊急，需要儘快召開董事會臨時會議的，可以隨時通過電話或者其他口頭方式發出會議通知，但召集人應當在會議上作出說明。

董事會會議應當由過半數的董事出席方可舉行。每名董事有一票表決權。董事會作出決議，除法律、行政法規和公司章程另有規定外，必須經全體董事的過半數通過。

董事不得就批准本身或其任何聯繫人佔有其中利益的合約或安排或其他建議的任何決議案進行表決（也不得計入有關會議的法定人數），即使董事宣稱要表決，亦不計算其所投票數，但法律、行政法規、有關監管條例或規則另有規定的除外。

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In 2021, the Board held four meetings and the attendance records of Directors at the Board meetings were as follows:

於二零二一年，董事會已舉行四次會議，董事出席董事會會議次數的記錄如下：

Name of Directors:	董事姓名：	Meeting attended/ Number of Board meetings convened	出席會議／召開董事會會議次數
Mr. TANG Xinfu	唐新發先生		4/4
Mr. JIANG Juncai	蔣均才先生		4/4
Mr. WANG Danjin	王丹津先生		4/4
Mr. CHEN Yangui	陳燕桂先生		4/4
Mr. LI Shuang	李爽先生		4/4
Mr. Eddy HUANG	黃翊先生		4/4
Mr. TANG Jianxin	唐建新先生		4/4
Mr. ZHAO Dayao	趙大堯先生		4/4
Ms. XIANG Ling	向凌女士		4/4
Mr. LI Xuechen	李學臣先生		4/4

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NOMINATION, APPOINTMENT AND REMOVAL OF DIRECTOR

The Company has formulated a formal and transparent procedure for the appointment of new Directors to the Board. Nomination of new Director is first considered by the Nomination Committee and the Remuneration and Evaluation Committee and then recommended to the Board for consideration. All newly nominated Directors are subject to the approval of the Shareholders at the general meetings of the Company. Removal of members of the Board are also subject to the approval of the Shareholders at the Company's general meetings.

DIRECTOR'S TRAINING

The Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged by the Company where necessary. Individual Directors also participate in the courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that they could make contribution to the Board based on their possessing of comprehensive professional attainment. In 2021, all Directors have participated in continuous professional development and provided to the Company a record of training they received.

董事之提名、委任及任免

本公司已就委任新董事加入董事會制訂正式及具透明度的程序。新董事的提名先由提名委員會和薪酬與考核委員會考慮，再向董事會推薦以待考慮。所有新提名的董事須經股東於本公司股東大會上批准。罷免董事會成員亦須經股東於本公司股東大會上批准。

董事培訓

董事持續更新彼等有關法律及監管制度以及營商環境的最新資料，以履行彼等職責，本公司於有需要時將安排董事接受持續簡報及專業發展。個別董事亦出席有關上市公司董事的角色、職能及職責的課程或以參加培訓課程的方式或透過網上輔助或閱讀相關資料進一步鞏固其專業發展。

本公司鼓勵董事參與持續的專業發展，以發展及更新彼等的知識及技能，以確保彼等在具備全面職業涵養的前提下為董事會作出貢獻。於二零二一年，全體董事均已參與持續的專業發展，並已向本公司提供彼等收到的培訓記錄。

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The list below summaries the training received by the Directors for the year ended 31 December 2021:

以下概列董事於截至二零二一年十二月三十一日止年度已接受的培訓：

Attending seminar, conference and workshop related to director's duties/ reading materials like newspaper, journals and updates relevant to corporate governance

出席於董事職責相關的研討會、會議及討論會／
閱讀資料，例如報紙、雜誌及企業管治 相關更新資料

Name of Directors	董事姓名	
Mr. TANG Xinfu	唐新發先生	✓
Mr. JIANG Juncai	蔣均才先生	✓
Mr. WANG Danjin	王丹津先生	✓
Mr. CHEN Yangui	陳燕桂先生	✓
Mr. LI Shuang	李爽先生	✓
Mr. Eddy HUANG	黃翊先生	✓
Mr. TANG Jianxin	唐建新先生	✓
Mr. ZHAO Dayao	趙大堯先生	✓
Ms. XIANG Ling	向凌女士	✓
Mr. LI Xuechen	李學臣先生	✓

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CHAIRMAN OF THE BOARD AND GENERAL MANAGER

The roles and duties of the chairman of the Board and the general manager of the Company are separate and held by different persons and have been clearly defined in the Articles of Association. Mr. TANG Xinfu and Mr. JIANG Juncai act as the Chairman of the Board and the general manager of the Company respectively.

Mr. TANG Xinfu, the chairman of the Board and a non-executive Director is entitled to exercise the following functions and powers:

- To preside over Shareholder's general meetings, to convene and preside over meetings of the Board of Directors;
- To procure and inspect the implementation of the resolutions of the Board of Directors;
- To sign the share certificates, corporate bonds and other negotiable securities issued by the Company;
- To sign important documents of the Board of Directors and other documents to be signed by the legal representative of the Company, and to exercise the functions and powers of the legal representative;
- To organize and establish various systems and harmonize the operation of the Board of Directors;
- To hear the regular or non-regular work reports of the senior management officers of the Company, and give guidance on the implementation of the resolutions of the Board of Directors;
- To nominate the list of the secretary candidates of the Board of Directors; and
- Other functions and powers conferred by the laws, regulations or the Articles of Association, and the Board of Directors.

董事長及總經理

董事長及本公司總經理的角色及職責有所區分，並由不同人士擔任，且於公司章程明確界定。唐新發先生及蔣均才先生分別擔任董事長及本公司總經理。

董事長兼非執行董事唐新發先生有權行使下列職權：

- 主持股東大會和召集、主持董事會會議；
- 督促、檢查董事會決議的實施情況；
- 簽署本公司發行的股票、公司債券及其他有價證券；
- 簽署董事會重要文件和應由本公司法定代表人簽署的其他文件，行使法定代表人的職權；
- 組織制訂董事會運作的各項制度，協調董事會的運作；
- 聽取本公司高級管理人員定期或不定期的工作報告，對董事會決議的執行提出指導性意見；
- 提名董事會秘書人選名單；及
- 法律法規或公司章程規定，以及董事會授予的其他職權。

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Mr. JIANG Juncai, an executive Director and general manager of the Company, is responsible to the Board of Directors and exercise the following functions and powers:

- To be in charge of the production, operation and management of the Company, and report to the Board of Directors;
- To organize and implement the resolutions of the Board of Directors, annual business plans and investment schemes of the Company;
- To prepare the annual financial budget plan, and final account plan of the Company, and make recommendations to the Board of Directors;
- To prepare the basic management system and plan for establishment of the Company's internal management organization;
- To formulate specific rules of the Company;
- To request the Board of Directors to engage or dismiss other senior management officers; and
- To engage or dismiss the responsible managers except those who shall be engaged or dismissed by the Board of Directors.

BOARD COMMITTEES

The Board has delegated certain responsibilities to various committees. The Company has established three Board committees, being the Nomination Committee, Remuneration and Evaluation Committee and Audit Committee.

本公司執行董事兼總經理蔣均才先生向董事會負責及行使下列職權：

- 主持本公司的生產經營管理工作，並向董事會報告工作；
- 組織實施董事會決議、本公司年度經營計劃和投資方案；
- 擬訂本公司年度財務預算方案、決算方案，並向董事會提出建議；
- 擬訂本公司的基本管理制度和內部管理機構設置方案；
- 制定本公司具體規章；
- 提請董事會聘任或者解聘其他高級管理人員；及
- 聘任或者解聘除應由董事會聘任或者解聘以外的負責管理人員。

董事會委員會

董事會已將部分職責轉授予多個委員會。本公司已設立三個董事會委員會，即提名委員會、薪酬與考核委員會及審核委員會。

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Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Currently, the Nomination Committee consists of three members, namely Mr. ZHAO Dayao (an independent non-executive Director), Mr. Eddy HUANG (a non-executive Director) and Ms. XIANG Ling (an independent non-executive Director), among whom Mr. ZHAO Dayao serves as the chairman of Nomination Committee.

The primary duties of the Nomination Committee are to review the composition of the Board, assess the independence of independent non-executive Directors and make recommendations to the Board on the appointment and removal of Directors.

In evaluating and selecting any candidate for directorship, the following criteria should be considered by the Nomination Committee and/or the Board:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules for an independent non-executive Director.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

提名委員會

本公司已根據上市規則附錄十四所載企業管治守則成立提名委員會，並制定其書面職權範圍。目前，提名委員會由三名成員組成，即趙大堯先生（獨立非執行董事）、黃翊先生（非執行董事）及向凌女士（獨立非執行董事），其中趙大堯先生出任提名委員會的主席。

提名委員會的主要職責為審核董事會的成員組成、評估獨立非執行董事的獨立性以及向董事會建議委任和罷免董事。

在評估及挑選候選人擔任董事時，提名委員會及／或董事會將考慮下列準則：

- 品格與誠實。
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及本公司董事會成員多元化政策所提及的多元化因素。
- 為達致董事會成員多元化而採納的任何可計量目標。
- 如屬獨立非執行董事，參考上市規則內列明候選人是否被視為獨立的指引。
- 候選人的專業資格、技巧、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻。

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- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.
- 是否願意及是否能夠投放足夠時間履行身為本公司董事會成員及／或擔任董事會轄下委員會的委員的職責。
- 其他適用於本公司業務及其繼任計劃的其他各項因素，董事會及／或提名委員會可在有需要時採納及／或修訂有關因素。

The Company had adopted a board diversity policy to achieve the diversity of members of the Board and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of Directors is good for corporate governance and is committed: (i) to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talent; (ii) to maintain a Board with diversity perspectives at all levels, in particular, those are aligning with the Company's strategy and objectives; (iii) to assess regularly the diversity profile of the Board and the progress on achieving diversity objectives, if any; (iv) to ensure that the selection and nomination of Directors positions are appropriately structured so that a diverse range of candidates can be considered by the Company; and (v) to ensure that changes to the Board's composition can be managed without undue disruption.

The Nomination Committee reviews annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy. In reviewing and assessing the Board composition and the nomination of directors (as applicable), Board diversity has to be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications and skills, knowledge and industry and regional experience.

本公司已採納董事會成員多元化政策，務求達到董事會成員多元化及各方面能保持適當及平衡，以切合本公司業務發展。本公司認同及深信董事會成員多元化所帶來的裨益，並且認為董事會趨向多元化是維持本公司競爭優勢的重要元素。本公司認為高度的董事多元化對企業管治有所裨益，並會致力(i)於廣泛的人才庫中招攬及留聘具備各類不同才能的候選人以組成董事會；(ii)維持董事會全方位多元化的觀點，特別是與本公司策略及目標一致的觀點；(iii)定期評估董事會多元化狀況，以及實現多元化目標的進展(如有)；(iv)確保董事職位甄選及提名均按適當的程序進行，以便能招來更多元背景的人選供本公司作出考慮；及(v)確保董事會組成人員的變動不會帶來不適當的干擾。

提名委員會每年檢討董事會的架構、人數及組成，並就任何為配合本公司的公司策略而對董事會作出的變動提出建議。有關在檢討及評估董事會組成及提名董事時(如適用)，須考慮有關董事會成員多元化的各項因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及行業及地區經驗。

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The Nomination Committee discusses and where necessary, agrees on the measurable objectives for achieving diversity on the Board and make recommendation to the Board. When determining such measurable objectives, the Nomination Committee considers a number of aspects, including but not limited to, the diversity of the Board composition in aspects of gender, age, cultural and educational background, professional experience, skills, knowledge and industry and regional experience. The Nomination Committee reviews the measurable objectives on a regular basis.

The Nomination Committee adopts the following procedures for appointment/re-election of director:

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

提名委員會討論及協定(如有需要)為達致董事會成員多元化的可計量目標,並向董事會作出有關建議。於協定有關可計量目標時,提名委員會考慮多項因素,包括但不限於董事會組成在性別、年齡、文化及教育背景、專業經驗、技能、知識及行業及地區經驗方面的多元化。提名委員會定期檢討可計量目標。

提名委員會採納以下董事委任/重選的程序:

(a) 委任新董事

- (i) 提名委員會及/或董事會應在收到委任新董事的建議及候選人的個人資料(或相關詳情)後,依據上述準則評估該候選人,以決定該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人,提名委員會及/或董事會應根據本公司的需要及每位候選人的證明審查(如適用)排列他們的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出建議(如適用)。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士,提名委員會及/或董事會應依據上述準則評估該候選人,以決定該候選人是否合資格擔任董事。

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

The Nomination Committee adopted the following conditions on the nomination of Director candidates:

The Director should be elected or replaced by general meetings of the Company. When a general meeting is held by the Company, the Board, the Board of Supervisors or Shareholders who individually or in aggregate holding more than 3% of the Shares may propose resolutions to the convener of the general meeting in relation to the election of Directors.

A candidate of Director must comply with the relevant qualification set out in the Company Law of the PRC, the Articles of Association and other applicable laws and regulations. The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

提名委員會及／或董事會應就於股東大會上委任董事的提案向股東提出建議(如適用)。

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上述準則。
- (iii) 提名委員會及／或董事會應就於股東大會上重選董事的提案向股東提出建議。

提名委員會採納以下提名董事候選人的條件：

董事應由本公司股東大會選舉或更換。於本公司舉行股東大會時，董事會、監事會、單獨或者合併持有公司百分之三以上股份的股東有權向股東大會召集人提出選舉董事的提案。

提名為董事的候選人須符合中國《公司法》、公司章程以及其他適用法律、法規對董事任職資格的相關要求。董事會應根據本公司業務而具備適當所需技巧、經驗及多樣的觀點與角度。

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The Nomination Committee adopts the following procedures on the nomination of Director candidates:

Each Director candidate should be individually proposed. The intention to nominate a candidate as Director and the written notice of such candidate regarding his willingness to accept the nomination shall be given to the Company no later than seven days prior to the date scheduled for such general meeting.

When the general meeting proposes to discuss the election of Director, the details of the candidate of Director should be fully disclosed in the notice of general meeting, which shall at least include the following:

- (1) Personal information including but not limited to education background, work experience and other appointments;
- (2) Whether there is any connected relationship between him/her and the Company or the controlling shareholders and de facto controller of the Company;
- (3) The number of shares of the Company held by him/her; and
- (4) Whether subject to punishment by China Securities Regulatory Commission and other relevant securities regulatory authorities and sanctions by the stock exchange.

Where an appointment of Director comes into effect upon the approval from the general meeting, an announcement must be published in accordance with the relevant Listing Rules.

The Nomination Committee is entitled to propose its nomination of Director candidates to the Board according to the Articles of Association, the terms of reference of the Nomination Committee and other applicable laws and regulations.

提名委員會採納以下提名董事候選人的程序：

每位董事候選人的提案應當以單項提案提出。有關提名董事候選人的意圖而向本公司發出的通知以及候選人表明願意接受提名而向本公司發出的書面通知應當在本公司就該選舉發送會議通知後發出並在召開股東大會七日前寄予本公司。

股東大會擬討論董事選舉事項的股東大會通知中應充分披露董事候選人的詳細資料至少包括以下內容：

- (一) 教育背景、工作經歷、兼職等個人情況；
- (二) 與本公司或本公司的控股股東及實際控制人是否存在關連關係；
- (三) 披露持有本公司股份數量；及
- (四) 是否受過中華人民共和國證券監督管理委員會及其他有關證券監管部門的處罰和證券交易所懲戒。

股東大會審議通過選舉董事的提案後董事當選並按照相關上市規則進行公告。

提名委員會有權根據公司章程、提名委員會工作規則及其他適用法律、法規對董事候選人向董事會提出提名建議。

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In 2021, the Nomination Committee held one meeting and has reviewed the structure, combination and balance (including expertise, knowledge and experience (including board diversity)) of the Board, assessed the independence of independent non-executive Directors and reviewed and approved the proposed appointment of Ms. XIANG Ling and Mr. LI Xuechen as new Directors. The attendance records of Directors at the Nomination Committee meeting were as follows:

於二零二一年，提名委員會已舉行1次會議並已檢討董事會的結構、組合與組成(包括技能、知識及經驗(包括董事會多元化)、評核獨立非執行董事的獨立性及審議通過建議向凌女士及李學臣先生為新董事。董事出席提名委員會會議次數的記錄如下：

Name of Directors	董事姓名	Meeting attended/Number of Nomination Committee convened
		出席會議/ 召開提名委員會會議次數
Mr. Eddy HUANG	黃翊先生	1/1
Mr. ZHAO Dayao	趙大堯先生	1/1
Ms. XIANG Ling	向凌女士	1/1

In 2021, the Nomination Committee reviewed the composition of the Board in accordance with the requirements as stipulated in the Corporate Governance Code and concluded that the Board comprised members with diversified backgrounds and skills which ensured balance and safeguarded the interests of Shareholders as well as the public.

於二零二一年，提名委員會根據企業管治守則規定審閱董事會的組成，並認為董事會由具備多元化背景及技能的成員組成，並確保充分制衡以及保障股東及公眾人士利益。

In 2021, the Nomination Committee has considered the various factors under the board diversity and approved the nomination of Ms. XIANG Ling and Mr. LI Xuechen as the independent non-executive directors of the Company and submitted to the Board of Directors for consideration and approval.

於二零二一年，提名委員會已從多方面就董事會多元化因素進行考慮，審議通過了提名向凌女士及李學臣先生為本公司獨立非執行董事並提呈董事會審議考慮。

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Remuneration and Evaluation Committee

The Company has established a Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Remuneration and Evaluation Committee consists of three members, namely Ms. XIANG Ling (an independent non-executive Director), Mr. JIANG Juncai (an executive Director) and Mr. TANG Jianxin (an independent non-executive Director), among whom Ms. XIANG Ling serves as the chairman of Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee are to advise on and formulate the remuneration and evaluation policy in respect of Directors, senior management and other managing members of the Group and make recommendations to the Board.

In 2021, the Remuneration and Evaluation Committee held one meeting, at which the policy and structure for all Directors' and senior management's remuneration and the review of the remuneration packages of executive Directors and senior management were discussed. The attendance record of Directors at the Remuneration and Evaluation Committee meeting was as follows:

薪酬與考核委員會

本公司已根據上市規則第3.25條以及上市規則附錄十四所載企業管治守則成立薪酬與考核委員會，並制定其書面職權範圍。薪酬與考核委員會由三名成員組成，即向凌女士（獨立非執行董事）、蔣均才先生（執行董事）及唐建新先生（獨立非執行董事），其中向凌女士出任薪酬與考核委員會的主席。

薪酬與考核委員會的主要職責為就本集團董事、高級管理人員及其他管理成員建議及制定薪酬與評估政策，並向董事會提供意見。

於二零二一年，薪酬與考核委員會已舉行1次會議，會上討論《董事及高級管理人員的全體薪酬政策及架構》及《檢討本公司執行董事及高級管理層的薪酬待遇》。董事出席薪酬與考核委員會會議次數的記錄如下：

Name of Directors	董事姓名	Meeting attended/ Number of Remuneration and Evaluation Committee convened 出席會議/ 召開薪酬與 考核委員會會議次數
Mr. JIANG Juncai	蔣均才先生	1/1
Mr. TANG Jianxin	唐建新先生	1/1
Ms. XIANG Ling	向凌女士	1/1

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In 2021, the Remuneration and Evaluation Committee assessed the performance of executive Directors, reviewed the remuneration policy, considered and approved the proposed 2021 Director's fees for executive Directors and made recommendation to the Board on the Directors' fees for non-executive Directors.

Remuneration of Directors and Senior Management

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2021 are set out in Note 7 to the Financial Statements.

Remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2021 is set out below:

Remuneration bands (RMB)

薪酬區間(人民幣)

Nil to 1,000,000
零至1百萬

Number of individuals

人數

2

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee currently consists of three members, namely Mr. TANG Jianxin (an independent non-executive Director), Mr. ZHAO Dayao (an independent non-executive Director) and Mr. TANG Xinfu (a non-executive Director), among whom Mr. TANG Jianxin serves as the chairman of Audit Committee.

The primary duties of the Audit Committee are to oversee the financial reporting system and internal control procedures of the Company, review the financial information of the Company and consider issues relating to the external auditors and their appointment.

於二零二一年，薪酬及考核委員會已評估執行董事的表現、檢討薪酬政策、審議及批准二零二一年執行董事的董事袍金建議以及向董事會建議非執行董事的董事袍金。

董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。截至二零二一年十二月三十一日止年度各董事薪酬的詳情載於財務報表附註7。

下表載列截至二零二一年十二月三十一日止年度按區間劃分支予予高級管理人員(不包括董事)的薪酬：

審核委員會

本公司已根據上市規則第3.21條以及上市規則附錄十四所載企業管治守則成立審核委員會，並制定其書面職權範圍。審核委員會目前由三名成員組成，即唐建新先生(獨立非執行董事)、趙大堯先生(獨立非執行董事)及唐新發先生(非執行董事)，其中唐建新先生出任審核委員會的主席。

審核委員會的主要職責為監督本公司的財務申報系統及內部監控程序、檢討本公司的財務信息以及審議與外部核數師及其委任相關的事宜。

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The work performed by the Audit Committee in 2021 included review of the annual results of the Group for the year ended 31 December 2020, interim results of the Group for the six months ended 30 June 2021 and listen to the report of risk management and internal control system of the Company by Internal Audit and Risk Department. The Audit Committee also reviewed the adequacy and effectiveness of the risk management and internal control system and making recommendation to the Board for improvement of internal control, credit control and risk management.

In 2021, the Audit Committee held two meetings and the attendance records of Directors at the Audit meeting were as follows:

審核委員會於二零二一年的工作包括審閱本集團截至二零二零年十二月三十一日止年度的年度業績、本集團截至二零二一年六月三十日止六個月的中期業績及聽取內部審核及風險部門對本公司的風險管理及內部監控系統的報告。審核委員會亦檢討風險管理及內部控制系統是否充足有效，以及就改善內部監控、信貸控制及風險管理向董事會提出建議。

於二零二一年，審核委員會已舉行2次會議，董事出席審核委員會會議次數的記錄如下：

Directors	董事姓名	Meeting attended/ Number of Audit Committee convened 出席會議／召開審核委員會會議次數
Mr. TANG Jianxin	唐建新先生	2/2
Mr. TANG Xinfu	唐新發先生	2/2
Mr. ZHAO Dayao	趙大堯先生	2/2

The Audit Committee reviewed and discussed the auditor's remuneration for 2021, the annual results of the Group for the year ended 31 December 2021 and recommended the Board to re-appoint KPMG as the Company's auditor for the year of 2022.

審核委員會審閱及討論二零二一年的核數師酬金、本集團截至二零二一年十二月三十一日止年度的年度業績及向董事會推薦續聘畢馬威會計師事務所為二零二二年之本公司核數師。

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the Consolidated Financial Statements of the Company for the year ended 31 December 2021. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

問責及審核

董事承認須負責編製本公司截至二零二一年十二月三十一日止年度的綜合財務報表。董事認為本集團擁有充足資源以在可見將來繼續經營業務，而且並不知悉可能引致本公司能否持續經營業務成為重大疑問的重大不明朗因素。

董事會須負責就年度及中期報告、內幕消息公告及根據上市規則及其他法律及監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

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The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's Consolidated Financial Statements, which are put to the Board for approval.

INTERNAL CONTROLS AND RISK MANAGEMENT

It is the responsibility of the Board of Directors to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. In preparation for the Listing, we engaged an internal control consultant to perform certain procedures in May 2015 in respect of assessing our internal control. Upon completion of such procedures, the internal control consultant provided us with a number of assessment results and the relevant recommendations, which we have adopted in full. In particular, we have adopted a series of internal control policies, procedures and programmes designed to achieve effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the following:

- *Internal Audit.* We put in place the internal audit charter that clearly states the objectives, organisation, functions and responsibilities, working scope and procedures of our internal audit functions. We established an internal audit department that is responsible for internal auditing and execution of antibribery measures in accordance with the internal audit charter. The internal audit department reports to our senior management and the Audit Committee.

管理層已向董事會提供必要的解釋及資料，讓董事會可就提交予董事會批准的本公司綜合財務報表作出知情批准。

內部控制及風險管理

董事會負責確保本公司維持良好及有效的內部控制，以始終保障股東的投資及本集團的資產。為籌備上市，我們委聘一名內部控制顧問於二零一五年五月對我們的內部控制進行評估若干程序。完成該等程序後，內部控制顧問已向我們提供評估結果及相關推薦建議，而我們已全面採納。尤其是，我們已採納一系列針對性內部控制政策、程序及方案，以實現有效及高效營運、可靠財務申報及遵守適用法律法規。我們內部控制系統的重點包括以下各項：

- 內部審核。我們已制訂內部審核章程，明確載列我們內部審核職能的目標、組織、職能及職責、工作範圍及程序。我們已成立內部審計部，負責根據內部審核章程進行內部審核及執行反賄賂措施。內部審計部向我們的高級管理人員及審核委員會匯報。

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- *Risk Management.* The Company has set up procedures in respect of risk management to meet internal control targets. The Company, on the basis of the target setting, identifies the risks in the process of internal control through daily and regular assessment procedures and methods, classifies the risks and prepares the Company's risk list, continually conducts risk analysis, tracks the constantly changing business environment and business activities and carries out dynamic assessments. As the responsible unit of risk monitoring, each department of the Company establishes a risk monitoring index system to conduct daily risk monitoring of the unit, especially the key indicators of major risks. For the identified risks, each department of the Company will formulate plans and measures to response risks. Each department is responsible for the implement of the risk corresponding plans. The department of internal control management monitors the results of the risk corresponding measures, forms risk response evaluation reports. In addition, the department of internal control management regularly summarizes, analyses and evaluates the risk response situation of the Company as a whole, compiles a report on the implementation of the Company's risk response and reports to the general manager's office.

- 風險管理。本公司已制定風險管理程序，以實現本公司內部控制的目標。在目標設定的基礎上，通過日常和定期的評估程序與方法加以識別內部控制實施過程中的風險，將各類風險進行分類整理，並形成公司的風險清單。持續進行風險分析，跟蹤不斷發展變化的經營環境和經營活動，進行動態評估。本公司各科室作為風險監控的責任單位，建立風險監控指標體系，對本單位風險，特別是重大風險關鍵指標進行日常監控。本公司各科室對已識別的風險，制定風險應對方案和措施。本公司各科室負責風險應對方案的實施。本公司內控管理組對風險應對措施執行效果進行監控，形成風險應對評價報告。此外，內控管理組定期匯總、分析、評估本公司整體層面的風險應對情況，形成本公司風險應對執行情況報告，向總經理辦公室報告。



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- *Internal Control Defects and Self-Appraisal.* The Company adopts qualitative and quantitative methods to establish standards for defect identification. The Company's auditing department undertakes the responsibility to track and review the implementation of the defects rectification found in the supervision and evaluation, as well as the implementation of the management recommendations and internal control inspection rectification recommendations made by the external auditors. The Company's auditing department is entitled to supervise and direct the rectification scheme, verify the effectiveness and appropriateness of the control measures, make recommendations for improvement and requests relevant departments to make necessary adjustments to the rectification measures to ensure the realization of risk control targets. The management of the Company authorizes relevant departments to investigate and analyze the internal control defects identified during the supervision process by the external regulatory and internal and external auditors and carry out corresponding rectification measures and reviews the implementation of each such measure. The Company's self-appraisal is a form of realization of internal supervision and a process of comprehensive evaluation on the effectiveness of internal control and issuance of self-appraisal reports on a regular basis.
- 內部控制缺陷及自我評價。本公司採取定性和定量等方式，制定缺陷認定的標準。本公司審計科負責跟蹤檢查在監督評價中發現的缺陷的整改落實情況，以及外部審計師提出的管理建議和內部控制檢查整改建議的落實情況。本公司審計科有權監督、指導整改方案的實施；對控制措施的有效性、適宜性進行驗證，提出改進建議；組織有關部門對整改方案進行必要的調整，以確保風險控制目標的實現。本公司的管理層對在外部監管者監管過程中、內外部審計中發現的內部控制缺陷授權相關部門進行調查、分析，採取相應的糾正措施，並檢查各項措施的執行情況。自我評價是內部監督的一種實現形式，是定期對內部控制有效性進行綜合評價並出具自我評價報告的過程。
- *Listing Rules Compliance.* We have adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions, notifiable transactions, inside information and securities transactions by the Directors. We have designated staff to monitor our compliance with Listing Rules and other applicable laws and regulations who have the power to investigate relevant incidents if any and communicate with the related authorities or advisers.
- 上市規則合規。我們已採納多項政策確保遵守上市規則，包括但不限於企業管治、關連交易、須予通告交易、內幕消息及董事進行證券交易等方面。我們已指定員工監控我們是否遵守上市規則及其他適用法律法規，其有權調查相關事件（若有）及與相關部門或顧問溝通。

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- *Code of Conduct.* Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behaviour. Our code of conduct also includes whistle-blowing policies to encourage all employees to speak up against any sub-standard behaviour. We also established an anti-money laundering management group and a related working group that are responsible for monitoring and supervising the implementation of our code of conduct and our anti-money laundering policies.

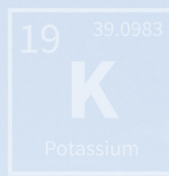
The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems for the Group to ensure that major risks that may impact on the Company's performance are appropriately identified and managed to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives. These measures are regularly reviewed and updated.

The Board, on the basis of the target setting, identifies the risks in the process of internal control through daily and regular assessment procedures and methods, classifies the risks and prepares the Company's risk list.

- 行為守則。我們的行為守則明確地向每名僱員傳達我們的價值、可接受的決策標準及我們的基本行為準則。我們的行為守則亦包括檢舉揭發政策，鼓勵全體僱員匯報任何不規範的行為。我們亦已設立反洗黑錢小組及相關工作小組，負責監控及監督我們的行為守則及反洗黑錢政策的執行。

董事會整體負責為本集團維持良好及有效的風險管理及內部控制系統，以保證可能影響本公司表現的主要風險獲充分識別及管理，以合理地（雖未能絕對）確保不會出現嚴重誤報或損失，並管理（而非消除）業務目標未能實現的風險。此等措施定期予以檢討及更新。

董事會在目標設定的基礎上，通過日常和定期的評估程序與方法加以識別內部控制實施過程中的風險，將各類風險進行分類整理，並形成本公司的風險清單。



CORPORATE GOVERNANCE REPORT 企業管治報告



The Company understands its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to our attention and/or it is the subject of a decision unless it falls within any of the “Safe Harbours” as provided in the SFO. Meanwhile, the Company has set up an inside information management system, the insider internal reporting obligations, reporting procedures and liability of disclosure of information of the personnel concerned has been clearly stated, and the Company shall arrange self-examination in a timely manner in accordance with the provisions of the relevant regulatory authorities. The real-time monitoring performed by the Company may involve the inside information, and should organize intermediary agencies to determine whether the information belongs to an inside information and practical, if it has fulfilled the disclosure requirements, will soon organize the disclosure and will strictly control the scope of the monitoring before the disclosure, the volatility of share price will be monitored until the disclosure of inside information is completed; if the disclosure requirements are not satisfied, the Company will also maintain strict confidentiality.

The main features of the risk management and internal control systems are to safeguard assets, to ensure proper maintenance of accounting records and provide reliable financial reporting, and to ensure compliance with relevant legislation and regulations.

The Company reviews the internal control and risk management twice a year. The Board has reviewed the internal control and risk management systems for the year ended 31 December 2021 and confirmed its effectiveness and adequacy.

The Company’s internal audit function is performed by the Internal Audit and Risk Department. It is responsible for conducting independent reviews of the adequacy and effectiveness of the Company’s internal control and risk management system. It also assesses the risks inherent in particular business or functional areas, including fraud or corruption, and conducts reviews or audits to provide reasonable, though not absolute, assurance that adequate governance and controls are in place to address such risks.

本公司明白其根據證券及期貨條例和上市規則所須履行的責任，首要原則是本公司一旦知悉內幕消息及／或在作出有關決定後須實時公佈，除非該等內幕消息屬證券及期貨條例下的「安全港條文」。同時，本公司已制定內幕信息管理制度，闡明內幕知情人的內部報告義務，報告程序和有關人員的信息披露職責，並根據有關監管部門的規定適時安排自查。本公司實時監控可能涉及的內幕消息，組織中介機構判斷該消息是否屬於內幕消息且切實可行，如滿足披露標準，將儘快組織披露，在披露之前，嚴格控制知悉範圍，監控股價波動直至內幕消息披露完成；如不滿足披露標準，本公司也會組織嚴格保密。

風險管理及內部控制系統的主要特點為保障資產，確保妥善保存會計記錄及提供可靠的財務報告，並確保遵守有關法例及規定。

本公司每年兩次檢討內部控制及風險管理。董事會已檢討就截至二零二一年十二月三十一日止年度的內部控制及風險管理系統，並確認其有效且足夠。

本公司的內部審核職能由內部審核及風險部門執行，負責就本公司內部控制及風險管理系統是否足夠及有效進行獨立檢討，亦會評估某項業務或職能範圍的內在風險（包括欺詐或貪污），以及進行審閱或審核，以合理地（雖未能絕對）確保採取充足管治及控制措施應對有關風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" on pages 181 to 194.

During the year ended 31 December 2021, the remuneration paid/payable to the Company's external auditor, KPMG, is set out below:

核數師酬金

本公司外部核數師有關其就綜合財務報表須承擔的申報責任的聲明載於第181至194頁的「獨立核數師報告」內。

下表載列截至二零二一年十二月三十一日止年度，支付／應付予本公司外部核數師畢馬威會計師事務所的薪酬：

		Amount RMB'000 金額 人民幣千元
Annual audit services	年度審核服務	3,480
Non-audit services	非審核服務	1,587
Total fees	費用總額	5,067

The non-audit services were review service for interim results and other services.

非審核服務為中期業績審閱服務及其他服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

GENERAL MEETINGS

During the Reporting Period, the Company held an annual general meeting of 2020, H Shareholders class meeting and Domestic Shareholders class meeting on 4 June 2021. An extraordinary general meeting was held on 25 June 2021, and the attendance records of the Directors at the general meetings were as follows:

股東大會

於報告期內，本公司於二零二一年六月四日舉行了二零二零年股東周年大會，H股股東類別大會及內資股股東類別大會。於二零二一年六月二十五日舉行了臨時股東大會，董事出席股東大會的情況記錄如下：

Name of Directors	董事姓名	Meeting attended/ Number of general meetings convened
		出席會議／召開股東大會次數
Mr. TANG Xinfa	唐新發先生	4/4
Mr. JIANG Juncai	蔣均才先生	4/4
Mr. WANG Danjin	王丹津先生	4/4
Mr. CHEN Yangui	陳燕桂先生	4/4
Mr. TANG Jianxin	唐建新先生	4/4
Mr. LI Shuang	李爽先生	4/4
Mr. Eddy HUANG	黃翊先生	4/4
Mr. ZHAO Dayao	趙大堯先生	4/4
Ms. XIANG Ling	向凌女士	4/4
Mr. LI Xuechen	李學臣先生	4/4

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The general meetings of the Company provide a platform for face-to-face communication between the Board and the Shareholders.

Shareholder rights

Right to propose to convene extraordinary general meeting

Pursuant to the Articles of Association, the Shareholders request for the convening of the extraordinary general meeting or meeting of class Shareholders shall follow the procedure below:

Shareholders individually or jointly holding a total of 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an shareholders' extraordinary general meeting or a meeting of shareholders of different classes and state the subject of the meeting. The Board shall convene a Shareholders' extraordinary general meeting or a class meeting as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made.

If the Board fails to issue an announcement on the convening of meeting within 30 days after receiving the above-mentioned written request, the proposing Shareholders are entitled to submit a written request to the Board of Supervisors on the convening of Shareholders' extraordinary general meeting or meeting of the class Shareholders.

與股東及投資者的溝通

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及戰略的了解至為重要。本公司亦明白保持公司資料透明度及適時披露公司資料的重要性，此舉將使股東及投資者作出最佳投資決定。本公司股東大會為董事會與股東提供直接對話的平台。

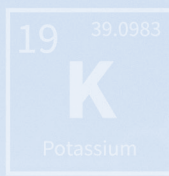
股東之權利

提議召開臨時股東大會之權利

根據公司章程，股東要求召集臨時股東大會或者類別股東會議，應當按照下列程序辦理：

單獨或者合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集臨時股東大會或類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召集臨時股東大會或類別股東會議。前述持股數按股東提出書面要求日計算。

如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，提出該要求的股東有權向監事會提議召開臨時股東大會或類別股東會議，並應當以書面向監事會提出請求。



CORPORATE GOVERNANCE REPORT 企業管治報告



If the Board of Supervisors fails to issue an announcement on the convening of meeting within 30 days after receiving the above-mentioned written request, the Shareholders individually or collectively representing 10% or more of the Company's voting Shares at the proposed meeting for at least consecutive 90 days may convene the meeting on their own within four months after the Board of Directors receives the request. The convening procedures shall be the same as the procedures for the convening of Shareholders' general meeting by the Board of Directors.

Shareholders' right to propose resolutions at the general meeting

Shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company shall be entitled to propose an interim resolution and submit the same to the convener. The convener shall issue a supplemental announcement of shareholders' general meeting within 2 days after the receipt of such proposal and submit such interim resolution to the shareholders' general meeting for consideration and approval. The contents of an interim resolution shall fall within the authority of the shareholders' general meeting and maintain topics for discussion and specific matters to be resolved.

The Company sets out the following contact details for the Shareholders to communicate with the Company:

Telephone number : 86-0769-81768866
Company website : www.hec-changjiang.com
E-mail address : pengqiyun@hec.cn

如果監事會在收到前述書面要求後三十日內沒有發出召集會議的通告，連續九十日以上單獨或者合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當與董事會召集股東大會的程序相同。

於股東大會提議決議案之股東權利

單獨或者合計持有公司3%以上有表決權的股份的股東，可以提出臨時提案並提交召集人。召集人應當在收到提案後兩日內發出股東大會補充通知，並將該臨時提案提交股東大會審議，臨時提案的內容應當屬於股東大會職責範圍，並有明確議題和具體決議事項。

本公司現載列下列通訊資料，以便股東與本公司溝通：

電話號碼 : 86-0769-81768866
公司網站 : www.hec-changjiang.com
電郵地址 : pengqiyun@hec.cn

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

During the Reporting Period, Mr. PENG Qiyun and Ms. NG Wing Shan acted as joint company secretaries of the Company. For the biography of Mr. Peng and Ms. Ng, please refer to the section headed “Profiles of Directors, Supervisors and Senior Management” of this Annual Report.

Ms. Ng was an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited and her primary corporate contact person at the Company is Mr. Peng, another joint company secretary. In compliance with Rule 3.29 of the Listing Rules, each of Mr. Peng and Ms. Ng has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2021.

Ms. Ng has tendered her resignation as the joint company secretary of the Company with effect from 25 February 2022, and Mr. Wong Wai Chui has been appointed as the joint company secretary of the Company on the same day. Mr. Wong is an associate director of SWCS Corporate Services Group (Hong Kong) Limited and his primary corporate contact person at the Company is Mr. Peng, another joint company secretary.

DIVIDEND POLICY

The Board adopted the dividend policy on 14 December 2018, setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

公司秘書

於報告期內，彭琪雲先生及吳詠珊女士擔任本公司的聯席公司秘書。有關彭先生與吳女士之履歷，請參閱本年報「董事、監事及高級管理人員簡介」一節。

吳女士為方圓企業服務集團(香港)有限公司之副總監，其在本公司的主要聯絡人為另一位聯席公司秘書彭先生。於截至二零二一年十二月三十一日止年度內，彭先生及吳女士均已接受至少十五小時的相關專業培訓，符合上市規則第3.29條的規定。

吳女士已提出辭任本公司的聯席公司秘書，自二零二二年二月二十五日起生效，而黃偉超先生已於同日獲委任為本公司的聯席公司秘書。黃先生為方圓企業服務集團(香港)有限公司之聯席董事，其在本公司的主要聯絡人為另一位聯席公司秘書彭先生。

股息政策

董事會於二零一八年十二月十四日採納股息政策，載列本公司就宣派、派付或分發其純利予本公司股東作為股息時擬應用的原則及指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board adopt the policy that, in recommending the declaration of dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its Share value. The Company do not have any pre-determined dividend payout ratio.

The Board is responsible for submitting recommendations in respect of dividend payments, if any, to the Shareholders' general meeting for approval, subject to the Articles of the Association and all applicable laws and regulations and the factors set out below.

The Board shall also take into account the following factors of the Group when considering to recommend the declaration and payment of dividends:

- Distributable profits;
- Financial condition;
- Cash flow;
- Expected future capital expenditure;
- Return to the Shareholders;
- Capital requirements;
- Finance costs;
- The external financing environment; and
- any other factors that the Directors may deem relevant.

董事會採納的政策為，在建議宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股份價值。本公司沒有預設的派息比率。

根據公司章程、所有適用法規及下列因素，董事會負責將股息分派的建議(如有)提交股東大會審批。

董事會在考慮建議宣派股息時，應同時考慮下列有關本集團的因素：

- 可分派利潤；
- 財務狀況；
- 現金流量；
- 預期未來資本開支；
- 股東回報；
- 資本需求；
- 財務成本；
- 外部融資環境；及
- 董事可能認為相關的其他因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

Depending on the conditions and factors as set out above of the Company and the Group, dividends may be recommended by the Board for a financial year or period:

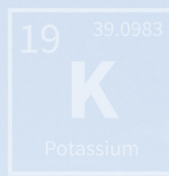
- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

Dividends shall be distributed by the Company to its Shareholders in proportion to their respective shareholdings according to the resolutions adopted at the Shareholders' general meeting. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall be reverted to the Company in accordance with the Articles of Association.

視乎本公司及本集團的上述條件及因素，董事會可在財政年度或期間建議宣派下列股息：

- 中期股息；
- 年度股息；
- 特別股息；及
- 任何董事會認為合適的純利分發。

股息由本公司根據股東大會決議按股東持有的股份比例派發。本公司可以董事會認為合適的形式宣派及派付股息，包括現金或代息股份或其他形式。任何未領取的股息應被沒收及應根據公司章程復歸本公司。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



Independent auditor's report to the shareholders of YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

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

OPINION

We have audited the consolidated financial statements of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 195 to 345, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致宜昌東陽光長江藥業股份有限公司股東 的獨立核數師報告

(於中華人民共和國註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第195至345頁宜昌東陽光長江藥業股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二一年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零二一年十二月三十一日的綜合財務狀況，及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

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”) issued by the Hong Kong Institute of Certified Public Accountants (“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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People’s Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

意見的基礎

我們已根據香港會計師公會（「香港會計師公會」）頒佈的香港核數準則（「香港核數準則」）進行審核。我們於該等準則項下的責任在本報告「核數師就審核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之職業會計師道德守則（「守則」）及中華人民共和國中任何與我們審核綜合財務報表有關的道德要求，我們獨立於貴集團，並已遵循該等要求及守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

KEY AUDIT MATTERS (continued)

Timing of revenue recognition

Refer to Note 3 to the consolidated financial statements and the accounting policies on page 240

The Key Audit Matter

關鍵審核事項

Revenue of the Group mainly comprises sales of pharmaceutical products to a large number of distributors.

貴集團的營業收入主要包括向多個分銷商銷售藥品的收入。

The Group enters into standard sales contracts with each distributor and manufactures and sells its products in accordance with the terms agreed in the sales contracts.

貴集團與各分銷商及生產商簽訂標準的銷售銷售合約並根據銷售合約約定的條款生產、銷售藥品。

Once the products are delivered to the location designated by the distributor, the control of the goods are considered to have been transferred to the distributor and revenue is recognised accordingly.

當貨物運送至分銷商指定的地點時，商品的控制權被認為已轉移給分銷商，據此確認營業收入。

關鍵審核事項(續)

收入確認時點

參閱綜合財務報表附註3及第240頁的會計政策。

How the matter was addressed in our audit

在審核中的處理方法

Our audit procedures to assess the timing of revenue recognition included the following:

我們評估營業收入確認時點的審計程序包括：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition;
- 了解及評價管理層就與營業收入確認環節相關的主要內部控制的設計、執行及運行的有效性；
- inspecting sales contracts with customers, on a sample basis, to understand the terms of the sales transactions including the terms of delivery and acceptance and any sales return arrangements to assess the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;
- 通過抽樣檢查與客戶簽訂的銷售合約，了解包括收發貨物及退貨安排等銷售交易條款，參考現行會計準則的規定以評估 貴集團營業收入確認的政策；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Timing of revenue recognition (continued)

The Key Audit Matter

關鍵審核事項

The Group's sales contracts are standardised and do not permit sales return except for where the products are damaged or defective. 除產品損壞或出現缺陷外，貴集團的標準化銷售合約不接受退貨。

We identified the timing of revenue recognition 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 by management to meet specific targets or expectations.

我們識別出營業收入的確認時點是一個關鍵審核事項，因為營業收入是貴集團關鍵的業績指標之一，存在管理層通過操縱營業收入確認時點以達到特定目標或期望的固有風險。

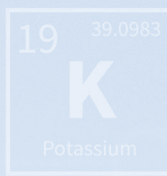
關鍵審核事項(續)

收入確認時點(續)

How the matter was addressed in our audit

在審核中的處理方法

- inspecting goods delivery notes and logistics records, on a sample basis, to assess whether revenue transactions recorded just before and after the financial year end date had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the sales contracts;
- 通過抽樣檢查商品出庫單及物流記錄，以確定記錄在資產負債表日前後的營業收入交易是否根據銷售合約規定的銷售條款記錄在正確的財務報表期間；
- inspecting underlying documentation for manual journal entries and adjustments relating to revenue raised during the year which met specific risk-based criteria; and
- 檢查與年內所得營業收入相關並符合特定風險條件的手工分錄及調整的支持性文件；及
- inspecting actual sales returns and credit notes recorded after the financial year end and evaluating whether the related adjustments to revenue had been recorded in the appropriate financial period.
- 檢查資產報表日後實際發生銷售退回及銷售沖回記錄，並評估相關的營業收入調整是否計入正確的財務報表期間。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Expected credit loss allowance for trade receivables

貿易應收款項預期信貸虧損撥備

Refer to Note 17 to the consolidated financial statements and the accounting policies on pages 217 to 224.

參閱綜合財務報表附註17及第217至224頁的會計政策。

The Key Audit Matter

How the matter was addressed in our audit

關鍵審核事項

在審核中的處理方法

The carrying value of the Group's gross trade receivables as at 31 December 2021 totalled RMB446 million, against which a loss allowance of RMB15 million for expected credit losses (ECLs) was recorded.

Our audit procedures to assess the ECL allowance for trade receivables included the following:

二零二一年十二月三十一日 貴集團的貿易應收款項賬面總額為人民幣446百萬元，針對該款項錄得預期信貸虧損的虧損撥備人民幣15百萬元。

我們評估貿易應收款項預期信貸虧損撥備的審計程序包括：

Management measured the loss allowance at an amount equal to lifetime ECL of the trade receivables based estimated loss rates. The estimated loss rates take into account the ageing of trade receivable balances, the repayment history of the Group's customers, current market conditions and forward-looking information. According to the past experience of the Group, the loss patterns for different customers are not significantly different. Therefore, the receivables are not segmented when calculating the loss allowance.

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the estimation of the loss allowance;
- 了解及評價與信用控制、債務回收及虧損撥備估計環節相關的主要內部控制的設計、執行及運行的有效性；
- evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standard;
- 參考現行會計準則的規定，評估 貴集團估計信貸虧損撥備的政策；
- obtaining an understanding of the key data and assumptions of the expected credit loss model adopted by the management, including the historical default data and the assumptions involved in management's estimated loss rates;
- 了解管理層採納的預期信貸虧損模式的主要數據及假設，包括歷史違約數據及管理層的估計虧損率涉及的假設；

管理層根據估計虧損率按等同於貿易應收款項整個有效期的預期信貸虧損的金額計量虧損撥備。估計虧損率計及貿易應收款項結餘的賬齡、貴集團客戶的還款歷史、現行市況及前瞻性資料。根據 貴集團的過往經驗，不同客戶的虧損模式並無重大差異。因此，當計算虧損撥備時，並無對應收款項進行分組。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Expected credit loss allowance for trade receivables (continued)

The Key Audit Matter

關鍵審核事項

We identified the ECL allowance for trade receivables as a key audit matter because the assessment of the loss allowance requires the exercise of significant management judgement. 我們識別出貿易應收款項的預期信貸虧損撥備是一個關鍵審核事項，因為評估虧損撥備時需要運用重要的管理層判斷。

關鍵審核事項 (續)

貿易應收款項預期信貸虧損撥備 (續)

How the matter was addressed in our audit

在審核中的處理方法

- assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;
- 通過檢查管理層作出有關估計所用的資料，評估管理層估計虧損撥備的合適性，包括檢查歷史違約數據的準確性及評估歷史虧損率是否根據當前的經濟狀況及前瞻性資料作出適當調整；
- assessing the classification of individual balances in the trade receivable ageing report by comparing the details in the trade receivable ageing report with the underlying goods delivery notes and invoices, on a sample basis; and
- 通過選取樣本，比對貿易應收款項賬齡報告詳情和相關的出庫單及發票，評估貿易應收款項賬齡報告單項餘額分類的準確性；及
- re-performing the calculation of the loss allowance as at 31 December 2021 based on the Group's credit loss allowance policies.
- 根據 貴集團的信貸虧損撥備政策，重新計算於二零二一年十二月三十一日的虧損撥備。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Capitalisation of intangible assets related to innovative new drugs and biologic drug

與創新藥及生物製品藥物有關的無形資產資本化

Refer to Note 11 to the consolidated financial statements and the accounting policies on pages 211 and 212.

參閱綜合財務報表附註11及第211和212頁的會計政策。

The Key Audit Matter

How the matter was addressed in our audit

關鍵審核事項

在審核中的處理方法

As disclosed in Note 11 to the consolidated financial statements, the Group capitalises costs incurred in the development of its pharmaceutical products if they meet the criteria for capitalisation as set out in the prevailing accounting standards.

誠如綜合財務報表附註11所披露，貴集團將符合現行會計準則所載資本化準則的開發醫藥產品所產生開支撥充資本。

This involves significant management judgement in both determining when the criteria for capitalisation are met and in identifying the relevant costs to be capitalised. As at 31 December 2021, the carrying value of capitalised development costs of intangible assets totalled RMB1,201 million.

這需要管理層的重大判斷，以釐定資本化準則於何時達成及識別將資本化的相關成本。於二零二一年十二月三十一日，資本化無形資產開發支出賬面值合共為人民幣1,201百萬元。

We identified the capitalisation of intangible assets related to innovative new drugs and biologic drug as a key audit matter because of the significant level of management judgement involved in determining the timing and amount of development costs capitalised.

我們識別出與創新藥及生物製品藥物有關的無形資產資本化是一個關鍵審核事項，因其涉及重大管理層判斷，以釐定已資本化開發支出的時間及金額。

Our audit procedures to assess the capitalisation of development cost of intangible assets related to innovative new drugs and biologic drug included the following:

我們評估與創新藥及生物製品藥物有關的無形資產開發支出資本化的審核程序包括下列各項：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to the capitalisation of development cost of intangible assets related to innovative new drugs and biologic drug;
- 了解及評價管理層就關於與創新藥及生物製品藥物有關的無形資產開發支出資本化環節的主要內部控制的設計、執行及運行的有效性；
- challenging management's assessment of the fulfilment of the criteria for capitalisation of development cost of intangible assets as set out in the prevailing accounting standards; and
- 質詢管理層對達成現行會計準則所載無形資產開發支出資本化標準的評價；及
- inspecting a sample of items capitalised during the year with relevant underlying documentation, including clinical trial expenses, staffing cost etc.
- 抽樣審查年內已資本化項目及相關文件，包括臨床試驗開支及員工成本等。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Assessment of the impairment of intangible assets

Refer to Note 11 to the consolidated financial statements and the accounting policies on pages 224 to 227.

The Key Audit Matter

關鍵審核事項

The carrying value of the Group's intangible assets related to generic drugs totalled RMB3,272 million as at 31 December 2021.

於二零二一年十二月三十一日，貴集團有關仿製藥的無形資產賬面值合共為人民幣3,272百萬元。

Management performs an annual impairment assessment for its capitalised development costs which were not ready for use and performs impairment assessment of its other intangible assets by identifying if there are any indicators of potential impairment, such as the decrease of forecasted selling price due to the significant decrease of tendering price in the Centralised Procurement organised by the authorities.

管理層對其尚未可使用的資本化開發支出進行年度減值評估，並透過識別是否存在任何潛在減值跡象（例如預測售價因有關機構組織的集中採購的投標價格大幅下降而降低）對其他無形資產進行減值評估。

For those capitalised development costs and other intangible assets for which an indicator of impairment was identified, management compared the carrying value of intangible assets against the respective recoverable amount, which was the higher of fair value less costs of disposal and value in use based on discounted cashflow forecast to determine the amount of impairment which should be recognised, if any.

就已識別減值跡象的資本化開發支出及其他無形資產而言，管理層根據已折現現金流量預測將無形資產的賬面值與相應可收回金額（即公允價值減出售成本與使用價值的較高者）進行比較，以釐定應予以確認的減值金額（如有）。

關鍵審核事項(續)

無形資產的減值評估

參閱綜合財務報表附註11及第224至227頁的會計政策。

How the matter was addressed in our audit

在審核中的處理方法

Our audit procedures to assess the impairment of intangible assets included the following:

我們評估無形資產減值的審計程序包括：

- assessing the design and implementation of key internal controls relating to impairment assessment in respect of intangible assets;
- 評估與無形資產減值評估相關的主要內部控制的設計及執行；
- involving our internal valuation specialists in assessing the appropriateness of the impairment assessment model with reference to the prevailing accounting standards and the discount rate applied in the discounted cashflow forecast by benchmarking against those of other similar companies in the same industry;
- 讓我們的內部估值專家透過與同一行業的其他類似公司進行比較，並參考現行會計準則及已折現現金流量預測所應用的折現率，評估減值評估模型的適當性；
- challenging the key assumptions adopted by management in the discounted cashflow forecasts by comparing future revenue with the tendering price and procurement volume in the Centralised Procurement or with the market price, market capacities of the products or comparable products, and comparing future costs of goods sold to historical costs of comparable products of the Group and our knowledge of the business;
- 透過將未來收益與集中採購的投標價格及採購量或與產品或可資比較產品的市場價格及市場容量進行比較，以及將已售貨品的未來成本與貴集團可資比較產品的過往成本進行比較及根據我們對業務的了解，質詢管理層於已折現現金流量預測中採用的關鍵假設；

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Assessment of the impairment of intangible assets (continued)

無形資產的減值評估 (續)

The Key Audit Matter

關鍵審核事項

Management is required to exercise significant judgement in estimating the individual products' future revenue, future costs and the discount rate used in calculation of the recoverable amounts. The pharmaceutical industry is dynamic and the reception of the market to the Group's products involves inherent uncertainty.

管理層於估計個別產品的未來收益、未來成本及計算可收回金額所使用的折現率時須作出重大判斷。醫藥行業不斷變化，市場對貴集團產品的接受程度涉及固有不确定因素。

We have identified the assessment of the impairment of intangible assets as a key audit matter because determining the level of impairment, if any, involves a significant degree of management judgement in estimating the recoverable amounts, which is inherently uncertain and could be subject to management bias.

我們識別出無形資產的減值評估是一個關鍵審核事項，原因是釐定減值水平(如有)涉及管理層於估計可收回金額時作出的重大判斷，其具有固有不确定因素並可能受到管理層偏見的影響。

How the matter was addressed in our audit

在審核中的處理方法

- comparing the data in discounted cash flow forecast prepared in the prior year with the current year's performance and making enquiries of management as to the reasons for any significant variations identified to assess how accurate the prior year's discounted cash flow forecast was and whether there is any indication of management bias; and
- 將上一個年度編製的已折現現金流量預測數據與本年度的表現進行比較，並詢問管理層任何已識別重大差異的原因，以評估上一個年度的已折現現金流量預測的準確性以及是否存在任何管理層偏見的跡象；及
- performing a sensitivity analysis of the key assumptions and considering the resulting impact on the impairment assessment and whether there were any indicators of management bias.
- 對關鍵假設進行敏感度分析，並考慮所產生對減值評估的影響以及是否存在任何管理層偏見的跡象。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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.

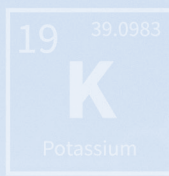
綜合財務報表以外的其他資料及我們就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此一事實。我們就此並無須報告事項。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製及真實而公允地列報該等綜合財務報表，並負責董事認為編製綜合財務報表所必需的有關內部控制，以確保綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事獲審核委員會協助履行其監督貴集團財務報告流程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

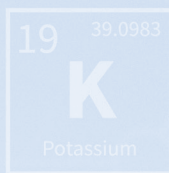
核數師就審核綜合財務報表須承擔的責任

我們的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。本報告僅為閣下（作為整體）而編製，並無其他用途。我們並不就本報告之內容對任何其他人士承擔任何義務或負上任何責任。

合理確定屬高層次的核證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在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，被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持職業懷疑態度。我們亦：

- 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報風險，因應這些風險設計及執行審核程序，獲得充足及適當的審核憑證為我們的意見提供基礎。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報風險比未能發現由於錯誤而導致的重大錯報風險更高。
- 了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的內部控制的有效性發表意見。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



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

(continued)

- 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.

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

核數師就審核綜合財務報表須 承擔的責任(續)

- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
- 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。倘若我們總結認為有重大不確定因素，我們需要在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，則修訂我們的意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，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(包括數據披露)的整體列報、架構和內容，以及綜合財務報表是否已公允地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。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們就審核工作的計劃範圍和時間、在審核過程中的主要發現(包括內部控制的重大缺失)及其他事項與審核委員會進行溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Kai Wa.

核數師就審核綜合財務報表須承擔的責任(續)

我們亦向審核委員會作出聲明，確認我們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核數師獨立性的關係和其他事宜以及為消除威脅採取的行動及防範措施(如適用)，與審核委員會進行溝通。

我們通過與審核委員會溝通，確定哪些是本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為林啟華。

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 March 2022

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零二二年三月二十一日

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 2021 (Expressed in Renminbi)
截至二零二一年十二月三十一日止年度（以人民幣呈列）

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		Note 附註		
Revenue	營業額	3	913,788	2,348,113
Cost of sales	銷售成本		(430,089)	(351,547)
Gross profit	毛利		483,699	1,996,566
Other income and losses	其他收入及虧損	4	85,961	819,370
Distribution costs	分銷成本		(521,667)	(1,153,884)
Administrative expenses	行政管理開支		(358,402)	(318,068)
Research and development costs	研發成本		(109,673)	(92,448)
(Recognition)/reversals on impairment loss of trade and other receivables	(確認)/撥回貿易及其他應收款項減值虧損		(3,176)	4,391
Other operating expenses	其他經營開支		(119)	(1,287)
(Loss)/profit from operations	經營(虧損)/溢利		(423,377)	1,254,640
Finance costs	融資成本	5(a)	(243,807)	(244,206)
(Loss)/profit before taxation	除稅前(虧損)/溢利	5	(667,184)	1,010,434
Income tax	所得稅	6	79,460	(173,023)
(Loss)/profit for the year	年內(虧損)/溢利		(587,724)	837,411
(Loss)/profit and total comprehensive income for the year attributable to:	歸屬於以下項目的年內(虧損)/溢利及全面收益總額:			
Equity shareholders of the Company	本公司權益股東		(587,649)	839,455
Non-controlling interests	非控股權益	13	(75)	(2,044)
(Loss)/profit and total comprehensive income for the year	年內(虧損)/溢利及全面收益總額		(587,724)	837,411
(Loss)/earnings per share	每股(虧損)/盈利	9		
Basic	基本		RMB(0.67) 人民幣(0.67)元	RMB0.95 人民幣0.95元
Diluted	攤薄		RMB(0.67) 人民幣(0.67)元	RMB0.53 人民幣0.53元

The notes on pages 201 to 345 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 26(b).

第201至345頁之附註構成該等財務報表一部份。有關年內溢利中應付本公司權益股東的股息詳情，載於附註26(b)。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 31 December 2021 (Expressed in Renminbi)
於二零二一年十二月三十一日 (以人民幣呈列)

			31 December 2021	31 December 2020
			二零二一年 十二月三十一日	二零二零年 十二月三十一日
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Non-current assets	非流動資產			
Fixed assets	固定資產	10		
— Property, plant and equipment	— 物業、廠房及設備		2,858,808	2,489,661
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權權益		357,747	346,045
			3,216,555	2,835,706
Intangible assets	無形資產	11	3,271,990	2,709,591
Goodwill	商譽	12	75,896	75,896
Financial assets measured at fair value through profit or loss (FVPL)	按公允價值計量且其變動計入損益的金融資產	14	1,789,621	—
Prepayments	預付款項	15	64,825	635,319
Deferred tax assets	遞延稅項資產	25(c)	65,318	40,645
			8,484,205	6,297,157
Current assets	流動資產			
Inventories	存貨	16	279,696	378,268
Trade and other receivables	貿易及其他應收款項	17	546,791	599,757
Prepayments	預付款項		7,776	19,927
Restricted cash	受限制現金	18	91,992	221,191
Cash and cash equivalents	現金及現金等值項目	19	1,131,121	2,044,967
			2,057,376	3,264,110
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	21	911,680	1,259,440
Contract liabilities	合同負債	20	74,903	56,152
Bank loans	銀行貸款	22	48,477	345,987
Interest-bearing borrowings	計息借款	23	—	2,474,817
Deferred income	遞延收益	24	4,379	4,379
Current taxation	即期稅項	25(a)	198,625	20,438
			1,238,064	4,161,213

The notes on pages 201 to 345 form part of these financial statements.

第201頁至345頁之附註構成該等財務報表一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 31 December 2021 (Expressed in Renminbi)
於二零二一年十二月三十一日 (以人民幣呈列)

		31 December 2021 二零二一年 十二月三十一日	31 December 2020 二零二零年 十二月三十一日
		Note 附註	RMB'000 人民幣千元
Net current assets/(liabilities)	流動資產/(負債)淨額		819,312
			(897,103)
Total assets less current liabilities	總資產減流動負債		9,303,517
			5,400,054
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	22	544,900
Deferred income	遞延收益	24	137,730
Interest-bearing borrowings	計息借款	23	2,600,125
			3,282,755
			296,395
Net assets	淨資產		6,020,762
			5,103,659
Capital and reserves	資本及儲備	26	
Share capital	股本		879,968
Reserves	儲備		4,928,313
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益		5,808,281
			4,891,103
Non-controlling interests	非控股權益	13	212,481
			212,556
Total equity	總權益		6,020,762
			5,103,659

Approved and authorised for issue by the board of directors on 21 March 2022.

財務報表已由董事會於二零二二年三月二十一日批准及授權刊發。

Tang Xinfu

唐新發

Director

董事

Chen Yangui

陳燕桂

Director

董事

The notes on pages 201 to 345 form part of these financial statements.

第201頁至345頁之附註構成該等財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2021 (Expressed in Renminbi)
截至二零二一年十二月三十一日止年度（以人民幣呈列）

		Attributable to equity shareholders of the Company 本公司權益股東應佔						Non- controlling interests 非控股 權益	Total equity 權益總額
	Note	Share capital 股本	Treasury shares 庫存股份	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留盈利	Total 總計		
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
		Note 26(c) 附註 26(c)		Note 26(e)(i) 附註 26(e)(i)	Note 26(e)(ii) 附註 26(e)(ii)				
Balance at 1 January 2020	於二零二零年一月一日的結餘	448,820	(142,209)	1,375,872	232,676	2,493,396	4,408,555	214,600	4,623,155
Changes in equity for 2020:	二零二零年的權益變動：								
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	839,455	839,455	(2,044)	837,411
Appropriation of statutory reserve	轉撥法定儲備	-	-	-	96,020	(96,020)	-	-	-
Dividends approved in respect of the previous year	批准過往年度股息	26(b)(ii)	439,984	-	-	(571,977)	(131,993)	-	(131,993)
Dividends approved in respect of the current year	批准本年度股息	26(b)(i)	-	-	-	(87,997)	(87,997)	-	(87,997)
Purchase of own shares	回購股份	26(c)(iii)	-	(136,917)	-	-	(136,917)	-	(136,917)
Cancellation of treasury shares	註銷庫存股份	26(c)	(8,836)	279,126	(270,290)	-	-	-	-
Balance at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日的結餘	879,968	-	1,105,582	328,696	2,576,857	4,891,103	212,556	5,103,659
Changes in equity for 2021:	二零二一年的權益變動：								
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	-	(587,649)	(587,649)	(75)	(587,724)
Assets obtained from the controlling shareholder	自控股股東取得的資產	14	-	1,504,827	-	-	1,504,827	-	1,504,827
Balance at 31 December 2021	於二零二一年十二月三十一日的結餘	879,968	-	2,610,409	328,696	1,989,208	5,808,281	212,481	6,020,762

The notes on pages 201 to 345 form part of these financial statements.

第201頁至345頁之附註構成該等財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2021 (Expressed in Renminbi)
截至二零二一年十二月三十一日止年度（以人民幣呈列）

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Operating activities	經營活動			
Cash (used in)/generated from operations	經營(所用)/產生的現金	19(b)	(681,128)	1,603,226
The People's Republic of China (the "PRC") Corporate Income Tax ("CIT") refunded/(paid)	已退款/(支付)的中華人民共和國(「中國」)企業所得稅(「企業所得稅」)	25(a)	18,618	(303,733)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金淨值		(662,510)	1,299,493
Investing activities	投資活動			
Interest received	已收利息		11,346	24,987
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備所付款項		(356,285)	(994,159)
Payment for development cost	開發支出所付款項		(107,763)	(149,684)
Payment for the purchase of intangible assets	購買無形資產所付款項		(115,636)	(774,200)
Decrease/(increase) in restricted cash	受限制現金減少/(增加)		129,199	(221,191)
Proceeds received from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		33	19,619
Net cash used in investing activities	投資活動中使用的現金淨值		(439,106)	(2,094,628)

The notes on pages 201 to 345 form part of these financial statements.

第201頁至345頁之附註構成該等財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2021 (Expressed in Renminbi)
截至二零二一年十二月三十一日止年度 (以人民幣呈列)

			2021 二零二一年	2020 二零二零年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Financing activities	融資活動			
Proceeds from new bank loans	新銀行貸款所得款項	19(c)	444,955	518,006
Repayments of bank loans	償還銀行貸款	19(c)	(157,678)	(1,250)
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息		-	(219,990)
Finance costs paid	已付融資成本	19(c)	(99,798)	(95,216)
Payment for purchase of own shares	回購股份所付款項	26(c)	-	(136,917)
Net cash generated from financing activities	融資活動產生的現金淨值		187,479	64,633
Net decrease in cash and cash equivalents	現金及現金等值項目淨減少		(914,137)	(730,502)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等值項目	19(a)	2,044,967	2,779,138
Effect of foreign exchange rate changes	外匯匯率變動的影響		291	(3,669)
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等值項目	19(a)	1,131,121	2,044,967

The notes on pages 201 to 345 form part of these financial statements.

第201頁至345頁之附註構成該等財務報表一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The IASB has issued certain amendments IFRSs that are first effective or available for early adoption for the current accounting period of the Company and its subsidiaries (together referred to as “the Group”). Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

1 重大會計政策

(a) 合規聲明

本財務報表乃根據所有適用國際財務報告準則（「國際財務報告準則」，該統稱詞彙涵蓋國際會計準則理事會（「國際會計準則理事會」）所頒佈之所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）以及其詮釋）、香港公認會計原則以及香港公司條例之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司（「聯交所」）證券上市規則的適用披露條文。本集團所採納的重大會計政策披露如下。

國際會計準則理事會已頒佈若干國際財務報告準則之修訂，有關準則於本公司及其附屬公司（統稱「本集團」）的本會計期間首次生效或可供提早採納。附註1(c)提供就首次應用該等變動（與本財務報表內所反映本集團於本會計期間的事宜相關者為限），所產生的會計政策變動。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements have been prepared assuming the Group will continue as a going concern. The directors of the Company have confirmed that, based on future projection of the Group's cash flows from operations, the anticipated ability of the Group to renew or rollover of its banking or other financing sources and the anticipated ability of the Group to obtain the agreement with convertible bondholders to waive their right to issue an early redemption on the convertible bonds to finance its continuing operations and its planned and/or committed capital expenditure for the next twelve months from the end of the reporting period of this annual financial report, the management believes that the Group has adequate resources to continue to operate as going concern throughout the next twelve months and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt of the Group's ability to continue as a going concern.

The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its subsidiaries.

1 重大會計政策(續)

(b) 財務報表編製基準

綜合財務報表乃假設本集團將持續經營而編製。本公司董事確認，根據對本集團經營所得現金流量的未來預測、預計本集團重續或延展其銀行或其他融資來源的能力及預計本集團與可轉換債券持有人達成協議以放棄其提早贖回可轉換債券的權利的能力，以為其持續經營業務及自本年度財務報告的報告期末起計未來十二個月的計劃及／或承諾資本支出提供資金，管理層相信，本集團擁有充足資源，可於未來十二個月內持續經營，且概無有關事件或情況的重大不確定因素，從而可能個別或共同對本集團持續經營的能力構成重大疑問。

截至二零二一年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except for other investments in equity securities (See Note 1(f)) and derivative financial instruments embed in convertible bonds that are measured at fair value and explained in Note 1(o).

These consolidated financial statements are presented in RMB, which is the functional currency of the Group. The financial statements presented in RMB has been rounded to the nearest thousand, unless otherwise indicated.

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

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

1 重大會計政策(續)

(b) 財務報表編製基準(續)

編製本財務報表時以歷史成本作為計量基準，惟於股本證券的其他投資(見附註1(f))及嵌入可轉換債券的衍生金融工具除外，其按公允價值計量並於附註1(o)說明。

本綜合財務報表乃以人民幣呈列，而人民幣為本集團的功能貨幣。除另有所指外，以人民幣呈列的所有財務報表已化整至最接近千位。

按照國際財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及相關假設基於歷史經驗及在當時情形下被認為合理的多種其他因素。其結果構成判斷從其他來源中不明顯的資產及負債賬面值的判斷依據。實際結果可能與該等估計不同。

該等估計及相關假設會持續審閱。倘會計估計的修訂僅對估計作出修訂的期間產生影響，則有關修訂只會在該期間內確認；倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷以及估計不確定性的主要來源於附註2討論。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform — phase 2*
- Amendment to IFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform — phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”). The amendments do not have an impact on these financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

1 重大會計政策(續)

(c) 會計政策變動

本集團於本會計期間的該等財務報表採用以下國際會計準則理事會頒佈國際財務報告準則的修訂：

- 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)，利率基準改革 — 第二階段
- 國際財務報告準則第16號(修訂本)，二零二一年六月三十日後新型冠狀病毒肺炎相關租金減免

除國際財務報告準則第16號(修訂本)外，本集團並無應用任何尚未於本會計期間生效的新訂準則或詮釋。採納經修訂的國際財務報告準則的影響討論如下：

國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)，利率基準改革 — 第二階段

修訂本提供有關下列方面的針對情況豁免：(i) 將釐定金融資產、金融負債及租賃負債的合約現金流量的基準的變動作為修訂進行會計處理；及(ii) 由於銀行同業拆息改革(「銀行同業拆息改革」)，當利率基準被替代基準利率取代時，則終止對沖會計處理。該等修訂並無對該等財務報表造成影響，因本集團並無與基準利率掛鈎且受銀行同業拆息改革影響的合約。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Amendment to IFRS 16, Covid-19-related rent concessions beyond 30 June 2021 (2021 amendment)

The Group previously applied the practical expedient in IFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. With the extended time limit, certain rent concessions that were previously ineligible for the practical expedient because of the original time limit, become eligible. Accordingly, these rent concessions, which were previously accounted for as lease modifications, are now accounted for as negative variable lease payments, and are recognised in profit or loss in the period in which the event or condition that triggers those payments occurred.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

1 重大會計政策(續)

(c) 會計政策變動(續)

國際財務報告準則第16號(修訂本)，二零二一年六月三十日後新型冠狀病毒肺炎相關租金減免(二零二一年修訂本)

本集團先前應用國際財務報告準則第16號之可行權宜方法，允許承租人於達致合資格條件後毋須評估新型冠狀病毒肺炎疫情直接產生的若干租金減免是否屬租賃修訂。其中一項該等條件要求租賃付款減免僅影響原定於指定時限或之前應付的付款。二零二一年修訂本將該時限由二零二一年六月三十日延長至二零二二年六月三十日。

本集團已於本財政年度提早採納二零二一年修訂本。因應延長時限，之前因原本時限而不符合實際權宜手段的若干租金減免變得符合資格。因此，原本作為租賃修訂入賬的該等租金減免現作為負可變租賃付款入賬，並在觸發該等付款的事件或條件發生期間於損益中確認。

該等發展對本集團當前或過往期間業績及財務狀況的編製或呈列方式並無重大影響。

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24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 重大會計政策(續)

(d) 附屬公司及非控股權益

附屬公司為由本集團控制的實體。倘本集團就參與實體所得可變動回報承擔風險或享有權利，並能透過其於該實體之權力影響該等回報，則本集團對該實體有控制權。於評估本集團是否擁有權力時，僅會考慮實質權力(由本集團及其他人士持有)。

自控制開始日期直至控制結束日期，於附屬公司之投資會被併入綜合財務報表內。集團內成員公司間之結餘、交易及現金流，及任何因集團內成員公司間交易而產生之未變現溢利均在編製綜合財務報表時全數對銷。集團內成員公司間進行交易所錄得之未實現虧損均會以處理未變現收益之同樣方式予以對銷，惟只會抵銷沒有減值跡象的部份。

非控股權益指非直接或間接歸屬於本公司附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公允價值或按非控股權益佔附屬公司可識別淨資產的比例而計量任何非控股權益。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

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

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (See Note 1(j)(ii)) unless the investment is classified as held to sale (or included in a disposal group that is classified as held for sale).

1 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益於綜合財務狀況表的權益內呈列，獨立於本公司權益股東應佔之權益。本集團業績的非控股權益乃於綜合損益及其他全面收益表列作本公司非控股權益及權益股東之間本年度溢利或虧損總額及全面收益總額的分配結果。

並無導致本集團失去對一間附屬公司控制權的權益變動作為權益交易入賬，據此，會對綜合權益內的控股及非控股權益金額作出調整，以反映相關權益的變動，但不會對商譽作出調整及確認損益。

當本集團失去一間附屬公司的控制權時，其將作為出售該附屬公司全部權益入賬，所產生的損益於損益內確認。於失去控制權當日在前附屬公司保留的任何權益按公允價值確認，有關金額視為於首次確認一項金融資產的公允價值或(如適用)首次確認於聯營公司或合營公司投資之成本時之公允價值。

於本公司之財務狀況表內，於附屬公司之投資乃按成本減除任何減值虧損(見附註1(j)(ii))列賬，除非該投資乃分類為持作出售(或計入分類為持作出售的出售組別)。

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24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (See Note 1(j)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1 重大會計政策(續)

(e) 商譽

商譽指當：

- (i) 所轉讓代價公允價值、於被收購者的非控制性權益金額及本集團先前持有被收購者權益的公平價值的總和；大於
- (ii) 被收購者的可識別資產及負債於收購當日的公允淨值。

當(ii)較(i)為大，則該差額即時在損益確認為優惠承購的收益。

商譽是按成本值減累計減值虧損列賬。來自業務合併的商譽將分配予預期可受惠於合併協同效益的現金生產單位或現金生產單位組合，並會每年進行減值評估(見附註1(j)(ii))。

若於年內出售現金生產單位，任何歸屬予出售項目的收購商譽將被計入出售項目的收益或虧損之內。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in equity securities

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

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27(e).

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

1 重大會計政策(續)

(f) 於股本證券的其他投資

除於附屬公司、聯營公司及合營企業的投資外，本集團於股本證券的投資政策載列如下。

於股本證券的投資於本集團承諾購買／出售投資當日確認／終止確認。有關投資初步按公允價值加直接應佔交易成本列賬，惟按公允價值計入損益計量的投資除外，其交易成本直接於損益確認。有關本集團如何釐定金融工具公允價值的闡釋，請參閱附註27(e)。

於股本證券的投資分類為按公允價值計入損益，除非有關股本投資並非就交易目的而持有，且於初步確認有關投資時，本集團不可撤銷地選擇將有關投資指定為按公允價值計入其他全面收益(不可劃轉)，以致公允價值的其後變動於其他全面收益確認。有關選擇乃按逐項工具基準作出，惟僅可於發行人認為投資符合股本定義的情況下作出。作出該選擇時，於其他全面收益累計的金額仍然留在公允價值儲備(不可劃轉)中，直至投資被出售。出售時，於公允價值儲備(不可劃轉)累計的金額轉撥至保留盈利，不會透過損益劃轉。來自於股本證券的投資之股息(不論分類為按公允價值計入損益或按公允價值計入其他全面收益)於損益內確認為其他收入。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (See Note 1(j)(ii)):

- Plant and buildings held for own use which are situated on leasehold land (See Note 1(i)); and
- Other items of property, plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour and the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (See Note 1(w)).

Construction in progress is transferred to respective items under property, plant and equipment when it is ready for its intended use. No depreciation is provided against construction in progress.

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

1 重大會計政策(續)

(g) 物業、廠房及設備

下列物業、廠房及設備項目按成本減累計折舊及減值虧損列賬(見附註1(j)(ii)):

- 位於租賃土地上持作自用的廠房及建築物(見附註1(i)); 及
- 其他物業、廠房及設備項目。

自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如適用)以及生產開支及借貸成本的適當部份(見附註1(w))。

當在建工程可作擬定用途時，其便會轉撥至物業、廠房及設備項下相關項目。本公司並無就在建工程計提折舊撥備。

報廢或出售物業、廠房及設備項目所產生的收益或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售日期在損益內確認。

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(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Plant and buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion
- Machinery 15 years
- Motor vehicles 10 years
- Office equipment and others 5–8 years

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

(h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads. Other development expenditure is recognised as an expense in the period in which it is incurred.

1 重大會計政策(續)

(g) 物業、廠房及設備(續)

折舊按下列物業、廠房及設備項目的預計可使用年期，以直線法撇銷該等項目的成本(減去估計剩餘價值(如有))計算：

- 位於租賃土地上的廠房及建築物按未屆滿的租賃期及其估計可使用年期(以較短者為準，且不過過竣工日期後50年)折舊
- 機器 15年
- 汽車 10年
- 辦公室設備及其他 5–8年

倘物業、廠房及設備項目各部份的可使用年期不同，則該項目的成本按合理基準於各部份之間分配，每部份分開折舊。資產的可使用年期及其剩餘價值(如有)將每年檢討。

(h) 無形資產(商譽除外)

研究活動開支乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，而本集團亦有充裕資源及意向完成發展，有關發展活動的費用則資本化處理。資本化開支包括材料成本、直接工資及按適當比例計算的間接費用。其他開發開支乃於產生期間確認為開支。

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24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Development cost under intangible assets is transferred to respective items under intangible assets when it is ready for its intended use. No amortisation is provided against development cost.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (See Note 1(j)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

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

— Patents	10–13 years
— Drug's intellectual property rights	10 years

Both the period and method of amortisation are reviewed annually.

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

1 重大會計政策(續)

(h) 無形資產(商譽除外)(續)

當無形資產項下開發支出可作擬定用途時，其便會轉撥至無形資產項下相關項目。本公司並無就開發支出計提攤銷撥備。

本集團收購的其他無形資產乃按成本減除累計攤銷(當估計可用年期為有限時)及減值虧損列賬(見附註1(j)(ii))。內部產生商譽及品牌的開支確認為產生期間的開支。

可用年期有限的無形資產攤銷，資產估計可用年期以直線法於損益表內扣除。以下可用年期有限的無形資產由可供使用當日起攤銷，估計可用年期如下：

— 專利	10–13年
— 藥物知識產權	10年

攤銷年期及方法均每年審閱。

倘無形資產之可使用年期被評定為無限期，則不會進行攤銷。倘評定無形資產之可使用年期為無限期，則會每年檢討以釐定是否有任何事件或情況繼續支持該項資產的無限可使用年期評估。倘並無任何該等事件或情況，可使用年期評估由無限期轉為有限期時，則自變動日期起就其預期情況及根據上文所載攤銷有限期無形資產之政策列賬。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Lease assets

At inception of a contract, the Group assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

1 重大會計政策(續)

(i) 租賃資產

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利以換取對價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，則控制權被轉移。

倘合約包含租賃部分及非租賃部分，本集團已選擇不分拆非租賃部分，並對所有租賃中各租賃部分和任何相關非租賃部分入賬列作單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租期為12個月或下的短期租賃及低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。與未資本化租賃相關的租賃付款於租期內有系統地確認為支出。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Lease assets (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (See Notes 1(g) and 1(j)(ii)).

1 重大會計政策(續)

(i) 租賃資產(續)

當租賃已資本化，租賃負債初步按租期內應付的租賃付款的現值確認，並按租賃中所隱含的利率折現，或倘該利率不能輕易釐定，則以相關遞增借款利率折現。於初步確認後，租賃負債按攤銷成本計量，而利息支出則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或比率的可變租賃付款，因此該等可變租賃付款於其產生的會計期間在損益中扣除。

於租賃資本化時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，再加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在場所而產生的估計成本，並按其現值折現，以及扣減任何所收的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損後列賬(見附註1(g)及1(j)(ii))。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Lease assets (continued)

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1 重大會計政策(續)

(i) 租賃資產(續)

可退還租金按金的初始公允價值根據適用於按攤銷成本列賬的債務證券投資的會計政策與使用權資產分開入賬。初始公允價值與按金賬面值之間的任何差異均作為額外租賃付款入賬，並計入使用權資產成本。

倘指數或比率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產生變化，或就本集團是否合理地確定去行使購買、續租或終止選擇權的重新評估有變，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則會對使用權資產的賬面值進行相應調整，而當使用權資產的賬面值已減至零，則會於損益列賬。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Lease assets (continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“lease modification”) that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Lease. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

1 重大會計政策(續)

(i) 租賃資產(續)

當租賃範疇發生變化或租賃合約原先並無規定的租賃代價發生變化(「租賃修改」)，且未作為單獨的租賃入賬時，則亦要重新計量租賃負債。在該情況下，租賃負債根據經修訂的租賃付款及租賃期限，使用經修訂的折現率在修改生效日期重新計量。唯一例外為屬於新冠病毒肺炎疫情的直接後果及符合國際財務報告準則第16號租賃第46B段所載條件的租金減免。於該情況下，本集團利用可行權宜方法不評估租金減免是否屬租賃修訂，並於觸發租金減免的事件或條件發生期間將代價變動於損益確認為負可變租賃付款。

於綜合財務狀況表內，長期租賃負債的即期部分釐定為於報告期結束後十二月內到期結算的合約付款現值。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

1 重大會計政策(續)

(j) Credit losses and impairment of assets

(j) 信貸虧損及資產減值

(i) Credit losses from financial instruments

(i) 來自金融工具的信貸虧損

The Group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

本集團就按攤銷成本計量之金融資產(包括現金及現金等值項目、貿易及其他應收款項)的預期信貸虧損確認虧損撥備。

Measurement of ECLs

預期信貸虧損之計量

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

預期信貸虧損為按概率加權估計之信貸虧損。信貸虧損以所有預期現金差額(即本集團按合約應收現金流與本集團預期可收取之現金流之間的差額)的現值計量。

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

估計預期信貸虧損時所考慮的最長期間乃以本集團面對信貸風險的最長合約期間為準。

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

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

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

預期信貸虧損之計量(續)

預期信貸虧損將採用以下基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 整個存續期預期信貸虧損：指應用預期信貸虧損模型的項目的預期年期內所有可能違約事件而導致的預期虧損。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, current market conditions and forward-looking information. According to the past experience of the Group, the loss patterns for different customers are not significantly different. Therefore, the receivables are not segmented when calculating the loss allowance.

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

預期信貸虧損之計量(續)

貿易及其他應收款項之虧損撥備一般按等同於整個有效期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損乃根據本集團的過往信貸虧損經驗、當前市場狀況及前瞻性資料使用撥備矩陣進行估計。根據本集團的過往經驗，不同客戶的虧損模式並無顯著差異。因此，於計算虧損撥備時並無對應收款項進行分類。

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非自初步確認以來金融工具的信貸風險顯著上升，於此情況下，虧損撥備乃按相等於整個有效期的預期信貸虧損的金額計量。

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(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

信貸風險大幅上升

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

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(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

信貸風險大幅上升(續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

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

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

信貸風險大幅上升(續)

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

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並透過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公允價值計入其他全面收益(可劃轉)計量的債券證券之投資除外，就此，虧損撥備乃於其他全面收益確認並於公允價值儲備(可劃轉)累計。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income

Interest income recognised in accordance with Note 1(v)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

計算利息收入的基準

按照附註1(v)(ii)確認之利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

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

金融資產信貸減值的證據包括以下可觀察事件：

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

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24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Write-off policy

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes 365 days past due or when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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

(ii) Impairment of other non-current assets

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

- Property, plant and equipment;
- Ownership interests in leasehold land held for own use;
- Intangible assets;

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

撤銷政策

若日後實際上不可收回款項，本集團則會撤銷(部分或全部)金融資產的總賬面值。該情況通常出現在資產逾期365日或本集團確定債務人沒有資產或可產生足夠現金流量的收入來源以償還應撤銷的金額。

隨後收回先前撤銷之資產於收回期間在損益內確認為減值撥回。

(ii) 其他非流動資產減值

內部及外間資料來源乃於各報告期末評估，以識別有否跡象顯示下列資產可能出現減值或(商譽除外)先前已確認的減值虧損已不存在或可能已減少：

- 物業、廠房及設備；
- 於持作自用之租賃土地之所有權權益；
- 無形資產；

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- Goodwill;
- Prepayments; and
- Investments in subsidiaries in the Company's statement of financial position.

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

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值(續)

- 商譽；
- 預付款項；及
- 於本公司財務狀況表內於附屬公司之投資。

倘出現任何該等跡象，則會估計資產的可收回金額。此外，就商譽及尚未供使用的無形資產而言，每年估計可收回金額，評估是否存在減值跡象。

— 計算可收回金額

資產的可收回金額為公允價值減銷售成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。倘分配可按合理及一致基準進行，公司資產(如總部大樓)的部分賬面值分配至個別現金產生單位，否則分配至最小的現金產生單位組別。

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24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

— Recognition of impairment losses

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值(續)

— 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益表中確認減值虧損。就現金產生單位確認的減值虧損予以首次分配以減少分配至現金產生單位(或單位組別)內任何商譽的賬面值，其後按比例減少該單位(或單位組別)內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公允價值減去銷售成本(如能計量)或使用價值(如能計量)的金額。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

— Reversals of impairment losses

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

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值(續)

— 撥回減值虧損

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。與商譽有關的減值虧損不會撥回。

減值虧損撥回僅限於若在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益表。

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24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (See Notes 1(j)(i) and (ii)).

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

(k) Inventories

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

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

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

1 重大會計政策(續)

(j) 信貸虧損及資產減值(續)

(iii) 中期財務報告及減值

根據聯交所證券上市規則，本集團須根據國際會計準則第34號中期財務報告就財政年度首6個月編製中期財務報告。於中期完結時，本集團採用於財務年度完結時應採用的同一減值測試、確認及撥回條件(見附註1(j)(i)及(ii))。

於中期內就商譽確認的減值虧損不會在往後期間撥回。假設在中期相關的財政年度完結時才評估減值，而發現應不用確認虧損或應確認較少虧損時，亦不會撥回減值虧損。

(k) 存貨

存貨乃於一般業務過程中、為有關出售而進行的生產過程中或以生產過程中將消耗的材料或供應品形式或於提供服務時持作出售的資產。

存貨乃按成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories (continued)

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (See Note 1(v)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (See Note 1(m)).

1 重大會計政策(續)

(k) 存貨(續)

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

在售出存貨時，該等存貨的賬面值在確認相關收入的期內確認為開支。

將存貨撇減至可變現淨值的數額和所有存貨虧損均在出現撇減或虧損的期內確認為開支。任何存貨撇減撥回金額乃確認為存貨金額減少，並於撥回發生期間確認為開支。

(l) 合約負債

合約負債與客戶在本集團確認相關收益(見附註1(v))前支付代價時確認。倘本集團擁有無條件權利於本集團確認相關收益前收取代價，合約負債亦將確認。於該等情況下，相應應收款項亦將獲確認(見附註1(m))。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method and including allowance for credit losses (See Note 1(j)(i)).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Convertible bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where a fixed number of shares are issued for a fixed amount of cash or other financial assets, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

1 重大會計政策(續)

(m) 貿易及其他應收款項

應收款項於本集團擁有無條件權利收取代價時確認。倘於支付該逾期代價前僅需經過一段時間，則收取代價的權利屬無條件。

不包含重大融資部分的貿易應收款項初步按其交易價格計量。包含重大融資部分的貿易應收款項及其他應收款項初步按公允價值加交易成本計量。所有應收款項隨後採用實際利率法按攤銷成本列賬，包括信貸虧損撥備(見附註1(j)(i))。

(n) 計息借款

計息借款乃按公允價值減交易成本初步計量。於初步確認後，計息借款按攤銷成本列賬，除非折現的影響不大，在此情況下借款按發票金額列賬。

(o) 可轉換債券

可按持有人選擇轉換為普通股的可轉換債券，倘就固定金額的現金或其他金融資產發行固定數目的股份，則作為複合金融工具入賬(即其同時包含負債部分及權益部分)。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Convertible bonds (continued)

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the host liability component. Transaction costs that relate to the issue of the convertible note are allocated to the host liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the host liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured at fair value. The host liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the host liability component is calculated using the effective interest method.

If the bonds are converted, the shares issued are measured at fair value and any difference between the fair value of shares issued and the carrying amounts of the derivative and liability components are recognised in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(p) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1 重大會計政策(續)

(o) 可轉換債券(續)

可轉換債券之衍生工具部份於初步確認時按公允價值計量，並列作衍生金融工具之一部份。所得款項超過初步確認為衍生工具部份之金額會被確認為主負債部份。與發行可轉換票據相關之交易成本按所得款項之分配比例分配到主負債及衍生工具部份。與主負債部份相關之交易成本會初步確認為負債之一部份。與衍生工具部份相關之交易成本即時於損益中確認。

衍生工具部份隨後按公允價值重新計量。主負債部份隨後將按攤銷成本入賬。於損益內確認之主負債部份利息支出按實際利率法計算。

倘債券獲轉換，則已發行股份按公允價值計量，而已發行股份的公允價值與衍生工具及負債部分的賬面值之間的任何差額於損益中確認。倘債券獲贖回，則已付金額與兩個部分的賬面值之間的任何差額於損益中確認。

(p) 衍生金融工具

衍生金融工具按公允價值確認。公允價值於各報告期末重新計量。重新計量公允價值之收益或虧損即時於損益內確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in the Note 1(j)(i).

1 重大會計政策(續)

(q) 貿易及其他應付款項

貿易及其他應付款項初步按公允價值確認。於初步確認後，貿易及其他應付款項按攤銷成本列賬，除非折現的影響不大，在此情況下貿易及其他應付款項按發票金額列賬。

(r) 現金及現金等值項目

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資（在購入時距離到期日不超過三個月）。現金及現金等值項目乃根據載於附註1(j)(i)的政策就預期信貸虧損而評估。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee benefits

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

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

Annual contributions to retirement benefit schemes operated by the government in the PRC are recognised in the profit or loss as and when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Termination benefits

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

1 重大會計政策(續)

(s) 僱員福利

(i) 短期僱員福利及定額供款退休計劃的供款

薪金、年度花紅、有薪年假、向定額供款退休計劃供款及非金錢利益的成本乃於僱員提供相關服務的年度內應計。倘延期付款或結算而影響屬重大，則該等金額乃按其現值列賬。

向中國政府所營運的退休福利計劃作出的年度供款乃於產生時於損益中確認，惟已計入尚未確認為開支的存貨成本則除外。

(ii) 解僱福利

解僱福利於本集團再無能力提供該等福利時或本集團確認重組成本(涉及支付解僱福利)時(以較早者為準)確認。

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24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax

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

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

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

1 重大會計政策(續)

(t) 所得稅

期內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟與於其他全面收益或直接於權益內確認的項目有關者則除外，在此情況下有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就期內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年間的應付稅項作出調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即就財務報告而言資產和負債的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

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

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

1 重大會計政策(續)

(t) 所得稅(續)

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產(以未來可能有應課稅溢利致使可動用該等資產作抵扣為限)均會予以確認。可支持確認自可扣稅暫時差額所產生的遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在稅項虧損或抵免可動用的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況，為就稅務而言不影響會計或應課稅溢利的將不予扣除的商譽，資產或負債的初步確認(前提是其並不屬業務合併的一部份)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

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

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

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

1 重大會計政策(續)

(t) 所得稅(續)

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作折現。

遞延稅項資產的賬面值乃於各報告期末檢討，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

因派發股息而產生的額外所得稅在確認支付有關股息的責任時確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

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

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

1 重大會計政策(續)

(t) 所得稅(續)

即期稅項結餘及遞延稅項結餘及其變動額均各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附加條件下，則即期稅項資產可抵銷即期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，此等實體計劃在日後每個預期有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Provisions and contingent liabilities

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

1 重大會計政策(續)

(u) 撥備及或然負債

撥備乃於本集團因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任(其存在將僅由一項或以上未來事件的出現或不出現確認)亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

倘預期償付撥備所需的部分或全部支出將由另一方償還，則就實質確定有任何預期償付款項時確認個別資產。就償付款項確認的金額以撥備賬面值為限。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue and other income

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

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

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

1 重大會計政策(續)

(v) 營業額及其他收入

於本集團業務的一般過程中，倘收入乃產生於銷售貨物、提供服務或他人動用本集團租賃項下的資產，本集團將其分類為營業額。

營業額於產品或服務的控制權轉移至客戶時按本集團預期有權承諾代價的金額確認(不包括代表第三方收取的該等金額)。營業額不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

有關確認本集團營業額及其他收入的政策進一步詳情如下：

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24 財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue and other income (continued)

(i) Sale of goods

Revenue is recognised once the products delivered to the location designated by the distributor as the control of the goods are considered to have been transferred to the distributor. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (See Note 1(j)(i)).

1 重大會計政策(續)

(v) 營業額及其他收入(續)

(i) 銷售貨品

營業額於貨物運送至分銷商指定的地點時確認，乃由於商品的控制權被認為已轉移給分銷商。營業額不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

(ii) 利息收入

利息收入是在產生時按實際利率法確認。就按攤銷成本或按公允價值計入其他全面收益(可劃轉)計量的未有信貸減值金融資產而言，實際利率適用於資產的總賬面值。就信貸減值金融資產而言，實際利率適用於資產的攤銷成本(即總賬面值減虧損撥備)(見附註1(j)(i))。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue and other income (continued)

(iii) Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of recognised in other income.

(w) Borrowing costs

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

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

1 重大會計政策(續)

(v) 營業額及其他收入(續)

(iii) 政府補助

當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，政府補助會初步於財務狀況表內予以確認。用作補償本集團所產生的開支的補助於產生開支的同一期間有系統地於損益中確認為收入。補償本集團資產成本的補助初步確認為遞延收入，並於該項資產的可使用年期以確認為其他收入的方式按直線法於損益中攤銷。

(w) 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關的借貸成本，均資本化為資產的部份成本。其他借貸成本均於發生期間內支銷。

符合資本化條件的借貸成本，在資產已產生開支、借貸成本已發生及使資產達到預定可使用或可銷售狀態所必要的工作已進行時，開始資本化。符合資本化條件的資產投入擬定用途或銷售所必須的絕大部份工作中止或完成時，借貸成本便會暫停或停止資本化。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Translation of foreign currencies

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

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

(y) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

1 重大會計政策(續)

(x) 外幣換算

年內的外幣交易按交易日期公佈的外匯匯率換算。以外幣計值的貨幣資產及負債，按報告期末公佈的外匯匯率換算。匯兌盈虧於損益中確認。

按歷史成本以外幣計值的非貨幣資產及負債，按交易日期公佈的外匯匯率換算。交易日期為本集團初步確認有關非貨幣資產或負債的日期。按公允價值列賬以外幣計值的非貨幣資產及負債，按計量公允價值日期公佈的外匯匯率換算。

(y) 關聯方

- (a) 在以下情況下，某人士或其緊密家庭成員與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 是本集團或本集團母公司的主要管理人員的成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

1 重大會計政策(續)

(y) 關聯方(續)

- (b) 在任何以下情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均是同一集團的成員公司(即母公司、附屬公司及同系附屬公司各自與其他方有關聯)。
 - (ii) 某實體是另一實體的聯營公司或合營公司(或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司)。
 - (iii) 兩家實體均是同一第三方的合營公司。
 - (iv) 某實體是第三方實體的合營公司而另一實體則是該第三方實體的聯營公司。
 - (v) 該實體是旨在提供福利予本集團或與本集團有關聯的實體的僱員的離職福利計劃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

(b) (continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 重大會計政策(續)

(y) 關聯方(續)

(b) (續)

- (vi) 該實體受(a)項中所辨別的人士控制或共同控制。
- (vii) 在(a)(i)項中所辨別的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某人士的緊密家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on sales of pharmaceutical products. Therefore, management considers there to be only one operating segment under the requirements of IFRS 8, *Operating Segments*. In this regard, no segment information is presented for the year end 31 December 2021.

No geographic information is shown as the Group's operating profit is derived from activities of manufacture and sale of pharmaceutical products in the PRC.

1 重大會計政策(續)

(z) 分部報告

經營分部及財務報表所呈報的各分部項目金額取自向本集團最高行政管理人員定期呈報以便其向本集團各業務及區域分配資源以及評估該等業務及區域表現的財務資料。

由於本集團全部業務活動被視為主要依賴藥品銷售的表現，故本集團最高經營決策者以本集團作為一個整體以評估表現並分配資源。因此，根據國際財務報告準則第8號，經營分部的規定，管理層認為僅存在一個經營分部。就此而言，並無呈列截至二零二一年十二月三十一日止年度的分部資料。

本集團的經營溢利全部來自中國的生產及銷售藥品業務，故並無列示地理資料。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies are described below.

(a) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment, intangible assets, goodwill and interests in lease hold land held for own use and prepayment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.

2 會計估計及判斷

估計不確定性的主要來源及於應用本集團會計政策時所作出的重大會計判斷載述於下文。

(a) 減值

- (i) 於考慮可能須就若干物業、廠房及設備、無形資產、商譽及持作自用之租賃土地權益及預付款項作出的減值虧損時，需要釐定該等資產的可收回金額。可收回金額為淨售價與使用價值兩者之較高者。由於未必能即時取得該等資產的市場報價，故難以精確估計售價。於釐定使用價值時，資產所產生的預期現金流會折現至其現值，當中需要就收益水平及經營成本金額等項目作出重大判斷。於釐定可收回金額的合理約數時，本集團使用所有可即時取得的資料，包括根據就收益及營運成本等作出的合理及有理據支持的假設及預測作出的估算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

(a) Impairments (continued)

- (ii) The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

(b) Development costs

Development costs are capitalised in accordance with the accounting policy for research and development ("R&D") costs in Note 1(h) to the financial statements. Critical judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of the reporting period. In addition, all internal activities related to the R&D of new products is continuously monitored by the Group management.

2 會計估計及判斷(續)

(a) 減值(續)

- (ii) 本集團透過評估預期信貸虧損估計貿易應收款項的虧損撥備。此舉需要使用估計及判斷。預期信貸虧損乃基於本集團過往的信貸虧損經驗(並對債務人特定因素進行調整)及於報告期末對目前及未來整體經濟情況的評估。倘若估計數額與原先的估計有所不同，有關差額將影響貿易應收款項的賬面值以及因此有關估計變動發生之期間的減值虧損。本集團於貿易應收款項預計的存續期內持續對其預期信貸虧損進行評估。

(b) 開發支出

開發支出乃按財務報表附註1(h)中的研究與開發(「研發」)支出的會計政策資本化。本集團管理層於決定開發成本是否符合確認條件時會作出關鍵判斷。由於在作出確認時，任何產品開發能否成功獲得經濟效益屬未知之數，且於未來可能遇到技術問題，故必須作出審慎判斷。判斷乃根據報告期末可取得之最佳資料作出。此外，本集團管理層不斷監察所有關於研發新產品之內部活動。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

3 REVENUE

The principal activities of the Group are manufacturing and sales of pharmaceuticals.

Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers. Revenue is after deduction of any trade discounts. The amount of each significant category of revenue is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue from contracts with customers within the scope of IFRS 15	應用國際財務報告準則第15號範圍內的來自客戶合約之收入		
Sales of anti-viral drugs	銷售抗病毒藥物	559,973	2,071,614
Sales of endocrine and metabolic drugs	銷售內分泌及代謝藥物	77,633	94,529
Sales of cardiovascular drugs	銷售心血管藥物	96,148	66,780
Sales of anti-infectives drugs	銷售抗感染藥物	80,689	64,617
Sales of other medical products	銷售其他藥物	99,345	50,573
		913,788	2,348,113

The Group's customer base is diversified and includes three customers (2020: three) with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2021, including sales to entities which are known to the Group to be under common control with single customer. Revenue from these customers amounted to approximately RMB445,983,000 (2020: RMB1,266,000,000). Details of concentrations of credit risk arising from these customers are set out in Note 27(a).

3 營業額

本集團的主要業務為藥品生產及銷售。

營業額分拆

營業額指供應給客戶的貨品的銷售價值。營業額已扣除任何貿易折扣。各主要營業額類別的金額如下：

本集團的客戶群多元化，截至二零二一年十二月三十一日止年度，包括三名(二零二零年：三名)交易額超過本集團營業額10%的客戶(包括本集團知悉與單名客戶受共同控制之實體銷售)。來自該等客戶的營業額約為人民幣445,983,000元(二零二零年：人民幣1,266,000,000元)。有關該等客戶產生的集中信貸風險詳情載於附註27(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

4 OTHER INCOME AND LOSSES

4 其他收入及虧損

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Government grants	政府補助			
— Unconditional subsidies	— 無條件補助		56,468	7,354
— Conditional subsidies	— 有條件補助	24	8,865	4,604
Interest income	利息收入		11,346	24,987
Net loss on disposal of fixed assets	出售固定資產之淨虧損		(19,072)	(5,269)
Fair value change on derivative financial instruments embedded in convertible bonds	嵌入可轉換債券的衍生金融工具的公允價值變動	23(iii)	(14,161)	382,362
Fair value change on investment in equity securities	股本證券投資的公允價值變動	27(e)	19,237	—
Impairment loss on intangible assets	無形資產之減值虧損	11	(25,984)	—
Net foreign exchange gain	匯兌收益淨額	(i)	49,202	150,135
Waived patent fee	豁免專利費	(ii)	—	251,093
Others	其他		60	4,104
			85,961	819,370

Notes:

- (i) The amounts mainly represent foreign exchange gain arising from the translation of interest-bearing borrowings (see Note 23) which denominated in United States dollars in 2021 and 2020.
- (ii) The Group obtained the patent usage right of Oseltamivir from independent research centre in the PRC, which allows the Group to apply the chemical of Oseltamivir in production of medicine in the PRC. The patent fee was accrued accordingly in the previous years. According to the agreement entered into between the Group and this independent research centre during the year ended 31 December 2020, the accrued patent fee of Oseltamivir capsule amounted to RMB251,093,000 was waived.

附註：

- (i) 該金額主要指換算於二零二一年及二零二零年以美元計值的計息借貸(見附註23)產生的匯兌收益。
- (ii) 本集團自中國的獨立研究中心取得奧司他韋的專利使用權，讓本集團得以在中國將奧司他韋化學物用於藥品生產。過往年度相應產生應計專利費。根據截至二零二零年十二月三十一日止年度本集團與該獨立研究中心之間的協議，奧司他韋膠囊的應計專利費人民幣251,093,000元獲豁免。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Interest on convertible bonds	可轉換債券利息	23(iii)	243,352	243,162
Interest on bank loans	銀行貸款利息		21,895	6,658
			265,247	249,820
Less: interest expense capitalised into construction in progress*	減：在建工程內資本化之 利息開支*		(21,440)	(5,614)
			243,807	244,206

* The borrowing costs have been capitalised at a rate of 4.90–5.39
% per annum (2020: 4.90–5.39%).

* 借款成本已按每年4.90至5.39%
的比率資本化(二零二零年：4.90
至5.39%)。

5 除稅前(虧損)/溢利

除稅前(虧損)/溢利乃扣除/(計入)
以下各項後得出：

(a) 融資成本

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

5 (LOSS)/PROFIT BEFORE TAXATION (continued)

5 除稅前(虧損)/溢利(續)

(b) Staff costs

(b) 員工成本

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits 薪金、工資、花紅及福利	321,399	639,972
Contributions to defined contribution retirement benefit schemes 定額供款退休福利計劃	35,187	25,019
	356,586	664,991

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the local government authorities whereby the Group is required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

Since the outbreak of COVID-19, the Group were granted several months exemptions of contributions to the Schemes during 2020. No exemption of contribution was granted in 2021.

根據中國的相關勞動規則及規例，本集團參與由地方政府機關組織的界定供款退休福利計劃(「計劃」)，據此，本集團須按照合資格僱員薪金的某百分比向計劃作出供款。地方政府機關承擔向退休僱員支付全部退休金的責任。除上述供款外，本集團並無其他重大責任支付僱員的退休及其他退休後福利。

本集團向定額供款計劃作出的供款於產生時支銷，而僱員因在取得全數供款前退出計劃而被沒收的供款不會用作扣減該等供款。

自新型冠狀病毒肺炎爆發以來，本集團於二零二零年期間獲豁免數個月的計劃供款。於二零二一年概無授出供款豁免。

NOTES TO THE FINANCIAL STATEMENTS

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5 (LOSS)/PROFIT BEFORE TAXATION (continued)

(c) Other items

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Depreciation	折舊	10	104,288	68,624
Less: amount capitalised as development costs	減：資本化開發支出金額		(3,792)	(3,578)
			100,496	65,046
Amortisation	攤銷	11	186,300	84,660
Less: amount capitalised as development costs	減：資本化開發支出金額		(26,980)	(26,980)
			159,320	57,680
Auditor's remuneration	核數師酬金			
— audit services	— 審計服務		3,480	1,500
— non-audit services	— 非審計服務		1,587	1,330
Lease charges	租賃費用		7,847	3,147
Cost of inventories sold (i)	已售存貨成本(i)	16	368,584	219,424

(i) Cost of inventories include RMB110,121,000 (2020: RMB91,670,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the Note 5(b) for each of these types of expenses.

(i) 存貨成本包括與員工成本、折舊及攤銷開支相關的支出人民幣110,121,000元(二零二零年：人民幣91,670,000元)，以上金額亦計入上文或附註5(b)就各開支類別獨立披露的相應總金額內。

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

6 綜合損益及其他全面收益表內的所得稅

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

(a) 綜合損益及其他全面收益表內的稅項指：

			2021 二零二一年	2020 二零二零年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Current tax	即期稅項			
Provision for PRC CIT for the year	本年度中國企業所得稅撥備	25(a)	(66,776)	111,897
Under-provision for PRC CIT in respect of prior years	過往年度中國企業所得稅撥備不足	25(a)	11,989	6,010
			(54,787)	117,907
Deferred tax	遞延稅項			
(Revised)/origination of temporary differences	暫時差額的(修訂)/產生	25(c)	(24,673)	55,116
Total income tax	所得稅總額		(79,460)	173,023

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(除另有指明外，均以人民幣列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

(b) Reconciliation between income tax expenses and accounting (loss)/profit at applicable tax rates:

			2021 二零二一年	2020 二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利		(667,184)	1,010,434
Applicable tax rate	適用稅率	(i)	25%	25%
Notional tax on (loss)/profit before taxation	除稅前(虧損)/溢利的推算稅項		(166,796)	252,609
Under-provision for PRC CIT in respect of prior years	過往年度中國企業所得稅撥備不足		11,989	6,010
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響		6,358	6,533
Tax effect of preferential tax rate	優惠稅率的稅務影響	(ii)	50,449	(114,618)
Tax effect of bonus deduction of R&D expenses	研發優惠扣稅的稅務影響	(iii)	(14,802)	(9,510)
Tax effect of unused tax losses not recognised	未確認的未利用稅項虧損的稅務影響		33,342	31,999
Actual tax (income)/expenses	實際稅項(收入)/開支		(79,460)	173,023

6 綜合損益及其他全面收益表內的所得稅(續)

(b) 所得稅開支與按適用稅率計算的會計(虧損)/溢利的對賬：

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(除另有指明外，均以人民幣列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

6 綜合損益及其他全面收益表內的所得稅(續)

(b) Reconciliation between income tax expenses and accounting (loss)/profit at applicable tax rates: (continued)

(b) 所得稅開支與按適用稅率計算的會計(虧損)/溢利的對賬：(續)

- (i) The PRC CIT rate is 25%.
- (ii) The PRC CIT Law allows enterprises to apply for the certificate of “High and New Technology Enterprise” (“HNTE”) which entitles the qualified companies to a preferential income tax rate of 15%. The Company was recognised as “HNTE” and enjoyed a preferential CIT rate of 15% for the years ended 31 December 2021 and 2020.
- (iii) According to relevant tax rules in the PRC, qualified R&D expenditure incurred by an enterprise in the course of carrying out R&D activities that has not formed intangible assets, the enterprise is allowed an additional 100% (2020: 75%) deduction in calculating its annual CIT; if the relevant expenditure finally forming intangible assets, an additional 100% (2020: 75%) deduction is allowed for its annual amortisation when calculating its annual CIT.

- (i) 中國企業所得稅率為 25%。
- (ii) 中國企業所得稅法允許企業申請認定為「高新技術企業」(「高新技術企業」)，合資格公司可享有 15% 的優惠所得稅率。本公司獲認定為高新技術企業，於截至二零二一年及二零二零年十二月三十一日止年度享受 15% 的企業所得稅優惠稅率。
- (iii) 根據中國相關稅務規則，倘一間企業在進行尚未構成無形資產的研發活動過程中而產生合資格研發支出，該企業可於計算其年度企業所得稅時額外扣除 100% (二零二零年：75%)；倘相關支出最終構成無形資產，則於計算年度企業所得稅時，可將其年度攤銷額額外扣除 100% (二零二零年：75%)。

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(除另有指明外，均以人民幣列示)

7 DIRECTORS' AND SUPERVISORS' REMUNERATION

The details of directors' and supervisors' remuneration are disclosed as follows:

7 董事及監事酬金

董事及監事酬金詳情披露如下：

		Directors' fees	Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2021 Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr. Jiang Juncai	蔣均才先生	-	490	23	519	1,032
Mr. Wang Danjin	王丹津先生	-	403	23	334	760
Mr. Chen Yangui	陳燕桂先生	-	378	34	543	955
Mr. Li Shuang	李爽先生	-	382	18	270	670
Non-executive directors	非執行董事					
Mr. Tang Xinfu	唐新發先生	-	-	-	-	-
Mr. Eddy Huang	黃翊先生	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Mr. Tang Jianxin	唐建新先生	100	-	-	-	100
Ms. Xiang Ling (ii)	向凌女士 (ii)	100	-	-	-	100
Mr. Zhao Dayao	趙大堯先生	680	-	-	-	680
Mr. Li Xuechen (i)	李學臣先生 (i)	160	-	-	-	160
Supervisors	監事					
Mr. Tang Jinlong	唐金龍先生	-	324	23	472	819
Mr. Wang Shengchao	王勝超先生	-	234	15	100	349
Mr. Luo Zhonghua	羅忠華先生	-	375	27	454	856
Total	總計	1,040	2,586	163	2,692	6,481

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(除另有指明外，均以人民幣列示)

7 DIRECTORS' AND SUPERVISORS' REMUNERATION 7 董事及監事酬金(續)

(continued)

		Directors' fees	Salaries, allowances and benefits in kind	Contributions to defined contribution retirement benefit schemes	Discretionary bonuses	2020 Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr. Jiang Juncai	蔣均才先生	-	229	13	514	756
Mr. Wang Danjin	王丹津先生	-	212	10	533	755
Mr. Chen Yangui	陳燕桂先生	-	261	5	565	831
Mr. Li Shuang	李爽先生	-	197	10	250	457
Non-executive directors	非執行董事					
Mr. Tang Xinfa	唐新發先生	-	-	-	-	-
Mr. Eddy Huang	黃翊先生	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Mr. Tang Jianxin	唐建新先生	137	-	-	-	137
Mr. Fu Hailiang (ii)	付海亮先生(ii)	78	-	-	-	78
Ms. Xiang Ling (ii)	向凌女士(ii)	58	-	-	-	58
Mr. Zhao Dayao	趙大堯先生	851	-	-	-	851
Mr. Li Xuechen (i)	李學臣先生(i)	40	-	-	-	40
Supervisors	監事					
Mr. Tang Jinlong	唐金龍先生	-	236	13	548	797
Mr. Wang Shengchao	王勝超先生	-	135	9	128	272
Mr. Luo Zhonghua	羅忠華先生	-	197	2	600	799
Total	總計	1,164	1,467	62	3,138	5,831

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7 DIRECTORS' AND SUPERVISORS' REMUNERATION

(continued)

- (i) Mr. Li Xuechen was appointed as non-executive director on 25 September 2020.
- (ii) Mr. Fu Hailiang resigned as non-executive director on 5 June 2020 and Ms. Xiang Ling was appointed as non-executive director on the same day.

7 董事及監事酬金(續)

- (i) 李學臣先生於二零二零年九月二十五日獲委任為非執行董事。
- (ii) 付海亮先生於二零二零年六月五日辭任非執行董事，而向凌女士於同日獲委任為非執行董事。

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8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2020: four) are the director whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other three (2020: one) individual is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	1,110	578
Discretionary bonuses	酌情花紅	1,855	258
Contribution to retirement schemes	退休計劃供款	48	11
		3,013	847

The emoluments of the other three (2020: one) individual with the highest emoluments is within the following band:

		2021	2020
		二零二一年	二零二零年
		Number of Individuals	Number of Individuals
		人數	人數
Nil to HK\$1,000,000	零至1,000,000 港元	-	1
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至1,500,000 港元	3	-

8 最高薪酬人士

五名最高薪酬人士中，其中兩名（二零二零年：四名）為董事，彼等薪酬披露於附註7。其他三名（二零二零年：一名）人士的薪酬總額如下：

其他三名（二零二零年：一名）最高薪酬人士的薪酬介乎以下範圍：

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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9 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB587,649,000 (2020: profit of RMB839,455,000) and the weighted average of 879,967,700 ordinary shares (2020: 881,471,332 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

			2021 二零二一年	2020 二零二零年
		Note 附註	shares 股數	shares 股數
Issued ordinary shares net of treasury shares at 1 January	於一月一日的已發行普通股 (扣除庫存股份)		879,967,700	444,892,650
Effect of bonus issue	紅股發行之影響	26(c) (ii)	-	439,983,850
Effect of share repurchased and cancelled	購回及註銷股份之影響	26(c) (iii)	-	(3,405,168)
Weighted average number of ordinary shares at 31 December	於十二月三十一日 普通股加權平均數		879,967,700	881,471,332

9 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

計算每股基本盈利時乃以本公司普通權益股東應佔虧損人民幣587,649,000元(二零二零年：溢利人民幣839,455,000元)和年內已發行普通股加權平均數879,967,700股(二零二零年：881,471,332股)為基準：

普通股的加權平均數如下：

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9 (LOSS)/EARNINGS PER SHARE (continued)

9 每股(虧損)/盈利(續)

(b) Diluted earnings per share

Diluted loss per share for the year ended 31 December 2021 is same as the basic loss per share as the share options outstanding during the year had an anti-dilutive effect on the basic loss per share.

For the year ended 31 December 2020, the calculation of diluted earnings per share is based on the profit of RMB590,213,000 and the weighted average number of ordinary shares of 1,105,757,046 shares, calculated as follows:

Profit attributable to ordinary equity shareholder of the Company (diluted)

(b) 每股攤薄盈利

由於年內未行使的購股權對每股基本虧損具有反攤薄作用，故截至二零二一年十二月三十一日止年度的每股攤薄虧損與每股基本虧損相同。

截至二零二零年十二月三十一日止年度，計算每股攤薄盈利時乃以溢利人民幣590,213,000元及普通股的加權平均數1,105,757,046股為基準：

本公司普通權益股東應佔溢利(攤薄)

		2020 二零二零年 RMB'000 人民幣千元
Profit attributable to ordinary equity shareholders	普通權益股東應佔溢利	839,455
After tax effect of effective interest on the liability component of convertible bonds	可轉換債券負債部分實際利息之除稅後影響	206,688
After tax effect of gain recognised on the derivative component of convertible bonds	於可轉換債券衍生部分確認之收益之除稅後影響	(304,792)
After tax effect of exchange gain on the convertible bonds	可轉換債券匯兌收益之除稅後影響	(151,138)
Profit attributable to ordinary equity shareholders (diluted)	普通權益股東應佔溢利(攤薄)	590,213

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9 (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

Weighted average number of ordinary shares (diluted)

9 每股(虧損)/盈利(續)

(b) 每股攤薄盈利(續)

普通股的加權平均數(攤薄)

		2020 二零二零年 shares 股數
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	881,471,332
Effect of conversion of convertible bonds	轉換可轉換債券之影響	224,285,714
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日之普通股加權平均數(攤薄)	1,105,757,046

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10 FIXED ASSETS

10 固定資產

(a) Reconciliation of carrying amount

(a) 賬面值的對賬

		Plant and Buildings	Machinery	Office equipment and others	Motor vehicles	Construction in progress	Sub-total	Ownership interests in leasehold land held for own use	Total
		廠房及樓宇	機器	辦公室設備及其他	汽車	在建工程	小計	持有自用之租賃土地所有權權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：								
At 1 January 2020	於二零二零年一月一日	945,255	277,181	132,567	1,888	678,330	2,035,221	258,337	2,293,558
Additions	添置	6,308	5,479	3,643	364	770,470	786,264	117,445	903,709
Transfer from construction in progress	自在建工程轉移	95,227	71,247	95,688	-	(262,162)	-	-	-
Disposals	處置	(25,356)	(4,699)	(3,632)	-	-	(33,687)	-	(33,687)
At 31 December 2020	於二零二零年十二月三十一日	1,021,434	349,208	228,266	2,252	1,186,638	2,787,798	375,782	3,163,580
Additions	添置	54,147	5,021	3,699	-	421,410	484,277	19,966	504,243
Transfer from construction in progress	自在建工程轉移	504,805	402,180	119,591	12	(1,026,588)	-	-	-
Disposals	處置	(4,699)	(3,677)	(2,430)	-	(13,516)	(24,322)	-	(24,322)
At 31 December 2021	於二零二一年十二月三十一日	1,575,687	752,732	349,126	2,264	567,944	3,247,753	395,748	3,643,501
Accumulated depreciation:	累計折舊：								
At 1 January 2020	於二零二零年一月一日	(88,547)	(96,886)	(58,815)	(251)	-	(244,499)	(23,552)	(268,051)
Charge for the year	年內扣除	(28,928)	(17,933)	(15,399)	(179)	-	(62,439)	(6,185)	(68,624)
Written-back on disposals	於處置時撇銷	2,087	3,373	3,341	-	-	8,801	-	8,801
At 31 December 2020	於二零二零年十二月三十一日	(115,388)	(111,446)	(70,873)	(430)	-	(298,137)	(29,737)	(327,874)
Charge for the year	年內扣除	(33,969)	(32,051)	(29,793)	(211)	-	(96,024)	(8,264)	(104,288)
Written-back on disposals	於處置時撇銷	878	2,412	1,926	-	-	5,216	-	5,216
At 31 December 2021	於二零二一年十二月三十一日	(148,479)	(141,085)	(98,740)	(641)	-	(388,945)	(38,001)	(426,946)
Carrying amount:	賬面值：								
At 31 December 2021	於二零二一年十二月三十一日	1,427,208	611,647	250,386	1,623	567,944	2,858,808	357,747	3,216,555
At 31 December 2020	於二零二零年十二月三十一日	906,046	237,762	157,393	1,822	1,186,638	2,489,661	346,045	2,835,706

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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(除另有指明外，均以人民幣列示)

10 FIXED ASSETS (continued)

(a) Reconciliation of carrying amount (continued)

- (i) All property, plant and equipment owned by the Group are located in the PRC.
- (ii) As at 31 December 2021, the Group was applying for certificates of ownership for certain properties, with carrying value of RMB415,843,000 (2020: RMB150,052,000). The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact that the Group has not yet obtained the relevant properties title certificates.
- (iii) As at 31 December 2021, amount of RMB83,828,000 (2020: RMB85,743,000) of the ownership interests in leasehold land held for own use, amount of RMB258,397,000 (2020: RMB357,445,000) of construction in progress, and amount of RMB262,150,000 (2020: RMB118,918,000) of plant and buildings were held in pledge for bank loans (Note 22).

10 固定資產(續)

(a) 賬面值的對賬(續)

- (i) 本集團擁有的所有物業、廠房及設備均位於中國。
- (ii) 於二零二一年十二月三十一日，本集團正就賬面值為人民幣415,843,000元(二零二零年：人民幣150,052,000元)的若干物業申請所有權證書。本公司董事認為本集團尚未取得相關物業業權所有證書並不影響使用上述物業及從事業務活動。
- (iii) 於二零二一年十二月三十一日，人民幣83,828,000元(二零二零年：人民幣85,743,000元)的持作自用之租賃土地所有權權益、人民幣258,397,000元(二零二零年：人民幣357,445,000元)在建工程及人民幣262,150,000元(二零二零年：人民幣118,918,000元)的廠房及樓宇作為銀行貸款抵押(附註22)。

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(除另有指明外，均以人民幣列示)

10 FIXED ASSETS (continued)

10 固定資產(續)

(b) Right-of-use asset

(b) 使用權資產

- (i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

- (i) 按相關資產類別劃分的使用權資產賬面淨值分析如下：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Included in fixed assets:	包括於固定資產：		
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權權益	357,747	346,045

- (ii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

- (ii) 於損益確認有關租賃的開支項目分析如下：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分之使用權資產折舊費用：		
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權權益	8,264	6,185
Expense relating to short-term leases	有關短期租賃之開支	7,847	3,147

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(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS

11 無形資產

			Drugs' intellectual property rights 藥物知識產權			
		Capitalised development costs 資本化開發支出	Patent for Hepatitis C drugs 丙肝藥物專利	Generic drugs 仿製藥	Insulin 胰島素	Total 總計
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2020	於二零二零年一月一日		294,248	335,000	300,200	929,448
Purchase	購買	(iii)	550,000	-	-	550,000
Addition through internal development	透過內部開發新增		184,514	-	-	184,514
Transfer from prepayment	預付款項轉撥	15	186,979	513,021	531,442	1,231,442
Transfer from development costs to patents	開發支出轉撥專利		(42,580)	-	-	42,580
At 31 December 2020	於二零二零年十二月三十一日		1,173,161	848,021	831,642	2,895,404
Addition through internal development	透過內部開發新增		136,568	-	-	136,568
Addition and transfer from prepayment	預付款項新增及轉撥	15	-	-	638,115	638,115
Transfer from development costs to patents	開發支出轉撥專利		(108,383)	-	-	108,383
At 31 December 2021	於二零二一年十二月三十一日		1,201,346	848,021	1,469,757	3,670,087

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11 INTANGIBLE ASSETS (continued)

11 無形資產(續)

		Drugs' intellectual property rights				Total
		Capitalised development costs	Patent for Hepatitis C drugs	Generic drugs	Insulin	
		資本化開發支出	丙肝藥物專利	仿製藥	胰島素	總計
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Accumulated amortisation:		累計攤銷：				
At 1 January 2020	於二零二零年一月一日	-	(71,946)	(29,207)	-	(101,153)
Charge for the year	年內扣除	-	(30,355)	(51,821)	(2,484)	(84,660)
At 31 December 2020	於二零二零年十二月三十一日	-	(102,301)	(81,028)	(2,484)	(185,813)
Charge for the year	年內扣除	-	(67,481)	(111,851)	(6,968)	(186,300)
At 31 December 2021	於二零二一年十二月三十一日	-	(169,782)	(192,879)	(9,452)	(372,113)
Impairment loss:		減值虧損：				
At 1 January and 31 December 2020	於二零二零年一月一日及十二月三十一日	-	-	-	-	-
Recognised in the year	年內確認	(iv)	-	(25,984)	-	(25,984)
At 31 December 2021	於二零二一年十二月三十一日	-	-	(25,984)	-	(25,984)
Net book value:		賬面淨值：				
At 31 December 2021	於二零二一年十二月三十一日	1,201,346	678,239	1,250,894	141,511	3,271,990
At 31 December 2020	於二零二零年十二月三十一日	1,173,161	745,720	750,614	40,096	2,709,591

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(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

- (i) The amortisation charge for the year included in the “cost of sales” and “general administration expenses” in the consolidated statement of profit or loss and other comprehensive income, except to the extent that they are included in the development cost not yet recognised as an expense.
- (ii) Development costs were either in-process research and development projects (“IPR&D”) acquired or development cost capitalised in accordance with the accounting policies for the research and development costs in Note 1(h) to the consolidated financial statements.

As at 31 December 2021, the intangible assets under development were not yet ready for intended use.

11 無形資產(續)

- (i) 本年度的攤銷費用計入綜合損益及其他全面收益表的「銷售成本」及「一般行政管理開支」，惟倘已計入開發支出但尚未確認為開支則除外。
- (ii) 開發支出指已收購的進行中研發項目(「進行中研發項目」)或根據綜合財務報表附註1(h)有關研發支出的會計政策資本化的開發支出。

於二零二一年十二月三十一日，開發中無形資產尚未達到擬定用途。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

(iii) In 2019, the Company entered into a sale and purchase agreement and a supplemental agreement to such sale and purchase agreement with Sunshine Lake Pharma Co., Ltd, (廣東東陽光藥業有限公司 “Sunshine Lake Pharma”) which is a related party of the Group and has become the controlling shareholder of the Company since December of 2021. Pursuant to which the Company agreed to acquire and Sunshine Lake Pharma agreed to dispose the IPR&D in relation to two pharmaceutical products, namely Liraglutide and Rongliflozin L-Pyroglutamic within the PRC at a total consideration of RMB1,645,600,000 (the “Proposed Acquisition”). The payment terms comprised an up-front payment of RMB550,000,000, and three milestone payments of RMB246,840,000 and a contingent payment of RMB848,760,000 subject to the future sales of the target products. The Proposed Acquisition was effective after the shareholder’s approval in January 2020. Up to 31 December 2021, the Company have made the up-front payment of RMB550,000,000 and have recognised IP R&D as intangible assets. The remaining payments will be accumulated into the cost of the intangible assets when the capitalisation criteria are met or recognised as a cost of sales in line with the underlying sales.

11 無形資產(續)

(iii) 於二零一九年，本公司與廣東東陽光藥業有限公司(「廣東東陽光藥業」，為本集團之關連方，並自二零二一年十二月起成為本公司控股股東)訂立購買協議及該購買協議之補充協議。據此，本公司同意收購，而廣東東陽光藥業同意出售與利拉魯肽及焦谷氨酸榮格列淨兩種藥物相關的中國境內進行中研發項目，總代價為人民幣1,645,600,000元(「建議收購事項」)。付款期由人民幣550,000,000元的預付款、三筆人民幣246,840,000元的里程碑付款及尾款人民幣848,760,000元組成，其受限於目標產品的日後銷售。建議收購事項於二零二零年一月股東批准並生效。截至二零二一年十二月三十一日，本公司已支付人民幣550,000,000元的預付款並已確認進行中研發項目為無形資產。剩餘款項在滿足資本化條件時將累計到無形資產的成本或者依據基礎銷售額情況確認為銷售成本。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

- (iv) Impairment review on the intangible assets of the Group has been conducted by the management as at 31 December 2021. For the purpose of impairment test, the recoverable amount of the intangible assets is determined based on value-in-use calculations. These calculations use the cash flow projections based on the financial forecasts approved by management, with reference to professional valuation reports issued by China Alliance Appraisal Co., Ltd. and CAREA Assets Appraisal Co., Ltd., independent firms of professionally qualified valuers.

1) Capitalised development costs

Capitalised development costs represent IPR&D acquired or internal development cost capitalised by pharmaceutical products as follows:

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Rongliflozin L-Pyroglutamic	焦谷氨酸榮格列淨	(a)	582,750	533,866
Liraglutide	利拉魯肽	(a)	64,568	51,107
Emitasvir Phosphate follow-up compounds	磷酸依米他韋後續 化合物	(a)	186,979	186,979
Hepatitis C	丙肝	(b)	174,015	142,851
Insulin	胰島素	(c)	193,034	258,358
			1,201,346	1,173,161

Capitalised development costs are tested for impairment annually until the completion or abandonment of the related research and development efforts.

11 無形資產(續)

- (iv) 於二零二一年十二月三十一日，本集團管理層已對無形資產進行減值審閱。就減值測試而言，無形資產的可收回金額乃按使用價值計算釐定。該等計算使用基於管理層所批准財務預測的現金流量預測，並參考由專業合資格估值師組成的獨立公司北京中同華資產評估有限公司及開元資產評估有限公司出具的專業估值報告。

1) 資本化開發支出

資本化開發支出指已收購的進行中研發項目或醫藥產品資本化內部開發支出，詳情如下：

資本化開發支出每年進行減值測試，直至完成或放棄相關研發工作。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

(iv) (continued)

1) Capitalised development costs (continued)

(a) Identifiable asset: Rongliflozin L-Pyroglutamic, Liraglutide and Emitasvir Phosphate follow-up compounds

The management regards Rongliflozin L-Pyroglutamic, Liraglutide and Emitasvir Phosphate follow-up compounds each as a separately identifiable asset and cash-generating unit (“CGU”) in the impairment test.

Based on the result of impairment test, the recoverable amount of Rongliflozin L-Pyroglutamic, Liraglutide and Emitasvir Phosphate follow-up compounds calculated based on value in use exceeded their carrying amount as at 31 December 2021, no impairment was recognised (2020: nil).

(b) CGU of patents, capitalised development costs and goodwill related to Hepatitis C (collectively referred to as “Hepatitis C Asset Group”)

The capitalised development costs of Hepatitis C project and the patents of Hepatitis C drugs are allocated to the Group’s CGU of Hepatitis C asset group. Based on the result of impairment test of Hepatitis C Asset Group (see Note 12), no impairment was recognised for capitalised development costs of Hepatitis C project and the patents of Hepatitis C drugs during the year ended 31 December 2021 (2020: nil).

11 無形資產(續)

(iv) (續)

1) 資本化開發支出(續)

(a) 可識別資產：焦谷氨酸榮格列淨、利拉魯肽及磷酸依米他韋後續化合物

管理層在減值測試中將焦谷氨酸榮格列淨、利拉魯肽及磷酸依米他韋後續化合物視為單獨的可識別資產及現金產生單位(「現金產生單位」)。

根據減值測試結果，於二零二一年十二月三十一日，按使用價值計算的焦谷氨酸榮格列淨、利拉魯肽及磷酸依米他韋後續化合物的可收回金額超出其賬面值，故並無確認減值(二零二零年：無)。

(b) 與丙肝相關的專利、資本化開發支出及商譽的現金產生單位(統稱「丙肝資產組別」)

丙肝項目的資本化開發支出及丙肝藥物專利分配至本集團丙肝資產組別的現金產生單位。根據丙肝資產組別的減值測試結果(見附註12)，截至二零二一年十二月三十一日止年度(二零二零年：無)，並無就丙肝項目的資本化開發支出及丙肝藥物專利確認減值。

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(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

(iv) (continued)

1) Capitalised development costs (continued)

(c) CGU of specific property, plant and equipment, capitalised development costs and intellectual property rights related to insulin (collectively referred to as “Insulin Asset Group”)

Based on the result of impairment test, the recoverable amount of Insulin Asset Group calculated based on value in use exceeded its carrying amount as at 31 December 2021, no impairment was recognised (2020: nil).

2) Generic drugs

As at 31 December 2021, generic drugs represent 29 generic drugs’ intellectual property rights. The management regards each individual drugs’ intellectual property rights as a separately identifiable asset and CGU in the impairment test.

Based on the results of impairment tests, the recoverable amount for 26 out of 29 generic drugs calculated based on value in use exceeded their carrying amount as at 31 December 2021, no impairment was recognised (2020: nil).

11 無形資產 (續)

(iv) (續)

1) 資本化開發支出 (續)

(c) 與胰島素相關的特定物業、廠房及設備的現金產生單位、資本化開發支出及知識產權(統稱「胰島素資產組別」)

根據減值測試結果，於二零二一年十二月三十一日，胰島素資產組別的可收回金額超出其賬面值，故並無確認減值(二零二零年：無)。

2) 仿製藥

於二零二一年十二月三十一日，仿製藥指29種仿製藥的知識產權。在減值測試中，管理層將各種藥物的知識產權視為單獨可識別資產及現金產生單位。

根據減值測試結果，29種仿製藥中的26種按使用價值計算的可收回金額超過二零二一年十二月三十一日的賬面值，並無確認減值(二零二零年：無)。

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11 INTANGIBLE ASSETS (continued)

(iv) (continued)

2) Generic drugs (continued)

The following 3 out of 29 generic drugs have indicators for impairment. As the price of Levofloxacin tablets (anti-infective drugs) and Sildenafil Citrate tablets (penile erectile dysfunction drugs) decreased after they have been included in the national centralised procurement, the estimated recoverable amount of Levofloxacin tablets and Sildenafil Citrate tablets were less than their carrying amount. In addition, as new market competitors were introduced during the year of 2021, the estimated recoverable amount of Aripiprazole Orally Disintegrating tablets (schizophrenia drugs) was less than its carrying amount. The differences were approximately RMB25,984,000 (2020: Nil) in total based on the impairment evaluation result, which was recognised as impairment loss in the “other income and loss” in the consolidated financial statement.

Based on the life cycle of drugs and the market supply and demand of similar drugs, the life of the generic drugs for impairment evaluation is at least 10 years after the drugs listing on the market. The lifecycle of the generic drugs are 10 years in the recoverable amount calculation in the impairment test.

11 無形資產(續)

(iv) (續)

2) 仿製藥(續)

29種仿製藥中，以下3種有減值跡象。由於左氧氟沙星片(抗感染藥物)及枸橼酸西地那非片(陰莖勃起功能障礙藥物)於納入國家集中採購後的價格有所下降，故左氧氟沙星片及枸橼酸西地那非片的估計可收回金額低於其賬面值。此外，由於二零二一年引入新的市場競爭對手，故阿立哌唑口崩片(精神分裂症藥物)的估計可回收金額低於其賬面值。根據減值評估結果，差額合計約為人民幣25,984,000元(二零二零年：無)，於綜合財務報表中的「其他收入及虧損」內確認為減值虧損。

根據藥物的壽命週期及同類藥品的市場供需，用作減值評估的仿製藥壽命為藥物上市後至少10年。在減值測試的可收回金額計算中，仿製藥的壽命週期為10年。

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(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

(iv) (continued)

2) Generic drugs (continued)

The calculations apply the cash flow projections based on financial budgets approved by management covering a 3-year period. For Levofloxacin tablets which has been won the national centralised procurement bidding, the average budgeted sales of the three-year period is the amount won in the drugs centralised procurement. The cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated sales decrease by 20% every 3 years due to new competitors is expected to introduce into the national centralised procurement.

For Sildenafil Citrate tablets and Aripiprazole Orally Disintegrating tablets which did not win or include in the national centralised procurement bidding, the average sales growth rate for the three-year period is 5% and 13% according to forecast market share and market capacity. The cash flows beyond the aforementioned financial forecasts period are extrapolated using average estimated a sales growth rate of 3.6% and a sales decrease rate of 2.8% respectively after consideration of the growth rate of similar type of products in the market and the numbers of the competitors in the market.

The following sets out the key assumptions for the value in use calculation of the 3 generic drugs:

11 無形資產 (續)

(iv) (續)

2) 仿製藥 (續)

計算乃基於管理層所批准涵蓋3年期的財務預算使用現金流量預測得出。就國家集中採購中標的左氧氟沙星片而言，三年期的平均預算銷售額為藥品集中採購中標的金額。由於預計國家集中採購將引入新的競爭對手，故上述財務預測期後的現金流量乃按每三年估計銷售量減少20%以進行推斷。

就未中標或未納入國家集中採購招標的枸橼酸西地那非片及阿立哌唑口崩片而言，根據預測市場份額及市場容量，三年期的平均銷售增長率為5%及13%。考慮到市場上同類產品的增長率及市場上競爭對手數量，上述財務預測期後的現金流量乃分別按平均估計銷售增長率3.6%及銷售下跌率2.8%以進行推斷。

以下載列3種仿製藥的使用價值計算的主要假設：

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(除另有指明外，均以人民幣列示)

11 INTANGIBLE ASSETS (continued)

(iv) (continued)

2) Generic drugs (continued)

(a) Revenue

Revenue is calculated based on the tax-exclusive selling price and the sales volume, after considering the factors such as market competitors, product launch time, the price and volume in the national centralised procurement.

(b) Costs of goods sold

The cost of goods sold includes the cost of materials and the cost of processing fees, in which the cost of materials is determined in combination with the production data of related units and the market price. The processing cost is mainly determined by reference to the manufacturing cost of the similar drugs.

(c) Discount rate

The discount rates used in the impairment valuation is pre-tax discount rate 19.74% and reflect specific risks relating to the generic drugs.

11 無形資產(續)

(iv) (續)

2) 仿製藥(續)

(a) 營業額

營業額按不含稅售價及銷售量計算，當中考慮到市場競爭者、產品上市時間、國家集中採購的價格及數量等因素。

(b) 已售貨品成本

已售貨品成本包括材料成本及加工費成本，其中材料成本結合相關單位的生產數據及市價釐定。加工成本主要參考同類藥物的製造成本釐定。

(c) 折現率

減值評估中所用的折現率為稅前折現率19.74%，並反映與仿製藥相關的特定風險。

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12 GOODWILL

Cost and carrying amount	成本及賬面值
At 1 January 2020, 31 December 2020 and 31 December 2021	於二零二零年一月一日、 二零二零年十二月三十一日 及二零二一年 十二月三十一日

2021	2020
二零二一年	二零二零年
RMB'000	RMB'000
人民幣千元	人民幣千元

75,896	75,896
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Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGU identified according to country of operation and operating segment as follows:

包含商譽的現金產生單位減值測試

商譽已根據經營所在國家及經營分部分配至本集團的下列已識別現金產生單位：

Hepatitis C Asset Group	丙肝資產組別
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2021	2020
二零二一年	二零二零年
RMB'000	RMB'000
人民幣千元	人民幣千元

75,896	75,896
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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

12 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

For the purpose of impairment testing, goodwill has been allocated to the cash-generating units of Hepatitis C Asset Group including patents and capitalised development costs related to Hepatitis C, and the recoverable amount of the cash-generating unit of the Hepatitis C Asset Group was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering fourteen-year period with reference to professional valuation reports issued by independent firm of professionally qualified valuers, CAREA Assets Appraisal Co., Ltd., As the patent will expire at the end of 2033 and large number of generic drugs will be launched in the market within one to two years after the expiry of patent protection period in general, the management estimated that the lifecycle of the asset group will expire in 2035. The life cycle of the Hepatitis C Asset Group is 14 years.

These calculations apply the cash flow projections based on financial budgets approved by management covering a 9-year period, because this is a new developing drug and will not have a stable increasing rate as the World Health Organization (“WHO”) required that viral hepatitis C shall be completely eradicated in 2030. The average estimate sales growth rate for the 9-year period is 13% based on the forecast market shares and total market volume. Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated sales decrease rate of 37%, which was estimated on the basis of the number of newly diagnosed patients shall decrease by 90% as viral hepatitis C shall be eradicated in 2030 required by WHO.

12 商譽(續)

包含商譽的現金產生單位減值測試(續)

就減值測試而言，商譽已分配至與丙肝相關的專利及資本化開發支出等丙肝資產組別現金產生單位，而丙肝資產組別現金產生單位的可收回金額以使用價值計算釐定。該等計算乃經參考獨立專業合資格估值師事務所開元資產評估有限公司出具的專業估值報告後，基於管理層所批准涵蓋十四年期的財務預算使用現金流量預測得出。由於專利將於二零三三年底到期，且一般而言，大量仿製藥將於專利保障期屆滿後一至兩年內在市場上市，管理層估計資產組別的壽命週期將於二零三五年屆滿。丙肝資產組別的預測期為14年。

該等計算乃基於管理層所批准涵蓋9年期的財務預算使用現金流量預測得出，原因是該藥物屬新開發，且世界衛生組織(「世衛」)要求於二零三零年完全消除病毒性丙肝，故該藥物不會有穩定的增長率。根據預測市場份額及市場總量，9年期的平均估計銷售增長率13%。上述財務預測期後的現金流量乃按平均銷售下跌率37%以進行推斷，並根據世衛要求於二零三零年消除病毒性丙肝令新診斷的患者數量減少90%而估計。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

12 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

The key parameters used for value-in-use calculations are as follows:

1) Revenue

Revenue is calculated based on the tax-exclusive selling price and the number of target patients relying on the drug, after considering the factors such as market environment, product launch time, patients population. The total market volume in the future is determined and predicted based on the forecasted sales volume and market share.

2) Costs

The unit cost of the pharmaceutical products estimated by the Company is based on the detailed cost composition analysis and considering the necessary profits considered by API manufacturing enterprises and drug manufacturers.

12 商譽(續)

包含商譽的現金產生單位減值測試(續)

以下載列使用價值計算的主要假設：

1) 營業額

營業額按不含稅售價及依賴藥物的目標患者人數計算，當中考慮到市場環境、產品上市時間、患者人口等因素。未來市場總量乃根據預測銷售量及市場份額釐定及預測。

2) 成本

本公司估計的藥品單位成本按詳細的成本構成分析計算，並考慮到原料藥製造企業及藥物製造商所考慮的必要溢利。

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(除另有指明外，均以人民幣列示)

12 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

3) Discount rate

	2021 二零二一年	2020 二零二零年
Percentage of the post-tax discount rate	12.25%	11.24%

The discount rates used are post-tax and reflect specific risks relating to the Hepatitis C Asset Group.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

As at 31 December 2021, the recoverable amount of Hepatitis C Asset Group calculated based on value in use exceeded its carrying amount by approximately RMB59,036,000 (2020: RMB90,178,000).

12 商譽(續)

包含商譽的現金產生單位減值測試(續)

3) 折現率

所用折現率為稅後，並反映與丙肝資產組別相關的特定風險。

分配至主要假設的價值指管理層對相關行業未來趨勢的評估，並基於外部及內部來源的過往數據得出。

於二零二一年十二月三十一日，按使用價值計算的丙肝資產組別可收回金額超出其賬面值約人民幣59,036,000元(二零二零年：人民幣90,178,000元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

12 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

3) Discount rate (continued)

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

12 商譽(續)

包含商譽的現金產生單位減值測試(續)

3) 折現率(續)

管理層已識別可能導致賬面值超過可收回金額的兩項主要假設合理可能變動。下表顯示為使估計可收回金額相等於賬面值，該兩個假設需個別改動的金額。

		Hepatitis C Asset Group 丙肝資產組別
Pre-tax discount rate increase to	稅後折現率增加至	14.14%
Revenue decrease by	營業額減少	3.48%
Cost increase by	成本增加	7.18%

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

13 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2021, the Company has direct interests in the following major subsidiaries, which are all private limited companies incorporated in the PRC. The particulars of the subsidiaries are set out below:

13 於附屬公司之投資

於二零二一年十二月三十一日，本公司於以下主要附屬公司（全部均為於中國註冊成立的私人有限公司）擁有直接權益。有關附屬公司詳情載列如下：

Name of company	Place of incorporation and business	Registered capital	Paid-up capital	Proportion of direct ownership interest	Principal activities
公司名稱	註冊成立及經營地點	註冊股本	已繳股本	擁有直接權益比例	主要業務
Yichang HEC Pharmaceutical Co., Ltd.* ("宜昌東陽光醫藥有限公司") 宜昌東陽光醫藥有限公司	PRC 中國	RMB2,000,000 人民幣 2,000,000元	RMB2,000,000 人民幣 2,000,000元	100%	Sales of pharmaceutical products 銷售醫藥產品
Yichang HEC Pharmaceutical Manufacturing Co., Ltd.* ("宜昌東陽光製藥有限公司") 宜昌東陽光製藥有限公司	PRC 中國	RMB450,000,000 人民幣 450,000,000元	RMB332,000,000 人民幣 332,000,000元	100%	Manufacturing and sales of active pharmaceutical ingredient 生產及銷售原料藥
Dongguan Yangzhikang Pharmaceutical Co., Ltd.* ("東莞市陽之康醫藥有限責任公司") 東莞市陽之康醫藥有限責任公司	PRC 中國	RMB50,000,000 人民幣 50,000,000元	RMB50,000,000 人民幣 50,000,000元	100%	Sales of Pharmaceutical products 銷售醫藥產品
Guangdong HEC Biological Pharmacy Co., Ltd.* (HEC Biological Pharmacy, "廣東東陽光生物製劑有限公司") 廣東東陽光生物製劑有限公司 (「東陽光生物製劑」)	PRC 中國	RMB530,000,000 人民幣 530,000,000元	RMB439,532,109 人民幣 439,532,109元	100%	R&D of pharmaceutical products, medical devices and biotechnology 醫藥產品、醫療器械及生物技術的研發

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13 INVESTMENTS IN SUBSIDIARIES (continued)

13 於附屬公司之投資(續)

Name of company	Place of incorporation and business	Registered capital	Paid-up capital	Proportion of direct ownership interest	Principal activities
公司名稱	註冊成立及經營地點	註冊股本	已繳股本	擁有直接權益比例	主要業務
YiChang HEC Pharmaceutical technology Marketing Services Co., Ltd.* (“宜昌東陽光醫藥科技推廣服務有限公司”)	PRC	RMB50,000,000	RMB46,500,000	93%	Medical consulting services
宜昌東陽光醫藥科技推廣服務有限公司	中國	人民幣 50,000,000元	人民幣 46,500,000元		醫療諮詢服務
YiChang HEC Bio-technology Co., Ltd.* (“宜昌東陽光生物科技股份有限公司”)	PRC	RMB30,000,000	RMB3,000,000	90%	Manufacturing and sales of active pharmaceutical ingredient
宜昌東陽光生物科技股份有限公司	中國	人民幣 30,000,000元	人民幣 3,000,000元		生產及銷售原料藥
Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd.* (“東莞東陽光太景醫藥研發有限責任公司”)	PRC	RMB683,400,000	RMB683,400,000	60%	Research, development, production and sales of drugs
東莞東陽光太景醫藥研發有限責任公司	中國	人民幣 683,400,000元	人民幣 683,400,000元	60%	研發、生產及銷售藥品

* The English translation of the above companies' names is for reference only. The official names of these companies are in Chinese.

* 上述公司名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

13 INVESTMENTS IN SUBSIDIARIES (continued)

13 於附屬公司之投資(續)

The following table lists out the information relating to HEC TaiGen, the only subsidiary of the Group which has a material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

下表載列本集團唯一擁有重大非控股權益的附屬公司東陽光太景的資料。下文呈列的財務資料概要為公司間對銷前的金額。

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NCI percentage	非控股權益百分比	40%	40%
Current assets	流動資產	33,008	47,091
Non-current assets	非流動資產	505,433	491,344
Current liabilities	流動負債	(7,574)	(7,381)
Net assets	淨資產	530,867	531,054
Carrying amount of NCI	非控股權益賬面值	212,481	212,556
Revenue	營業額	-	-
Loss and total comprehensive income for the year	年內虧損及全面收入總額	(187)	(5,114)
Loss allocated to NCI	分配至非控股權益的虧損	(75)	(2,044)
Dividend paid to NCI	向非控股權益支付股息	-	-
Cash flows used in operating activities	經營活動所用現金流量	(18,159)	(51,473)
Cash flows from investing activities	投資活動現金流量	(3)	(133)
Cash flows from financing activities	融資活動現金流量	-	-

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(除另有指明外，均以人民幣列示)

14 FINANCIAL ASSETS MEASURED AT FVPL

14 按公允價值計量且其變動計入損益的金融資產

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Investments not held for trading	並非持作買賣的投資		
— Unlisted equity securities	— 非上市股本證券	1,789,621	—

The unlisted equity securities are shares in Sunshine Lake Pharma, a company incorporated in Dongguan and engaged in R&D and which became the Company's controlling shareholder in December 2021.

In 2021, the Company was granted with 10% equity interest in Sunshine Lake Pharma at nil consideration from Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司, "Shenzhen HEC Industrial") in connection with the Company agreed to enter into a revised non-completion agreement. The Company recognised the granted equity interest as FVPL at its fair value of RMB1,770,385,000 when it obtained the control of the equity interest in July 2021. Meanwhile, the Company recognised RMB1,504,827,000 as capital reserve after netting off tax payables of RMB265,558,000, which in relation to this transaction.

非上市股本證券為廣東東陽光藥業股份，該公司於東莞註冊成立，從事研發工作，並於二零二一年十二月成為本公司的控股股東。

於二零二一年，由於本公司同意訂立經修訂避免同業競爭協議，本公司獲深圳市東陽光實業發展有限公司（「深圳市東陽光實業」）無償授予廣東東陽光藥業的10%股權。本公司於二零二一年七月取得股權的控制權時，以其公允價值人民幣1,770,385,000元確認獲授股權為按公允價值計量且其變動計入損益。同時，於扣除有關該交易的應付稅項人民幣265,558,000元後，本公司確認人民幣1,504,827,000元為資本儲備。

NOTES TO THE FINANCIAL STATEMENTS

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15 PREPAYMENTS

15 預付款項

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Prepayments for intangible assets	無形資產預付款項	(i)	-	444,676
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項		64,825	190,643
			64,825	635,319

(i) In 2018 and 2019, the Company entered into two acquisition agreements with Sunshine Lake Pharma, to acquire 33 pharmaceutical products' know-how, intellectual property rights and ownership rights ("Target Products") from Sunshine Lake Pharma with a total consideration of RMB2,131,635,000, which comprised a prepayment of RMB1,065,817,000, several milestone payments totalling RMB577,888,000 and contingent payments of RMB487,930,000 subject to the future sales of the Target Products.

As at 31 December 2021, the Group had made accumulated payments of RMB1,391,953,000 (2020: RMB1,276,317,000) to Sunshine Lake Pharma. During the year ended 31 December 2021, RMB638,115,000 (2020: RMB531,442,000) was transferred to intangible assets after the National Medical Products Administration approvals for 10 (2020: 13) out of the Target Products were obtained. After the transfers, the outstanding payable to Sunshine Lake Pharma as at 31 December 2021 was RMB77,803,000 (see Note 21) (2020: prepayment amounted to RMB444,676,000).

(i) 於二零一八年及二零一九年，本公司與廣東東陽光藥業訂立兩項收購協議，以總代價人民幣2,131,635,000元向廣東東陽光藥業收購33種藥品的技術訣竅、知識產權及所有權（「目標產品」），總代價包括預付款項人民幣1,065,817,000元、若干里程碑付款合共人民幣577,888,000元及或然付款人民幣487,930,000元，視乎目標產品的未來銷售而定。

於二零二一年十二月三十一日，本集團已累計向廣東東陽光藥業支付人民幣1,391,953,000元（二零二零年：人民幣1,276,317,000元），截至二零二一年十二月三十一日止年度，人民幣638,115,000元（二零二零年：人民幣531,442,000元）於取得目標產品中十項（二零二零年：十三項）的國家藥品監督管理局批文後轉入無形資產。於轉讓後，於二零二一年十二月三十一日未償還應付予廣東東陽光藥業的款項為人民幣77,803,000元（見附註21）（二零二零年：預付款項人民幣444,676,000元）。

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24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

16 INVENTORIES

16 存貨

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	227,442	157,457
Work in progress	在製品	35,077	35,988
Finished goods	製成品	7,002	183,647
Goods in transit	在運品	10,175	1,176
		279,696	378,268

The analysis of the amount of inventories recognised as an expense and included in profit and loss is as follows:

已確認為開支並計入損益的存貨金額分析如下：

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Carrying amount of inventories sold	已售存貨賬面值		266,224	211,764
Write-down of inventories	存貨撇減		102,360	7,660
Cost of inventories sold	已售存貨成本	5(c)	368,584	219,424

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17 TRADE AND OTHER RECEIVABLES

17 貿易及其他應收款項

		2021	2020
		二零二一年	二零二零年
Note		RMB'000	RMB'000
附註		人民幣千元	人民幣千元
Current	流動		
Trade receivables	貿易應收款項	445,634	262,626
Bills receivable	應收票據	48,504	210,448
Less: allowance for doubtful debts	減：呆賬準備	(15,097)	(12,565)
		479,041	460,509
VAT recoverable and prepaid CIT	可收回增值稅及預付 企業所得稅	57,263	130,232
Other receivables	其他應收款項	13,428	11,840
Less: allowance for doubtful debts	減：呆賬準備	(2,941)	(2,824)
		67,750	139,248
Total	總計	546,791	599,757

(i) Bills receivable with carrying value of RMB6,460,000 (2020: RMB192,380,000) were pledged as securities of bank loans of the Group as at 31 December 2021.

(i) 賬面值為人民幣6,460,000元（二零二零年：人民幣192,380,000元）的應收票據已於二零二一年十二月三十一日抵押作為本集團獲銀行貸款之抵押品。

(ii) Bills receivable with carrying value of RMB13,116,000 (2020: RMB15,655,000) were pledged as securities of issuing bills payable by the Group as at 31 December 2021.

(ii) 賬面值為人民幣13,116,000元的應收票據（二零二零年：人民幣15,655,000元）已於二零二一年十二月三十一日抵押作為本集團發行應付票據之抵押品。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

17 TRADE AND OTHER RECEIVABLES (continued)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月內	403,721	396,214
More than 3 months but within 1 year	超過3個月但1年內	69,403	64,295
More than 1 year	超過1年	5,917	-
		479,041	460,509

Trade debtors are generally due within 30–90 days from the date of billing. Bills receivable is due in 3 months or 6 months from the date of billing. The Group's credit policy is set out in Note 27(a). All of the trade and other receivables of the Group are expected to be recovered within one year.

17 貿易及其他應收款項(續)

賬齡分析

於報告期末，應收賬款及應收票據（已計入貿易及其他應收款項）按發票日期經扣除呆賬準備的賬齡分析如下：

應收賬款一般自發出賬單日期起計30至90日內到期。應收票據自發出賬單日期起計3個月或6個月內到期。本集團之信貸政策載於附註27(a)。本集團所有貿易及其他應收款項預計將可於一年內收回。

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18 RESTRICTED CASH

18 受限制現金

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Security deposits in bank loans	銀行貸款保證金	91,992	221,191

As at 31 December 2021, the restricted cash mainly represented pledges to banks for issuance of bills payables and letter of credit.

於二零二一年十二月三十一日，受限制現金主要指就發行應付票據及信用證而向銀行提供的抵押。

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

19 現金及現金等值項目及其他資金流量資料

(a) Cash and cash equivalents comprise:

(a) 現金及現金等值項目包括：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash on hand	手頭現金	-	9
Cash at bank	銀行現金	1,131,121	2,044,958
		1,131,121	2,044,967

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of (loss)/profit before taxation to cash generated from operations:

19 現金及現金等值項目及其他資金流量資料(續)

(b) 除稅前(虧損)/溢利與經營所得現金的對賬：

			2021	2020
			二零二一年	二零二零年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利		(667,184)	1,010,434
Adjustments for:	經調整：			
Depreciation	折舊	5(c)	100,496	65,046
Amortisation	攤銷	5(c)	159,320	57,680
Interest income	利息收入	4	(11,346)	(24,987)
Finance costs	融資成本	5(a)	243,807	244,206
Loss on disposal of fixed assets	出售固定資產的虧損	4	19,072	5,269
Fair value change on investment in equity securities	股本證券投資的公允價值變動	4	(19,237)	-
Fair value change in connection with derivative financial instruments embedded in convertible bonds	有關嵌入可轉換債券之衍生金融工具之公允價值變動	4	14,161	(382,362)
Impairment provision for intangible assets	無形資產減值撥備	4	25,984	-
Net foreign exchange gain	匯兌收益淨額		(49,495)	(150,358)
Changes in working capital:	營運資金變動：			
Decrease/(increase) in inventories	存貨減少/(增加)		98,572	(185,947)
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少		(216,095)	1,444,036
Decrease in trade and other payables	貿易及其他應付款項減少		(379,183)	(479,791)
Cash (used in)/generated from operations	經營(所用)/所得現金		(681,128)	1,603,226

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

19 現金及現金等值項目及其他資金流量資料(續)

(b) Reconciliation of (loss)/profit before taxation to cash generated from operations: (continued)

(b) 除稅前(虧損)/溢利與經營所得現金的對賬：(續)

- (i) The amount mainly represents foreign exchange gain arising from the translation of interest-bearing borrowings (see Note 23) which denominated in United States dollars for the year ended 31 December 2021 and 2020.

- (i) 該金額主要指換算截至二零二一年及二零二零年十二月三十一日止年度以美元計值的計息借貸(見附註23)產生的匯兌收益。

(c) Reconciliation of liabilities arising from financing activities

(c) 融資活動所產生負債的對賬

		Bank loans 銀行貸款 RMB'000 人民幣千元 Notes 附註	Interest-bearing borrowings 計息借貸 RMB'000 人民幣千元 (Note 23) (附註 23)	Total 總計 RMB'000 人民幣千元
At 1 January 2021	於二零二一年一月一日	535,840	2,474,817	3,010,657
Changes from financing cash flows: 融資現金流量變動：				
Proceeds from bank loans	銀行貸款所得款項	444,955	-	444,955
Repayment of bank loans	償還銀行貸款	(157,678)	-	(157,678)
Finance costs paid	已付融資成本	(21,896)	(77,902)	(99,798)
Total changes from financing cash flows	融資現金流量變動總額	265,381	(77,902)	187,479
Other changes: 其他變動：				
Interest on bank loans and interesting-bearing borrowings	銀行貸款及計息借貸利息	455	243,352	243,807
Fair value change on derivative financial instruments embedded in convertible bonds	嵌入可轉換債券的衍生金融工具的公允價值變動	-	14,161	14,161
Capitalised borrowing costs	資本化借貸成本	21,440	-	21,440
Derecognition of bank loans	終止確認銀行貸款	(229,739)	-	(229,739)
Exchange adjustment	匯兌調整	-	(54,303)	(54,303)
At 31 December 2021	於二零二一年十二月三十一日	593,377	2,600,125	3,193,502

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

		Bank loans	Interest-bearing borrowings	Total
		銀行貸款	計息借貸	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
	Note	(Note 22)	(Note 23)	
	附註	(附註22)	(附註23)	
At 1 January 2020	於二零二零年一月一日	182,660	2,852,600	3,035,260
Changes from financing cash flows: 融資現金流量變動：				
Proceeds from bank loans	銀行貸款所得款項	518,006	-	518,006
Repayment of bank loans	償還銀行貸款	(1,250)	-	(1,250)
Finance costs paid	已付融資成本	(10,659)	(84,557)	(95,216)
Total changes from financing cash flows	融資現金流量變動總額	506,097	(84,557)	421,540
Other changes: 其他變動：				
Interest on bank loans and interesting-bearing borrowings	銀行貸款及計息借貸利息	5(a) 1,044	243,162	244,206
Fair value change on derivative financial instruments embedded in convertible bonds	嵌入可轉換債券的衍生金融工具的公允價值變動	23(iii) -	(382,362)	(382,362)
Capitalised borrowing costs	資本化借貸成本	5(a) 5,614	-	5,614
Derecognition of bank loans	終止確認銀行貸款	(i) (159,575)	-	(159,575)
Exchange adjustment	匯兌調整	-	(154,026)	(154,026)
At 31 December 2020	於二零二零年十二月三十一日	535,840	2,474,817	3,010,657

19 現金及現金等值項目及其他資金流量資料 (續)

(c) 融資活動所產生負債的對賬 (續)

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

- (i) The amount represents the derecognition of bank loans of discounted bills with recourse upon the maturity of respective bills receivable for the year ended 31 December 2021 and 2020.

19 現金及現金等值項目及其他資金流量資料(續)

- (i) 該金額主要指截至二零二一年及二零二零年十二月三十一日止年度有關應收票據到期後，終止確認已貼現附追索權票據之銀行貸款。

20 CONTRACT LIABILITIES

Contract liabilities

Sales of goods	銷售貨品
— Billing in advance of performance	— 預收賬款

20 合約負債

合約負債

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	74,903	56,152

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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20 CONTRACT LIABILITIES (continued)

Movements in contract liabilities

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January	於一月一日的結餘	56,152	131,328
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認年內收益(計入年初合約負債)而產生的合約負債減少	(53,671)	(107,594)
Increase in contract liabilities as a result of billing in advance of sales	因預收銷售款項而產生的合約負債增加	72,422	32,418
Balance at 31 December	於十二月三十一日的結餘	74,903	56,152

All the billings in advance of performance and forward sales instalments received are expected to be recognised as income within one year.

預期已收取的所有預收款項及遠期銷售分期付款將於一年內確認為收入。

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21 TRADE AND OTHER PAYABLES

21 貿易及其他應付款項

		2021	2020
		二零二一年	二零二零年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Trade payable	貿易應付款項	76,908	33,976
Bills payable	票據應付款項	38,414	205,575
Amounts due to related parties	應付關聯方款項	83,816	42,499
VAT and other taxes payable	應付增值稅及其他稅項	52,130	7,126
Accrued payroll and benefits	應計工資及福利	88,216	86,090
Accrued expenses	應計費用	334,580	656,355
Other payables for purchasing fixed assets	其他應付購買固定資產款項	198,936	203,647
Other payables	其他應付款項	38,680	24,172
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	911,680	1,259,440

An ageing analysis of the trade and bills payable based on the invoice date is as follows:

以發票日期為基準的貿易及票據應付款項賬齡分析如下：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內	19,264	61,537
Over 1 month but within 3 months	超過1個月但3個月內	28,910	69,985
Over 3 months but within 1 year	超過3個月但1年內	52,270	104,206
Over 1 year	超過1年	14,878	3,823
		115,322	239,551

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22 BANK LOANS

The analysis of the repayment schedule of bank loans is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year or on demand	1年內或按需求	48,477	345,987
After 1 year but within 2 years	1年後但2年內	73,400	13,900
After 2 years but within 5 years	2年後但5年內	471,500	74,200
After 5 years	5年後	-	101,753
		544,900	189,853
Total	總計	593,377	535,840

At 31 December 2021, the bank loans were secured as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unsecured	無抵押	-	150,104
Secured	已抵押	593,377	385,736
Total	總計	593,377	535,840

銀行貸款的還款時間表分析如下：

於二零二一年十二月三十一日，銀行貸款抵押如下：

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22 BANK LOANS (continued)

22 銀行貸款(續)

(i) The Group's bank loans were secured as follows:

(i) 本集團的銀行貸款抵押如下：

			2021	2020
			二零二一年	二零二零年
Note			RMB'000	RMB'000
附註			人民幣千元	人民幣千元
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地所有權權益	10	83,828	85,743
— Construction in progress	— 在建工程	10	258,397	357,445
— Plant and buildings	— 廠房及樓宇	10	262,150	118,918
— Bills receivable (iv)	— 應收票據(iv)	17	6,460	192,380
			610,835	754,486

Apart from the above secured assets, a loan of RMB87,875,000 (2020: RMB48,750,000), which included in the secured bank loan of RMB200,000,000, was additionally guaranteed by Shenzhen HEC Industrial, a related party.

除上述有抵押資產外，在人民幣200,000,000元的有抵押銀行貸款中，人民幣87,875,000元的貸款(二零二零年：人民幣48,750,000元)由深圳市東陽光實業(為關聯方)提供額外擔保。

(ii) As at 31 December 2021, the total banking facilities amounted to RMB700,000,000 (2020: RMB639,303,000). Such facilities were utilised to the extent of RMB586,175,000 (2020: RMB343,053,000).

(ii) 於二零二一年十二月三十一日，銀行融資總額為人民幣700,000,000元(二零二零年：人民幣639,303,000元)。該等融資已動用的金額為人民幣586,175,000元(二零二零年：人民幣343,053,000元)。

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22 BANK LOANS (continued)

- (iii) The Group's banking facilities of RMB700,000,000 (2020: RMB489,303,000) are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios and intended use of the loans, as commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 27(b). As at 31 December 2021, none of the covenants relating to drawn down facilities had been breached (2020: nil)
- (iv) As at 31 December 2021, the bank loans of RMB6,460,000 (2020: RMB192,380,000) represented the bills discounted with recourse which were repayable within one year.

23 INTEREST-BEARING BORROWINGS

Convertible bonds	可轉換債券
— Current	— 即期
— Non-current	— 非即期

22 銀行貸款(續)

- (iii) 本集團的銀行融資人民幣700,000,000元(二零二零年：人民幣489,303,000元)須待與本集團若干資產負債表比率及貸款擬定用途有關的契諾獲達成後方可作實，在與金融機構的放債安排中實屬常見。倘本集團違反契諾，已提取融資將須按要求支付。本集團定期監控其遵守該等契諾的情況。本集團流動資金風險管理的進一步詳情載於附註27(b)。於二零二一年十二月三十一日，本公司並無違反與已提取融資有關的契諾(二零二零年：無)。
- (iv) 於二零二一年十二月三十一日，人民幣6,460,000元的銀行貸款(二零二零年：人民幣192,380,000元)指已貼現附追索權票據，其須於一年內償還。

23 計息借款

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Convertible bonds	可轉換債券		
— Current	— 即期	-	2,474,817
— Non-current	— 非即期	2,600,125	-
		2,600,125	2,474,817

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23 INTEREST-BEARING BORROWINGS (continued)

- (i) On 20 February 2019, the Company issued a tranche of 1,600 H share convertible bonds with an aggregate principal amount of USD400,000,000 (equivalent to approximately RMB2,702,320,000). Each number of bond has a face value of USD250,000 and a maturity date of 20 February 2026. The bonds bear interest at 3.0% per annum payable semi-annually in arrears on 30 June and 31 December of each year. The bondholders have the right to convert the bonds to the Company's ordinary shares at a price of HK\$19 per conversion share, which subject to adjustment in relation to the adjusted net profit for the year ended 31 December 2021. The bonds are unsecured.

As the convertible bonds do not contain an equity component, the derivative component of the convertible bonds above is measured at fair value and the liability component is carried at amortised cost. No conversion or redemption of the convertible bonds has occurred up to 31 December 2021.

23 計息借款(續)

- (i) 於二零一九年二月二十日，本公司發行1批1,600份的H股可轉換債券，本金金額合共為400,000,000美元(相當於約人民幣2,702,320,000元)。每份債券的面值為250,000美元，到期日為二零二六年二月二十日。債券按年利率3.0%計息，並按半年期於每年的六月三十日及十二月三十一日分期支付。債券持有人有權按每股轉換股份19港元的價格將債券轉換為本公司普通股，惟可能根據截至二零二一年十二月三十一日止年度的經調整純利進行調整。債券為無抵押。

由於可轉換債券不包含權益部份，上述可轉換債券的衍生工具部份按公允價值計量，而負債部份則按攤銷成本計量。截至二零二一年十二月三十一日，並無轉換或贖回可轉換債券。

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23 INTEREST-BEARING BORROWINGS (continued)

- (ii) The bondholders have the right to redeem all or any portion of the convertible bonds on or before the mature date upon occurrence of the breach of covenants agreed in the subscription agreement. In 2020, the bondholders informed the Group that the aggregate capital expenditure incurred by the Group for 2020 exceeded RMB150,000,000 and such excess capital expenditure was incurred without the consent of the bondholders under the subscription agreement. Accordingly, a covenant was breached with the effect that the convertible bonds became repayable on demand.

The Group had obtained 8 waiver letters from the bondholders. The latest waiver letter dated on 30 September 2021 and pursuant to such letter, the bondholders agreed to waive their right to issue an early redemption on the convertible bonds until 1 January 2023.

23 計息借款(續)

- (ii) 債券持有人有權於認購協議協定的契諾遭違反後，在到期日或之前贖回全部或任何部分可轉換債券。於二零二零年，債券持有人告知本集團，本集團於二零二零年產生的資本支出總額超過人民幣150,000,000元，且該超額資本支出乃於未經認購協議項下債券持有人同意的情況下產生。因此，一項契諾已遭違反，致使可轉換債券須按要求償還。

本集團已接獲債券持有人的8份放棄函件。最新的放棄函件日期為二零二一年九月三十日，而根據該函件，債券持有人同意放棄其提早贖回可轉換債券的權利，直至二零二三年一月一日止。

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23 INTEREST-BEARING BORROWINGS (continued)

23 計息借款(續)

(iii) The convertible bonds recognised in the consolidated statement of financial position of the Group are analysed as follows:

(iii) 本集團綜合財務狀況表確認的可轉換債券分析如下：

		Liability component	Derivative component	Total
		負債部份	衍生工具 部份	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	2,248,640	603,960	2,852,600
Change on derivative financial instruments embedded in convertible bonds	嵌入可轉換債券的衍生金融工具的變動	-	(382,362)	(382,362)
Accrued interest (Note 5(a))	應計利息(附註 5(a))	243,162	-	243,162
Interest paid	已付利息	(84,557)	-	(84,557)
Exchange gain	匯兌收益	(154,026)	-	(154,026)
At 31 December 2020	於二零二零年十二月三十一日	2,253,219	221,598	2,474,817
Change on derivative financial instruments embedded in convertible bonds	嵌入可轉換債券的衍生金融工具的變動	-	14,161	14,161
Accrued interest (Note 5(a))	應計利息(附註 5(a))	243,352	-	243,352
Interest paid	已付利息	(77,902)	-	(77,902)
Exchange gain	匯兌收益	(54,303)	-	(54,303)
At 31 December 2021	於二零二一年十二月三十一日	2,364,366	235,759	2,600,125

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

24 DEFERRED INCOME

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
At 1 January	於一月一日		110,921	79,314
Additions	添置		40,053	36,211
Credited to profit or loss	計入損益	4	(8,865)	(4,604)
At 31 December	於十二月三十一日		142,109	110,921
Net carrying amounts representing:	賬面淨值指：			
Current portion	即期部分		4,379	4,379
Non-current portion	非即期部分		137,730	106,542
			142,109	110,921

As at 31 December 2021 and 2020, deferred income of the Group mainly included various conditional government grants for R&D projects of new or existing pharmaceutical products and subsidies relating to purchase of fixed assets.

Deferred income relating to purchase of fixed assets are recognised as income on a straight-line basis over the expected useful life of the relevant assets.

24 遞延收入

於二零二一年及二零二零年十二月三十一日，本集團的遞延收入主要包括有關新藥品或現有藥品的研發項目的多項有條件政府補助，以及與購置固定資產有關的補貼。

有關購置固定資產的遞延收入在相關資產的預計可使用年內以直線法確認為收益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 25 綜合財務狀況表內的所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表內的即期稅項指：

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Provision of PRC CIT for the year	年內的中國企業所得稅撥備	6(a)	(66,776)	111,897
Taxation for shares obtained from controlling shareholder	自控股股東獲得股份的稅項	14	265,558	—
Under-provision for PRC CIT in respect of prior years	過往年度中國企業所得稅撥備不足	6(a)	11,989	6,010
PRC CIT refunded/(paid) for the current year	本年度內的已退款/(已付)中國企業所得稅		18,618	(303,733)
			229,389	(185,826)
Balance of PRC CIT at 1 January	於一月一日的中國企業所得稅結餘		(30,764)	155,062
Balance of PRC CIT at 31 December	於十二月三十一日的中國企業所得稅結餘		198,625	(30,764)

(b) Reconciliation to the consolidated statement of financial position

(b) 綜合財務狀況表對賬

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepaid PRC CIT	預付中國企業所得稅		—	(51,202)
Current taxation	即期稅項		198,625	20,438
			198,625	(30,764)

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(c) Deferred tax assets recognised

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	來自下列各項的遞延稅項：	Defered revenue	Provisions for inventory and receivables	Accrued expenses	Fair value change in connection with derivative financial instruments embedded in convertible bonds and others	Excessed advertisement expenses	Provisions for intangible assets	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	223	2,984	86,617	5,937	-	-	95,761
(Charged)/credited to profit or loss	(扣除)/計入損益	(50)	497	(25,233)	(30,330)	-	-	(55,116)
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	173	3,481	61,384	(24,393)	-	-	40,645
(Charged)/credited to profit or loss	(扣除)/計入損益	(50)	13,531	(52,483)	23,844	33,335	6,496	24,673
At 31 December 2021	於二零二一年十二月三十一日	123	17,012	8,901	(549)	33,335	6,496	65,318

25 綜合財務狀況表內的所得稅 (續)

(c) 已確認遞延稅項資產

於綜合財務狀況表內確認的遞延稅項資產的組成部份及本年度內變動如下：

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(除另有指明外，均以人民幣列示)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

25 綜合財務狀況表內的所得稅 (續)

(d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 1(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB451,913,000 (2020: RMB322,492,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The unrecognised tax losses will expire in the following years:

(d) 不予確認的遞延稅項資產

根據附註1(t)所載會計政策，由於在有關之稅務司法權區及就有關公司而言，不大可能有未來應課稅溢利以抵銷可供動用之稅項虧損，故本集團並無就累計稅項虧損人民幣451,913,000元(二零二零年：人民幣322,492,000元)確認遞延稅項資產。

將於未來幾年到期之未確認稅項虧損：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2022	二零二二年	51,859	51,859
2023	二零二三年	71,654	71,654
2024	二零二四年	63,212	63,212
2025	二零二五年	135,767	135,767
2026	二零二六年	129,421	-
		451,913	322,492

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity of the Company

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital	Treasury shares	Capital reserve	Statutory reserve	Retained earnings	Total equity
		股本	庫存股份	資本儲備	法定儲備	保留盈利	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Note 26(c)		Note 26(e)(i)	Note 26(e)(ii)		
		附註 26(c)		附註 26(e)(i)	附註 26(e)(ii)		
Balance at 1 January 2020	於二零二零年一月一日結餘	448,820	(142,209)	1,412,638	232,672	2,627,541	4,579,462
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	960,196	960,196
Appropriation of statutory reserve	轉撥法定儲備	-	-	-	96,020	(96,020)	-
Dividends approved in respect of the previous year	批准過往年度股息	439,984	-	-	-	(571,977)	(131,993)
Dividends approved in respect of the current year	批准本年度股息	-	-	-	-	(87,997)	(87,997)
Purchase of own shares	回購股份	-	(136,917)	-	-	-	(136,917)
Cancellation of treasury shares	註銷庫存股份	(8,836)	279,126	(270,290)	-	-	-
Balance at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日的結餘	879,968	-	1,142,348	328,692	2,831,743	5,182,751
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(432,351)	(432,351)
Assets obtained from controlling shareholder	自控股股東獲得的資產	-	-	1,504,827	-	-	1,504,827
Balance at 31 December 2021	於二零二一年十二月三十一日結餘	879,968	-	2,647,175	328,692	2,399,392	6,255,227

26 資本、儲備及股息

(a) 本公司之權益部份變動

本集團綜合權益各部份之年初及年終結餘之間的對賬載於綜合權益變動表內。有關年初至年終期間本公司個別權益部份之變動詳情載列如下：

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財務報表附註

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(除另有指明外，均以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (continued)

26 資本、儲備及股息(續)

(b) Dividends

(b) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 年度應付本公司權益股東的股息

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
No interim and final dividend declared and paid (2020: Interim dividend RMB0.10 per ordinary share)	不宣派及派付中期及末期股息(二零二零年：中期股息每股普通股人民幣0.10元)	-	87,997

Pursuant to the resolution passed at the directors' meeting of the Company on 21 March 2022, no final dividend for the year ended 31 December 2021 (2020: Nil) were proposed for the Company's shareholders for approval at the annual general meeting for the year 2021.

根據本公司於二零二二年三月二十一日舉行的董事會會議通過的決議案，建議不就截至二零二一年十二月三十一日止年度派付末期股息(二零二零年：無)，以供本公司股東在二零二一年股東週年大會上批准。

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24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Dividends (continued)

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

No final dividends in respect of the previous financial year, approved and paid during the year (2020: RMB0.30 per ordinary share and one bonus share per every one existing share held by the shareholder of the Company) 於年內不批准及支付上個財政年度末期股息 (二零二零年：每股普通股人民幣0.30元及每持有一股現有股份的本公司股東的一股紅股)

26 資本、儲備及股息 (續)

(b) 股息 (續)

(ii) 於年內批准及支付上個財政年度應付本公司權益股東的股息

2021	2020
二零二一年	二零二零年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	571,977
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (continued)

26 資本、儲備及股息(續)

(c) Share capital

(c) 股本

(i) Ordinary shares, issued and fully paid

(i) 已發行及繳足普通股

		2021		2020	
		二零二一年		二零二零年	
		Number of shares	RMB'000	Number of shares	RMB'000
		股份數目	人民幣千元	股份數目	人民幣千元
At 1 January	於一月一日	879,967,700	879,968	448,820,050	448,820
Bonus issue	紅股發行	-	-	439,983,850	439,984
Cancellation of treasury shares	註銷庫存股份	-	-	(8,836,200)	(8,836)
As at 31 December	於十二月三十一日	879,967,700	879,968	879,967,700	879,968

(ii) Bonus issue

(ii) 紅股發行

On 16 June 2020, the Company made a bonus issue on the basis of one bonus share for each existing shares held by shareholders. A total of 439,983,850 ordinary shares were issued pursuant to the bonus issue. No bonus shares were issued during the year ended 31 December 2021.

於二零二零年六月十六日，本公司向每位持有現有股份的股東以基值為一股紅股派發紅股。根據紅股發行，已發行共439,983,850股普通股。截至二零二一年十二月三十一日止年度，概無發行紅股。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Share capital (continued)

(iii) Purchase of own shares

In 2020, the Company repurchased 4,908,800 H shares in total, representing 1.1% of the total shares of the Company for an aggregate price of HK\$148,123,000 (equivalent approximately to RMB134,031,000) and with transaction expenses of RMB2,886,000. During the year ended 31 December 2020, the Company has cancelled those 8,836,200 shares repurchased.

For the year ended 31 December 2021, the Company did not repurchase any shares.

26 資本、儲備及股息(續)

(c) 股本(續)

(iii) 回購股份

於二零二零年，本公司以總價格148,123,000港元（相當於約人民幣134,031,000元）及交易開支人民幣2,886,000元購回合共4,908,800股H股，相當於本公司股份總數的1.1%。截至二零二零年十二月三十一日止年度，本公司已註銷購回的該等8,836,200股股份。

截至二零二一年十二月三十一日止年度，本公司並未購回任何股份。

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26 CAPITAL, RESERVES AND DIVIDENDS (continued)

26 資本、儲備及股息(續)

(d) Equity settled share-based transactions

No share options were granted nor exercised during 2021 and 2020.

(d) 以權益結算的股份支付交易

於二零二一年及二零二零年，概無授出或行使任何購股權。

(e) Reserves

(e) 儲備

(i) Capital reserve

The Company's capital reserve mainly represented premium arising from capital injection from equity owners after the deduction of treasury shares cancellation (see Note 26(c)(iii)) and the grant date fair value of unexercised share options granted to NCI of a subsidiary of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments.

(i) 資本儲備

本公司資本儲備主要是指扣減庫存股份註銷後產生自權益持有人注資的溢價(見附註26(c)(iii))及授予本集團附屬公司非控股權益的未行使購股權於授出日期的公允價值(已根據就股份支付所採納的會計政策予以確認)。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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26 CAPITAL, RESERVES AND DIVIDENDS (continued)

(e) Reserves (continued)

(ii) Statutory reserve

According to the Company's Articles of Association, the Company is required to appropriate at least 10% of its net profit as determined in accordance with the Company Law of the PRC to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The appropriation to this reserve must be made before distribution of a dividend to equity owners. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiaries, provided that the balance after such issue is not less than 25% of its registered capital.

(f) Distributability of reserves

At 31 December 2021, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Company Law of the PRC, was RMB2,399,392,000 (2020: RMB2,831,743,000).

26 資本、儲備及股息(續)

(e) 儲備(續)

(ii) 法定儲備

根據本公司的公司章程，本公司須根據《中國公司法》把至少10%的淨利潤轉入法定盈餘儲備，直至儲備結餘達到註冊股本的50%。轉入該儲備必須在給權益持有人分配股息之前進行。經相關當局批准後，倘有關發行後結餘低於其註冊股本之25%，法定儲備可用於抵銷累計虧損或增加附屬公司之資本。

(f) 可分派儲備

於二零二一年十二月三十一日，可分派儲備可用於向本公司權益股東分派的總額(按《中國公司法》規定計算)為人民幣2,399,392,000元(二零二零年：人民幣2,831,743,000元)。

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26 CAPITAL, RESERVES AND DIVIDENDS (continued)

26 資本、儲備及股息(續)

(g) Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of bank loans and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing borrowings and bank loans) plus unaccrued proposed dividends, less cash and cash equivalents and restricted cash. Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

During 2021, the Group's strategy was to maintain the capital in order to continue its operations, cover its planned and/or committed capital expenditure and cover its debt position.

(g) 資本管理

本集團管理資本的主要目的是維護其持續經營的能力，從而使其能夠透過按風險水平為產品定價，以及憑藉以合理成本取得融資，繼續為股東提供回報，並為其他利益相關者提供利益。

本集團積極及定期評審及管理其資本結構，以在盡量提高股東回報及借貸水平上升之間，以及在穩健的資本狀況的優勢與安全性之間維持平衡，此外亦會就經濟情況改變而調整其資本結構。

本集團以經調整淨債務與資本比率監管其資本架構。就此而言，經調整淨債務乃界定為總債務(包括計息借貸及銀行貸款)另加未累算建議股息減現金及現金等值項目以及受限制現金。經調整資本包括權益的所有組成部份減未累算建議股息。

於二零二一年，本集團的策略為保持資本，以繼續經營業務，支付其計劃及／或承諾資本支出，並涵蓋其債務狀況。

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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26 CAPITAL, RESERVES AND DIVIDENDS (continued)

(g) Capital management (continued)

The Group's adjusted net debt-to-equity ratios at 31 December 2021 and 2020 are as follows:

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Bank loans — current	銀行貸款 — 即期	22	48,477	345,987
Bank loans — non-current	銀行貸款 — 非即期	22	544,900	189,853
Interest-bearing borrowings	計息借貸	23	2,600,125	2,474,817
Total debt	總債務		3,193,502	3,010,657
Less: Restricted cash	減：受限制現金		(91,992)	(221,191)
Less: Cash and cash equivalents	減：現金及現金等值項目	19	(1,131,121)	(2,044,967)
Adjusted net debt	經調整債務淨額		1,970,389	744,499
Total equity	總權益		6,020,762	5,103,659
Adjusted Capital	經調整資本		6,020,762	5,103,659
Adjusted net debt-to-equity ratio	經調整淨債務對權益比率		33%	15%

Beside the covenants of bank loan disclosed in Note 22 (iii) and the annual capital expenditure agreed with convertible bondholders mentioned in Note 23(ii), neither the Company nor its subsidiary are subject to externally imposed capital requirements.

除附註22(iii)所披露的銀行貸款契據及附註23(ii)所述與可轉換債券持有人協定的年度資本支出外，本公司及其任何附屬公司概無受限於外部施加的資本要求。

26 資本、儲備及股息(續)

(g) 資本管理(續)

本集團於二零二一年及二零二零年十二月三十一日之經調整淨債務對權益比率如下：



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(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group maintains a defined credit policy and the exposures to these credit risks are monitored on an ongoing basis. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

27 財務風險管理及公允價值

本集團於日常業務過程中會面對信貸、流動資金、利率及貨幣風險。本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

(a) 信貸風險

信貸風險是指對手方不履行合約義務而導致本集團產生財務損失的風險。本集團的信貸風險主要來自於貿易及其他應收款項。本集團設有明確的信貸政策，並持續監察該等信貸風險。因對手方為本集團認為信貸風險較低的銀行及金融機構，故本集團現金及現金等價物產生的信貸風險有限。管理層已制定信貸政策，並會持續監察該等信貸風險。

本集團面對的信貸風險主要受到每名客戶的個別特性所影響多於客戶營運所在行業或國家，因此重大信貸集中風險主要於本集團面臨個別客戶重大風險時產生。

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24 財務報表附註

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(a) Credit risk (continued)

The Group has a concentration of credit risk of the total trade receivables due from the Group's largest debtor and the five largest debtors as follows:

		2021 二零二一年	2020 二零二零年
Due from	應收		
— largest trade debtor	— 最大債務人	8%	9%
— five largest trade debtors	— 五大債務人	40%	32%

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Credit limit is established for each distributor which represents the maximum open amount or credit term without requiring approval from the Board of Directors. The Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis. The Group usually granted credit term to distributors which was generally due within 30-90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade debtors and bills receivable and other debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

27 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

本集團的信貸風險集中，應收本集團最大債務人及五大債務人的貿易應收款項總額如下：

		2021 二零二一年	2020 二零二零年
Due from	應收		
— largest trade debtor	— 最大債務人	8%	9%
— five largest trade debtors	— 五大債務人	40%	32%

就貿易及其他應收款項而言，本集團會對所有要求授予一定金額信貸的客戶進行個別信貸評估。該等評估著重客戶過去到期還款紀錄以及目前的還款能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定情況。各分銷商所獲設定信貸限額為毋須經董事會批准的最低未償還金額或信貸條款。本集團會追討客戶結清到期餘額，並持續監察結算進度。本集團通常向分銷商授出之信貸條款一般為自發出賬單日期起計30至90日內到期。一般而言，本集團不會要求客戶提供抵押品。

本集團按相等於整個有效期的預期信貸虧損的金額計量貿易應收賬款及應收票據及其他應收賬款的虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團過往的信貸虧損經驗並未就不同客戶分部指出重大不同虧損模式，基於過往逾期狀態的虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(a) Credit risk (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

27 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

本集團貿易應收款項的信貸風險敞口及預期信貸虧損的相關資料如下表所示：

		2021 二零二一年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Within 6 months	6 個月內	0.5%	411,020	2,055
More than 6 months but within 1 year	超過 6 個月但 1 年內	11%	17,590	1,935
More than 1 year but within 2 years	超過 1 年但 2 年內	45%	10,758	4,841
More than 2 years but within 3 years	超過 2 年但 3 年內	100%	1,515	1,515
More than 3 years	超過 3 年	100%	4,751	4,751
			445,634	15,097

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(a) Credit risk (continued)

		2020 二零二零年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Within 6 months	6個月內	0.5%	206,878	1,035
More than 6 months but within 1 year	超過6個月但1年內	11%	48,287	5,233
More than 1 year but within 2 years	超過1年但2年內	45%	2,117	953
More than 2 years but within 3 years	超過2年但3年內	100%	575	575
More than 3 years	超過3年	100%	4,769	4,769
			262,626	12,565

27 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

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(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(a) Credit risk (continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January	於一月一日的結餘	12,565	12,114
Impairment loss recognised during the year	年內確認減值虧損	3,059	720
Amount written off during the year	年內撇銷金額	(527)	(269)
Balance at 31 December	於十二月三十一日的結餘	15,097	12,565

(b) Liquidity risk

The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the bank loans exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

27 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

年內貿易應收款項虧損撥備賬的變動如下：

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Balance at 1 January	12,565	12,114
Impairment loss recognised during the year	3,059	720
Amount written off during the year	(527)	(269)
Balance at 31 December	15,097	12,565

(b) 流動資金風險

本公司及各附屬公司負責自身的現金管理工作，包括現金盈餘的短期投資和籌借貸款以應付預計現金需求（如果銀行貸款額超過某些預設授權上限，便需獲得本公司董事會的批准）。本集團的政策是定期監控流動資金需求，以及是否符合借款契諾的規定，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of each report periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed at contracted rates, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to:

27 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

下表呈列本集團之金融負債於各報告期末餘下之合約到期日，乃基於合約未折現現金流（包括按合約利率計算之利息付款，或倘為浮動利率，則按於報告期末當時的利率計算）以及本集團被要求之最早日期：

		2021 二零二一年					
		Contractual undiscounted cash outflow 合約未折現現金流出					
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount	
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
		1年內或 按要求	超過1年 但2年內	超過2年 但5年內	超過5年	總計	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank loans	銀行貸款	78,317	100,157	526,663	-	705,137	593,377
Trade and other payables	貿易及其他應付款項	911,680	-	-	-	911,680	911,680
Interest-bearing borrowings	計息借貸	-	3,371,142	-	-	3,371,142	2,600,125
Total	總計	989,997	3,471,299	526,663	-	4,987,959	4,105,182

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

27 財務風險管理及公允價值 (續)

(b) Liquidity risk (continued)

(b) 流動資金風險 (續)

2020

二零二零年

		Contractual undiscounted cash outflow					
		合約未折現現金流出					
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
		1年內或按 要求	超過1年 但2年內	超過2年 但5年內	超過5年	總計	賬面 值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank loans	銀行貸款	356,413	23,571	96,309	107,761	584,054	535,840
Trade and other payables	貿易及其他應付款項	1,259,440	-	-	-	1,259,440	1,259,440
Interest-bearing borrowings	計息借貸	3,103,758	-	-	-	3,103,758	2,474,817
Total	總計	4,719,611	23,571	96,309	107,761	4,947,252	4,270,097

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans. Bank loans that are at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profiles as monitored by management is set out in (i) below.

(c) 利率風險

利率風險為一項金融工具的公允價值或未來現金流量將因市場利率改變而波動所帶來的風險。本集團之利率風險主要源自銀行貸款。浮息及固定利率銀行貸款使本集團分別面對現金流量利率風險及公允價值利率風險。下文(i)中載列經由管理層監察之本集團利率狀況。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

		2021 二零二一年		2020 二零二零年	
		Effective interest rate 實際利率	Amount 金額 RMB'000 人民幣千元	Effective interest rate 實際利率	Amount 金額 RMB'000 人民幣千元
Fixed rate instruments:	固定利率工具：				
Interest-bearing borrowings	計息借貸	3.00%	2,600,125	3.00%	2,474,817
Bank loans	銀行貸款	-	-	2.25%	150,000
Floating rate instrument:	浮息工具：				
Bank loans	銀行貸款	LPR+ 10bp ~ 74bp 貸款基礎利率 加10個基點 至74個基點	586,918	LPR+ 10bp ~ 74bp 貸款基礎利率 加10個基點 至74個基點	193,053
Total interest-bearing loans and borrowings	計息貸款及借貸總額		3,187,043		2,817,870
Net fixed rate instruments as a percentage of total instruments	固定利率工具淨額估工具總額的百分比		81.58%		93.15%

27 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(i) 利率狀況

下表詳述於報告期末本集團銀行貸款之利率狀況：

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2021, it is estimated that a general increase/decrease of 25 basis points in bank loans interest rates, with all other variables held constant, would have increase/decrease the Group's loss after tax and retained profits by approximately RMB1,122,000 (2020: decrease/increase the profit of RMB362,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the impact on the Group's profit for the year and retained profits that would arise assuming that there is an annualised impact on interest expense by a change in interest rates. The analysis has been performed on the same basis as 2020.

(d) Currency risk

The Group is exposed to currency risk primarily through shares issued upon initial public offering which give rise to cash balances and time deposits, and sales and purchase which give rise to receivables and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, Euros and United States dollars.

27 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零二一年十二月三十一日，在所有其他變量保持不變的情況下，估計銀行貸款利率整體上升／下降25個基點，將導致本集團的除稅後虧損及保留溢利分別增加／減少約人民幣1,122,000元（二零二零年：溢利減少／增加人民幣362,000元）。其他權益部份將不會受利率變動所影響。

上述敏感度分析中本集團年度溢利及保留溢利的影響是假設利率變動會對利息開支構成年度化影響而產生。以上分析按與二零二零年同樣基準進行。

(d) 貨幣風險

本集團主要因首次公開發售時發行股份產生的現金結餘及以外幣（即與交易有關的業務所涉及的非功能貨幣）計值的定期存款及買賣產生的應收及應付款項而承受貨幣風險。引致此項風險的貨幣主要為港元、歐元及美元。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

Exposure to foreign currencies (expressed in RMB)

		2021 二零二一年			2020 二零二零年		
		United States Dollars	Euros	Hong Kong Dollars	United States Dollars	Euros	Hong Kong Dollars
		美元	歐元	港元	美元	歐元	港元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other receivables	貿易及其他應收款項	761	-	-	-	-	-
Cash and cash equivalents	現金及現金等值項目	445	1,119	4,389	504	-	10,831
Trade and other payables	貿易及其他應付款項	-	-	-	(3,143)	(25,158)	-
Non-current interest-bearing borrowings	非即期計息借貸	(2,600,125)	-	-	(2,474,817)	-	-
Net exposure arising from recognised assets and liabilities	確認資產及負債的風險淨額	(2,598,919)	1,119	4,389	(2,477,456)	(25,158)	10,831

27 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(i) 面臨貨幣風險

下表詳述本集團於報告期末所面臨產生自確認以有關實體功能貨幣以外的貨幣計值的資產或負債的貨幣風險。就呈列而言，風險金額以人民幣列示，按年結日現貨匯率換算。

面臨外幣風險 (以人民幣列示)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

At 31 December 2021, it is estimated that a general appreciation/depreciation of 5% in RMB, with all other variables held constant, would have increased/decreased the Group's net profit for the year and retained profits as below.

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
United States Dollars	美元	110,454	105,292
Euros	歐元	(48)	943
Hong Kong Dollars	港元	(187)	(460)

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure the financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statement of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2020.

27 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

於二零二一年十二月三十一日，在所有其他變量保持不變的情況下，估計人民幣整體升值/貶值5%，將導致本集團的年內淨利潤及保留溢利分別增加/減少如下。

上述敏感度分析假設匯率變動已用於重新計量於報告期末令本集團面臨外幣風險的本集團持有的金融工具。該分析不包括將海外業務財務報表換算為本集團呈列貨幣產生的差額。以上分析按與二零二零年同樣基準進行。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement

(i) Financial instruments and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

27 財務風險管理及公允價值 (續)

(e) 公允價值計量

(i) 按公允價值計量的金融工具及負債

公允價值層級

下表列示於報告期末按經常性基準計量的本集團金融工具的公允價值，分類為國際財務報告準則第13號公允價值計量所界定的三級公允價值層級。公允價值計量的分類水平乃參考估值技術所用輸入數據的可觀察性及重要性釐定如下：

- 第1級估值：僅使用第1級輸入數據計量的公允價值，即在計量日期相同資產或負債的活躍市場中未經調整的報價。
- 第2級估值：使用第2級輸入數據計量的公允價值，即未能達到第1級的可觀察輸入數據，且未使用重大不可觀察輸入數據。不可觀察的輸入數據是無法獲得市場數據的輸入數據。
- 第3級估值：使用重大不可觀察輸入數據計量的公允價值。

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(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement (continued)

(i) Financial instruments and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

27 財務風險管理及公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融工具及負債 (續)

公允價值層級 (續)

Fair value measurements as at
31 December 2021 categorised into
於二零二一年十二月三十一日的
公允價值計量分類為

		Fair value at 31 December 2021	Level 1	Level 2	Level 3
		於二零二一年 十二月三十一日 之公允價值	第1級	第2級	第3級
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Recurring fair value measurements	經常性公允價值計量				
Financial assets measured at fair value through profit or loss (FVPL)	按公允價值計入損益的金融資產	1,789,621	-	-	1,789,621
Convertible bonds	可轉換債券				
— Derivative component (Note 23(iii))	— 衍生工具部分 (附註23(iii))				
Unlisted equity securities	非上市股本證券	235,759	-	235,759	-

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

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(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement (continued)

(i) Financial instruments and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Recurring fair value measurements 經常性公允價值計量

Convertible bonds 可轉換債券

— Derivative component — 衍生工具部分
(Note 23(iii)) (附註23(iii))

Fair value at
31 December
2020
於二零二零年
十二月三十一日
之公允價值
RMB'000
人民幣千元

Level 1	Level 2	Level 3
第1級	第2級	第3級
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元

221,598

-

221,598

-

27 財務風險管理及公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融工具及負債 (續)

公允價值層級 (續)

Fair value measurements as at
31 December 2020 categorised into
於二零二零年十二月三十一日的
公允價值計量分類為

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement (continued)

(i) Financial instruments and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

- (i) The fair value of the convertible bonds is determined using the Binomial Model and Monte Carlo Simulation Model. One of the key assumptions adopted in the valuation model is that the bondholders hold the convertible bonds to mature for conversion.

During the years ended 31 December 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of derivative component embedded in convertible bonds in Level 2 is the estimated amount that the Group would pay to terminate the option at the end of the reporting period, taking into account the underlying share price and the potential shares outstanding to be converted.

27 財務風險管理及公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融工具及負債 (續)

公允價值層級 (續)

- (i) 可轉換債券之公允價值乃使用二項式模式及蒙特卡羅模擬模式釐定。估值模型採用的其中一項主要假設是債券持有人持有可轉換債券，以於到期時轉換。

截至二零二一年十二月三十一日止年度，第1級與第2級之間並無轉移，或轉入或轉出第3級。

第2級公允價值計量中使用的估值技術和輸入數據

經計及相關股價及潛在尚未轉換股份後，第2級可轉換債券所嵌入之衍生工具部分的公允價值為本集團在報告期末需支付以終止期權的估計金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement (continued)

(i) Financial instruments and liabilities measured at fair value (continued)

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
	估值技術	重大不可觀察輸入數據	範圍
Unlisted equity instruments	Asset-based approach, Discounted cash flows was adopted for valuation the major assets IPR&D	Probability of success of IPR&D	4.79%–95%
非上市股本工具	資產基礎法，主要資產進行中研發項目的估值採用折現現金流量	進行中研發項目成功概率	
		Discounted rate	14.41%–23.37%
		折現率	

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

有關第3級公允價值計量的資料

該等第3級公允價值計量結餘的期內變動如下：

		2021
		二零二一年
		RMB'000
		人民幣千元
Unlisted equity securities:	非上市股本證券：	
At 1 January	於一月一日	–
Obtained from the controlling shareholder	自控股股東獲得	1,770,384
Changes in fair value recognised in profit or loss during the period	期內於損益確認的公允價值變動	19,237
At 31 December	於十二月三十一日	1,789,621

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(除另有指明外，均以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Fair value measurement (continued)

(i) Financial instruments and liabilities measured at fair value (continued)

The gains arising from the remeasurement of the conversion option embedded in the convertible bonds and unlisted equity securities are presented in the "Other income and losses" line item in the consolidated statement of profit or loss.

(ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2021 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

27 財務風險管理及公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融工具及負債 (續)

重新計量嵌入可轉換債券的轉換權及非上市股本證券所產生的收益於綜合損益表「其他收入及虧損」項目中呈列。

(ii) 以公允價值以外方式列賬的其他金融資產及負債公允價值

本集團按成本或攤銷成本列賬的金融工具賬面值與其於二零二一年十二月三十一日的公允價值並無重大差異，惟以下金融工具除外，該等金融工具的賬面值及公允價值披露如下：

		At 31 December 2021		At 31 December 2020	
		於二零二一年十二月三十一日		於二零二零年十二月三十一日	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公允價值	賬面值	公允價值
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds	可轉換債券				
— Liability component	— 負債部分	2,364,366	1,965,898	2,253,219	2,286,438

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24 財務報表附註

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28 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2021 not provided for in the consolidated financial statements were as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約		
Acquisition of fixed assets	購買固定資產	405,686	292,827
Acquisition of intangible assets	購買無形資產	1,715,378	1,908,817
		2,121,064	2,201,644

29 MATERIAL RELATED PARTY TRANSACTIONS

During 2021 and 2020, the directors are of the view that related parties of the Group include the following:

Name of related parties

關聯方名稱

Relationship with the Group

與本集團的關係

HEC Pharm Co., Ltd.* (“HEC Pharm”)	effectively owned by the ultimate controlling shareholder
宜昌東陽光藥業股份有限公司(「東陽光藥業」)	由最終控股股東實益擁有
Sunshine Lake Pharma 廣東東陽光藥業	the immediate parent of the Group 本集團的直接母公司
Shaoguan HEC Packaging and Printing Co., Ltd. (“Shaoguan HEC Printing”)	effectively owned by the ultimate controlling shareholder
韶關東陽光包裝印刷有限公司(「韶關東陽光印刷」)	由最終控股股東實益擁有

28 資本承擔

於二零二一年十二月三十一日，在綜合財務報表中未撥備的未履行資本承擔如下：

29 重大關聯方交易

於二零二一年及二零二零年，董事認為本集團的關聯方包括以下各方：

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財務報表附註

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29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

29 重大關聯方交易(續)

Name of related parties	Relationship with the Group
關聯方名稱	與本集團的關係
Yichang HEC Power Plant Co., Ltd. (“HEC Power Plant”) 宜昌東陽光火力發電有限公司(「東陽光火力發電」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yidu Shanchengshuidu Project Construction Co., Ltd. (“Yidu Construction”) 宜都山城水都建築工程有限公司(「宜都建築」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Ruyuan HEC Pharmaceutical Co., Ltd. (“Ruyuan HEC Pharmaceutical”) 乳源東陽光藥業有限公司(「乳源東陽光藥業」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yidu Changjiang Machinery Equipment Co., Ltd. (“Yidu Machinery”) 宜都長江機械設備有限公司(「宜都長江機械設備」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Shenzhen HEC Industrial 深圳市東陽光實業	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
HEC Medicine Retail Chain Co., Ltd. (“HEC Medicine Retail”) 東陽光藥零售連鎖有限公司(「東陽光藥零售」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有

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29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

29 重大關聯方交易(續)

Name of related parties 關聯方名稱	Relationship with the Group 與本集團的關係
Yichang HEC Biochemical Manufacturing Co., Ltd. [#] ("HEC Biochemistry Manufacturing") 宜昌東陽光生化製藥有限公司(「東陽光生化製藥」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Dongguan HEC Drug Development Co., Ltd. ("Dongguan HEC Drug Development") 東莞東陽光藥物研發有限公司 (「東莞東陽光藥物研發」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yichang HEC Drug Development Co., Ltd. ("Yichang HEC Drug Development") 宜昌東陽光藥物研發有限公司 (「宜昌東陽光藥物研發」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Ruyuan Dongyangguang Intelligent Technology Co., Ltd. ("Ruyuan HEC Intelligent Technology") 乳源東陽光智能科技有限公司 (「乳源東陽光智能科技」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yichang Shancheng Shuidu Restaurant Co.,Ltd. ("Yichang Shancheng Shuidu Restaurant") 宜昌山城水都大飯店有限公司 (「宜昌山城水都大飯店」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有

* The English translation of the above companies' names is for reference only. The official names of these companies are in Chinese.

* 上述公司名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

[#] HEC Pharm have transferred its all business with the Group to HEC Biochemistry Manufacturing since November 2020.

[#] 自二零二零年十一月起，宜昌東陽光已將所有與本集團的業務轉移至東陽光生化製藥。

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29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with related parties

During the year ended 31 December 2021, the Group entered into the following material related party transactions:

29 重大關聯方交易(續)

(a) 與關連方之交易

截至二零二一年十二月三十一日止年度，本集團訂立以下重大關連方交易：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(i) Purchase of goods from:	(i) 自以下各方購買貨品：		
— HEC Biochemistry Manufacturing	— 東陽光生化製藥	27,761	2,896
— HEC Pharm	— 宜昌東陽光	-	20,295
— HEC Power Plant	— 東陽光火力發電	30,055	13,451
— Shaoguan HEC Printing	— 韶關東陽光印刷	6,734	18,923
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	4,830	124
— Ruyuan HEC Intelligent Technology	— 乳源東陽光智能科技	326	-
— Others	— 其他	130	403
		69,836	56,092

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24 財務報表附註

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29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with related parties (continued)

29 重大關聯方交易(續)

(a) 與關連方之交易(續)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
(ii) Accept services from:	(ii) 接受以下各方服務：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	42,236	81,149
— Yidu Construction	— 宜都建築	38,221	89,660
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	10,393	—
— HEC Biochemistry Manufacturing	— 東陽光生化製藥	3,186	796
— HEC Pharm	— 宜昌東陽光	—	3,982
— Yichang Shancheng Shuidu Restaurant	— 宜昌山城水都大飯店	494	50
— Others	— 其他	154	—
		94,684	175,637
(iii) Lease assets from:	(iii) 向以下各方租賃資產：		
— Dongguan HEC Drug Development	— 東莞東陽光藥物研發	2,226	2,226
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	—	7,500
— Others	— 其他	845	814
		3,071	10,540
(iv) Payments past through:	(iv) 通過以下各方付款：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	34,863	18,750
— Shenzhen HEC Industrial	— 深圳市東陽光實業	6,504	117,874
		41,367	136,624

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(除另有指明外，均以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

29 重大關聯方交易(續)

(a) Transactions with related parties (continued)

(a) 與關連方之交易(續)

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(v) Cash collection through:	(v) 通過以下各方收取現金：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	25,605	28,173
(vi) Proceeds arise from Target Products:	(vi) 目標產品產生的所得款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	45,350	19,016
(vii) Sales of goods to:	(vii) 向以下各方銷售貨品：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	10,421	—
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	10,952	—
— HEC Medicine Retail	— 東藥零售	388	4,193
		21,761	4,193
(viii) Purchase of fixed assets from:	(viii) 向以下各方採購固定資產：		
— Yidu Machinery	— 宜都長江機械設備	3,507	16,088
(ix) Refund of rental from:	(ix) 以下各方退還租金：		
— Ruyuan HEC Pharmaceutical	— 乳源東陽光藥業	(7,500)	—
(x) Purchase of intangible assets from:	(x) 向以下各方採購無形資產：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	638,115	1,781,442

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29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with related parties (continued)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
(xi) Guarantee from related party	(xi) 關聯方擔保		
— Shenzhen HEC Industrial	— 深圳市東陽光實業	39,125	48,750
(xii) Unlisted equity securities obtained	(xii) 已取得非上市股本證券		
— Yichang HEC Drug Development	— 宜昌東陽光藥物研發	1,771,419	—

(b) Balances with related parties

(i) Amounts due from related parties

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayment and trade receivable from:	來自以下各方的預付款及貿易應收款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	47,984	444,675

29 重大關聯方交易 (續)

(a) 與關連方之交易 (續)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
(xi) Guarantee from related party	(xi) 關聯方擔保		
— Shenzhen HEC Industrial	— 深圳市東陽光實業	39,125	48,750
(xii) Unlisted equity securities obtained	(xii) 已取得非上市股本證券		
— Yichang HEC Drug Development	— 宜昌東陽光藥物研發	1,771,419	—

(b) 與關聯方的結餘

(i) 應收關聯方款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayment and trade receivable from:	來自以下各方的預付款及貿易應收款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	47,984	444,675

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Balances with related parties (continued)

(ii) Amounts due to related parties

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables and other payables to:	應付以下各方的貿易及其他款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	77,803	4,276
— Yidu Construction	— 宜都建築	5,413	37,108
— Shaoguan HEC Printing	— 韶關東陽光印刷	348	152
— Yidu Machinery	— 宜都長江機械設備	252	-
— HEC Biochemistry Manufacturing	— 東陽光生化製藥	-	963
		83,816	42,499

(iii) Guarantee from related party

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
— Shenzhen HEC Industrial	— 深圳市東陽光實業	87,875	48,750

29 重大關聯方交易 (續)

(b) 與關聯方的結餘 (續)

(ii) 應付關聯方款項

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

Trade payables and other payables to:	應付以下各方的貿易及其他款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	77,803	4,276
— Yidu Construction	— 宜都建築	5,413	37,108
— Shaoguan HEC Printing	— 韶關東陽光印刷	348	152
— Yidu Machinery	— 宜都長江機械設備	252	-
— HEC Biochemistry Manufacturing	— 東陽光生化製藥	-	963
		83,816	42,499

(iii) 關聯方擔保

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

— Shenzhen HEC Industrial	— 深圳市東陽光實業	87,875	48,750
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NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(c) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors' as disclosed in Note 7 and certain of the highest paid employees as disclosed in Note 8, is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other benefits	薪金及其他福利	9,283	6,269
Contribution to defined retirement benefit schemes	定額退休福利計劃供款	211	80
		9,494	6,349

Total remuneration is included in "staff costs" (See Note 5(b)).

(d) Applicability of the Listing Rules relating to connected transactions

The recurring transactions with related parties in respect of Note 29(a) above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Continuing Connected Transactions" of the Directors' Report.

29 重大關聯方交易 (續)

(c) 主要管理人員的報酬

本集團主要管理人員的薪酬(包括付予附註7披露的本公司董事及附註8披露的若干最高薪酬人士的款項)如下:

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries and other benefits	9,283	6,269
Contribution to defined retirement benefit schemes	211	80
	9,494	6,349

薪酬總額計入「員工成本」(見附註5(b))。

(d) 與關連交易有關的上市規則的適用性

上述附註29(a)中的關聯方經常性交易構成上市規則第十四A章定義下之持續關連交易。根據上市規則第十四A章所規定之披露載於董事報告之「持續關連交易」一節。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

30 公司層面之財務狀況表

		2021 二零二一年	2020 二零二零年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets			
Fixed assets			
Property, plant and equipment		1,970,659	1,847,327
Ownership interests in leasehold land held for own use		223,403	208,695
		2,194,062	2,056,022
Intangible assets		1,637,810	1,579,875
Investments in subsidiaries	13	1,435,355	1,252,354
Financial assets measured at fair value through profit or loss (FVPL)		1,789,621	-
Prepayments		25,913	554,063
Deferred tax assets		57,724	40,628
		7,140,485	5,482,942
Current assets			
Inventories		251,716	339,512
Trade and other receivables		1,849,981	1,381,032
Prepayments		6,669	9,581
Restricted cash		76,592	173,675
Cash and cash equivalents		845,470	1,949,180
		3,030,428	3,852,980

NOTES TO THE FINANCIAL STATEMENTS

24 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

30 公司層面之財務狀況表(續)

		2021	2020
		二零二一年	二零二零年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	790,718	1,058,532
Contract liabilities	合約負債	133,110	140,498
Bank loans	銀行貸款	18,467	345,063
Interest-bearing borrowings	計息借貸	-	2,474,817
Deferred income	遞延收益	4,379	4,379
Current taxation	即期稅項	198,507	20,438
		1,145,181	4,043,727
Net current liabilities	流動負債淨額	1,885,247	(190,747)
Total assets less current liabilities	總資產減流動負債	9,025,732	5,292,195
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	76,000	46,250
Deferred income	遞延收益	94,380	63,194
Interest-bearing borrowings	計息借貸	2,600,125	-
		2,770,505	109,444
Net assets	淨資產	6,255,227	5,182,751
Capital and reserves	資本及儲備		
Share capital	股本	26	879,968
Reserves	儲備	5,375,259	4,302,783
Total equity	總權益	6,255,227	5,182,751

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 31 December 2021, the directors consider the immediate parent of the Group to be Sunshine Lake Pharma, which is incorporated in the PRC. The ultimate controlling party of the Group to be Mr. Zhang Yushuai and his mother Mrs. Guo Meilan.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, and a new standard, IFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

31 直接及最終控股股東

於二零二一年十二月三十一日，董事認為本集團的直接母公司為於中國註冊成立的廣東東陽光藥業。而本集團的最終控股方為張寓帥先生及其母親郭梅蘭女士。

32 於截至二零二一年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響

直至此等財務報表刊發當日，國際會計準則理事會已頒佈多項於截至二零二一年十二月三十一日止年度尚未生效且並未於此等財務報表內採納的修訂及一項新準則—國際財務報告準則第17號，保險合約。此等發展包括下列各項可能與本集團有關的準則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

32 於截至二零二一年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響(續)

	Effective for accounting periods beginning on or after
	自以下日期或之後 開始的會計期間生效
Amendments to IFRS 3, <i>Reference to the Conceptual Framework</i> 國際財務報告準則第3號(修訂本)·概念框架之提述	1 January 2022 二零二二年一月一日
Amendments to IAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 國際會計準則第16號(修訂本)·物業、廠房及設備：擬定用途前所得款項	1 January 2022 二零二二年一月一日
Amendments to IAS 37, <i>Onerous Contracts — Cost of Fulfilling a Contract</i> 國際會計準則第37號(修訂本)·虧損合約 — 履行合約的成本	1 January 2022 二零二二年一月一日
Annual Improvements to IFRSs 2018–2020 Cycle 國際財務報告準則二零一八年至二零二零年週期的年度改進	1 January 2022 二零二二年一月一日
Amendments to IAS 1, <i>Classification of liabilities as current or non-current</i> 國際會計準則第1號(修訂本)·負債分類為流動或非流動	1 January 2023 二零二三年一月一日
Amendments to IAS 1 and IFRS Practice Statement 2, <i>Disclosure of accounting policies</i> 國際會計準則第1號及國際財務報告準則實務報告第2號(修訂本)· 會計政策的披露	1 January 2023 二零二三年一月一日

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

32 於截至二零二一年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響(續)

**Effective for
accounting periods
beginning on or after**
自以下日期或之後
開始的會計期間生效

Amendments to IAS 8, <i>Definition of accounting estimates</i> 國際會計準則第8號(修訂本)·會計估計的定義	1 January 2023 二零二三年一月一日
Amendments to IAS 12, <i>Deferred tax related to assets and liabilities arising from a single transaction</i> 國際會計準則第12號(修訂本)·單一交易所產生資產及負債的相關遞延稅項	1 January 2023 二零二三年一月一日

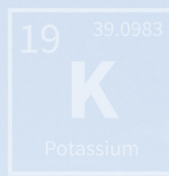
The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正就此等發展於首次應用期間的預期影響進行評估。直至目前為止，結論是採納此等修訂不大可能會對綜合財務報表造成重大影響。

DEFINITIONS

釋義

<p>“AGM”</p> <p>「股東週年大會」</p>	<p>指</p>	<p>the forthcoming annual general meeting for the year 2021 of the Company</p> <p>本公司二零二一年應屆股東週年大會</p>
<p>“Annual Report”</p> <p>「年報」</p>	<p>指</p>	<p>the annual report of the Company for the year 2021</p> <p>本公司二零二一年年報</p>
<p>“Articles of Association”</p> <p>「公司章程」</p>	<p>指</p>	<p>the articles of association of the Company (as amended from time to time)</p> <p>本公司的章程(經不時修訂)</p>
<p>“Blackstone”</p> <p>「黑石」</p>	<p>指</p>	<p>The Blackstone Group L.P. and its related parties</p> <p>The Blackstone Group L.P. 及其關聯方</p>
<p>“Board of Directors” or “Board”</p> <p>「董事會」</p>	<p>指</p>	<p>board of directors of the Company</p> <p>本公司董事會</p>
<p>“Board of Supervisors”</p> <p>「監事會」</p>	<p>指</p>	<p>board of supervisors of the Company</p> <p>本公司監事會</p>
<p>“Chairman”</p> <p>「董事長」</p>	<p>指</p>	<p>chairman of board of directors of the Company</p> <p>本公司董事會董事長</p>
<p>“China” or “PRC”</p> <p>「中國」</p>	<p>指</p>	<p>the People’s Republic of China, but for the purposes of this Annual Report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong</p> <p>中華人民共和國，僅就本年報及地域上而言，除另有指明外，不包括台灣、澳門及香港</p>
<p>“Company”, “the Company”, “Pharm HEC”, “we” or “us”</p> <p>「本公司」或「東陽光藥」或 「我們」</p>	<p>指</p>	<p>YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (宜昌東陽光長江藥業股份有限公司), a company established in the PRC on 11 May 2015 as a joint stock company</p> <p>宜昌東陽光長江藥業股份有限公司，一家於二零一五年五月十一日在中國成立的股份有限公司</p>
<p>“Controlling Shareholder(s)”</p> <p>「控股股東」</p>	<p>指</p>	<p>has the meaning given to it under the Listing Rules</p> <p>具有上市規則所賦予的涵義</p>



DEFINITIONS

釋義

<p>“Director(s)” 「董事」</p>	<p>指</p>	<p>director(s) of the Company 本公司董事</p>
<p>“Domestic Share(s)” 「內資股」</p>	<p>指</p>	<p>issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB 本公司股本中每股面值人民幣 1.00 元的已發行普通股，其以人民幣認購及繳足</p>
<p>“Dongguan Yangzhikang Pharmaceutical” 「東莞市陽之康醫藥」</p>	<p>指</p>	<p>Dongguan Yangzhikang Pharmaceutical Co., Ltd. (東莞市陽之康醫藥有限責任公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of the Company 東莞市陽之康醫藥有限責任公司，在中國註冊成立的公司，並為本公司的直接全資附屬公司</p>
<p>“Global Offering” 「全球發售」</p>	<p>指</p>	<p>the offer of the Company’s H Shares for subscription as described in the prospectus of the Company 誠如本公司招股章程所載本公司 H 股發售以供認購</p>
<p>“Group” 「本集團」</p>	<p>指</p>	<p>the Company and its subsidiaries 本公司及其附屬公司</p>
<p>“Guangdong HEC” 「廣東東陽光」</p>	<p>指</p>	<p>Guangdong HEC Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司), a company incorporated in the PRC on 24 October 1996 and whose shares are listed on the Shanghai Stock Exchange (stock code: 600673) 廣東東陽光科技控股股份有限公司，一家於一九九六年十月二十四日在中國註冊成立及其股份於上海證券交易所上市之公司(股份代號：600673)</p>
<p>“H Shares” 「H 股」</p>	<p>指</p>	<p>ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and is (are) subscribed for and traded in HKD 本公司股本中每股面值人民幣 1.00 元的普通股，其在聯交所上市並以港元認購及買賣</p>

DEFINITIONS

釋義

<p>“HEC Generic Drugs Development and Research”</p> <p>「東陽光生物藥研發」</p>	<p>指</p>	<p>Dongguan HEC Generic Drugs Development and Research Co. Ltd. (東莞市東陽光仿製藥研發有限公司), a company incorporated in the PRC, being a subsidiary of Shenzhen HEC Industrial</p> <p>東莞市東陽光仿製藥研發有限公司，一家在中國註冊成立之公司，為深圳市東陽光實業的附屬公司</p>
<p>“HEC Medicine Development and Research”</p> <p>「東陽光藥物研發」</p>	<p>指</p>	<p>Dongguan HEC Medicine Development and Research Co., Ltd. (東莞東陽光藥物研發有限公司), a company incorporated in the PRC, being a subsidiary of Shenzhen HEC Industrial</p> <p>東莞東陽光藥物研發有限公司，一家在中國註冊成立之公司，為深圳市東陽光實業的附屬公司</p>
<p>“HEC Medicine Retail”</p> <p>「東藥零售」</p>	<p>指</p>	<p>HEC Medicine Retail Chain Co., Ltd. (東陽光藥零售連鎖有限公司), a company incorporated in the PRC and a subsidiary of Shenzhen HEC Industrial</p> <p>東陽光藥零售連鎖有限公司，一家在中國註冊成立的公司，深圳市東陽光實業的附屬公司</p>
<p>“HEC Medicine Retail (Dongguan)”</p> <p>「東藥零售(東莞)」</p>	<p>指</p>	<p>HEC Medicine Retail Chain (Dongguan) Co., Ltd. (東陽光藥零售連鎖(東莞)有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of HEC Medicine Retail</p> <p>東陽光藥零售連鎖(東莞)有限公司，一家在中國註冊成立的公司，為東藥零售的全資附屬公司</p>
<p>“HEC Medicine Retail (Yidu)”</p> <p>「東藥零售(宜都)」</p>	<p>指</p>	<p>HEC Medicine Retail Chain Co., Ltd., Yidu branch (東陽光藥零售連鎖有限公司宜都店), a company incorporated in the PRC and a branch of HEC Medicine Retail</p> <p>東陽光藥零售連鎖有限公司宜都店，一家在中國註冊成立的公司，為東藥零售的分公司</p>
<p>“HEC Pharm”</p> <p>「宜昌東陽光」</p>	<p>指</p>	<p>HEC Pharm Co., Ltd.* (宜昌東陽光藥業股份有限公司), a company incorporated in the PRC on 12 January 2004</p> <p>宜昌東陽光藥業股份有限公司，一家於二零零四年一月十二日在中國註冊成立的公司</p>

Ag
Silver

DEFINITIONS

釋義

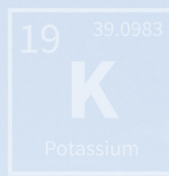
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Helium

“HEC Pharmaceutical”		YiChang HEC Pharmaceutical Co., Ltd. (宜昌東陽光醫藥有限公司), a company incorporated in the PRC and a direct wholly-owned subsidiary of the Company
「宜昌東陽光醫藥」	指	宜昌東陽光醫藥有限公司，一家在中國註冊成立的公司，為本公司直接全資附屬公司
“HK\$” or “HKD”		Hong Kong dollars, the lawful currency for the time being of Hong Kong
「港元」	指	港元，香港現時法定貨幣
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
「香港」	指	中國香港特別行政區
“Hong Kong Stock Exchange” or “Stock Exchange”		The Stock Exchange of Hong Kong Limited
「香港聯交所」或「聯交所」	指	香港聯合交易所有限公司
“IFRSs”		the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
「國際財務報告準則」	指	國際財務報告準則，包括國際會計準則理事會頒佈的準則及詮釋以及國際會計準則委員會頒佈的國際會計準則及詮釋
“Latest Practicable Date”		12 April 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this Annual Report prior to its publication
「最後實際可行日期」	指	二零二二年四月十二日，於本年報刊發前為確定其中所載若干資料的最後實際可行日期
“Listing Date”		29 December 2015, on which the H Shares were listed on the Stock Exchange and from which dealings in the H Shares were permitted to commence on the Stock Exchange
「上市日期」	指	二零一五年十二月二十九日，H股於聯交所上市的日期，並自此日期起，H股獲准於聯交所開始買賣

DEFINITIONS

釋義

<p>“Listing Rules”</p> <p>「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time</p> <p>香港聯合交易所有限公司證券上市規則，經不時修訂</p>
<p>“Model Code”</p> <p>「標準守則」</p>	<p>指</p>	<p>Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules</p> <p>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</p>
<p>“Renminbi” or “RMB”</p> <p>「人民幣」</p>	<p>指</p>	<p>the lawful currency of the PRC</p> <p>中國法定貨幣</p>
<p>“Reporting Period” or “this year”</p> <p>「報告期」或「本年度」</p>	<p>指</p>	<p>the year ended 31 December 2021</p> <p>截至二零二一年十二月三十一日止年度</p>
<p>“Ruyuan HEC Pharmaceutical”</p> <p>「乳源東陽光藥業」</p>	<p>指</p>	<p>Ruyuan HEC Pharmaceutical Co., Ltd. (乳源東陽光藥業有限公司), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of Shenzhen HEC Industrial</p> <p>乳源東陽光藥業有限公司，一家在中國註冊成立的公司，深圳市東陽光實業的間接非全資附屬公司</p>
<p>“SFC”</p> <p>「證監會」</p>	<p>指</p>	<p>the Securities and Futures Commission of Hong Kong</p> <p>香港證券及期貨事務監察委員會</p>
<p>“SFO”</p> <p>「證券及期貨條例」</p>	<p>指</p>	<p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time</p> <p>香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改</p>
<p>“Shareholder(s)”</p> <p>「股東」</p>	<p>指</p>	<p>holder(s) of our Shares, including holders of H shares and holders of domestic shares of the Company</p> <p>股份持有人，包括本公司H股持有人及內資股持有人</p>
<p>“Shares”</p> <p>「股份」</p>	<p>指</p>	<p>shares in the share capital of the Company, with a nominal value of RMB1.00 each</p> <p>本公司股本中每股面值人民幣1.00元的股份</p>



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<p>“Shenzhen HEC Industrial”</p> <p>「深圳市東陽光實業」</p>	<p>指</p>	<p>Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司), a company incorporated in the PRC on 27 January 1997 and a Controlling Shareholder</p> <p>深圳市東陽光實業發展有限公司，一家於一九九七年一月二十七日在中國註冊成立的公司，為一名控股股東</p>
<p>“Sunshine Lake Pharma”</p> <p>「廣東東陽光藥業」</p>	<p>指</p>	<p>Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司), a company incorporated in the PRC on 29 December 2003</p> <p>廣東東陽光藥業有限公司，一家於二零零三年十二月二十九日在中國註冊成立的公司</p>
<p>“Supervisor(s)”</p> <p>「監事」</p>	<p>指</p>	<p>the supervisor(s) of the Company</p> <p>本公司監事</p>
<p>“Yichang HEC Biochemical Manufacturing”</p> <p>「宜昌東陽光生化製藥」</p>	<p>指</p>	<p>Yichang HEC Biochemical Manufacturing Co. Ltd. (宜昌東陽光生化製藥有限公司), a company incorporated in the PRC, being a subsidiary of Shenzhen HEC Industrial</p> <p>宜昌東陽光生化製藥有限公司，一家在中國註冊成立之公司，為深圳市東陽光實業的附屬公司</p>
<p>“YiChang HEC Pharmaceutical Manufacturing”</p> <p>「宜昌東陽光製藥」</p>	<p>指</p>	<p>YiChang HEC Pharmaceutical Manufacturing Co., Ltd. (宜昌東陽光製藥有限公司), a company incorporated in the PRC and a direct wholly-owned subsidiary of the Company</p> <p>宜昌東陽光製藥有限公司，一家在中國註冊成立的公司，為本公司直接全資附屬公司</p>
<p>“Yichang HEC Power Plant”</p> <p>「宜昌東陽光火力發電」</p>	<p>指</p>	<p>Yichang HEC Power Plant Co., Ltd., a company incorporated in the PRC, being a subsidiary of Shenzhen HEC Industrial</p> <p>宜昌東陽光火力發電有限公司，一家在中國註冊成立之公司，為深圳市東陽光實業的附屬公司</p>
<p>“Yidu Construction”</p> <p>「宜都建築」</p>	<p>指</p>	<p>Yidu Shanchengshuidu Project Construction Co., Ltd., a company incorporated in the PRC, a subsidiary of Shenzhen HEC Industrial</p> <p>宜都山城水都建築工程有限公司，一家在中國註冊成立的公司，為深圳市東陽光實業的附屬公司</p>

DEFINITIONS

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“Yidu Guijun”

「宜都桂鈞」

指

Yidu Guijun Pharmaceutical Technology Co., Ltd., a company incorporated in the PRC and owned as to 50% by Mr. CHEN Yanguì and 50% by three independent third parties
宜都桂鈞醫藥科技有限公司，一家在中國註冊成立的公司，且由陳燕桂先生及三名獨立第三方分別擁有 50% 及 50% 的權益

“Yidu HEC Industrial”

「宜都東陽光實業」

指

Yidu HEC Industrial Co., Ltd.* a company incorporated in the PRC, a direct non-wholly owned subsidiary of Shenzhen HEC Industrial
宜都市東陽光實業發展有限公司，一家在中國註冊成立的公司，深圳市東陽光實業的直接非全資附屬公司

“Yidu Machinery”

「宜都長江機械設備」

指

Yidu Changjiang Machinery Equipment Co., Ltd. (宜都長江機械設備有限公司), a company incorporated in the PRC and a subsidiary of Shenzhen HEC Industrial
宜都長江機械設備有限公司，一家在中國註冊成立的公司，深圳市東陽光實業的附屬公司

“%”

「%」

指

per cent.

百分比

CORPORATE INFORMATION

公司資料

REGISTERED NAME

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

DIRECTORS

Executive Directors

Mr. JIANG Juncai
Mr. WANG Danjin
Mr. CHEN Yangui
Mr. LI Shuang

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)
Mr. Eddy HUANG

Independent Non-executive Directors

Mr. TANG Jianxin
Mr. ZHAO Dayao
Ms. XIANG Ling
Mr. LI Xuechen

REMUNERATION AND EVALUATION COMMITTEE

Ms. XIANG Ling (*Chairman*)
Mr. TANG Jianxin
Mr. JIANG Juncai

AUDIT COMMITTEE

Mr. TANG Jianxin (*Chairman*)
Mr. TANG Xinfu
Mr. ZHAO Dayao

註冊名稱

宜昌東陽光長江藥業股份有限公司

董事

執行董事

蔣均才先生
王丹津先生
陳燕桂先生
李爽先生

非執行董事

唐新發先生(董事長)
黃翊先生

獨立非執行董事

唐建新先生
趙大堯先生
向凌女士
李學臣先生

薪酬與考核委員會

向凌女士(主席)
唐建新先生
蔣均才先生

審核委員會

唐建新先生(主席)
唐新發先生
趙大堯先生

CORPORATE INFORMATION

24 公司資料

NOMINATION COMMITTEE

Mr. ZHAO Dayao (Chairman)
Mr. Eddy HUANG
Ms. XIANG Ling

SUPERVISORS

Mr. TANG Jinlong
Mr. LUO Zhonghua
Mr. WANG Shengchao

JOINT COMPANY SECRETARIES

Mr. PENG Qiyun
Ms. NG Wing Shan (FCS, HKFCS)
(resigned on 25 February 2022)
Mr. WONG Wai Chiu (FCS, HKFCS)
(appointed on 25 February 2022)

AUTHORIZED REPRESENTATIVES

Mr. TANG Xinfu
West Fourth Floor, Building 106
Huafa North Road, Futian District, Shenzhen
Guangdong Province, the PRC

Ms. NG Wing Shan
(resigned on 25 February 2022)
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Mr. WONG Wai Chiu
(appointed on 25 February 2022)
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

提名委員會

趙大堯先生(主席)
黃翊先生
向凌女士

監事

唐金龍先生
羅忠華先生
王勝超先生

聯席公司秘書

彭琪雲先生
吳詠珊女士 (FCS, HKFCS)
(於二零二二年二月二十五日辭任)
黃偉超先生 (FCS, HKFCS)
(於二零二二年二月二十五日獲委任)

授權代表

唐新發先生
中國廣東省
深圳市福田区華發北路
106棟四樓西

吳詠珊女士
(於二零二二年二月二十五日辭任)
香港灣仔
皇后大道東248號
大新金融中心40樓

黃偉超先生
(於二零二二年二月二十五日獲委任)
香港灣仔
皇后大道東248號
大新金融中心40樓

REGISTERED OFFICE

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Yidu, Yichang, Hubei Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 38 Binjiang Road
Yidu, Yichang, Hubei Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai, Hong Kong

PRINCIPAL BANKER

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Qingjiang Branch
56 Changjiang Avenue
Yidu, Hubei Province, the PRC

INTERNATIONAL AUDITORS

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance
8/F, Prince's Building, 10 Chater Road
Central, Hong Kong

DOMESTIC AUDITORS

KPMG Huazhen LLP

註冊辦事處

中國湖北省宜昌宜都市
濱江路 38 號

中國主要營業地點

中國湖北省宜昌宜都市
濱江路 38 號

香港主要營業地點

香港灣仔
皇后大道東 248 號大新金融中心 40 樓

主要往來銀行

中國建設銀行股份有限公司
清江支行
中國湖北省宜都市
長江大道 56 號

國際核數師

畢馬威會計師事務所
執業會計師
於《財務匯報局條例》下的註冊公眾利益
實體核數師
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遮打道 10 號太子大廈 8 樓

國內核數師

畢馬威華振會計師事務所(特殊普通合伙)

CORPORATE INFORMATION

公司資料

PRC LEGAL ADVISORS

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Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
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Wanchai, Hong Kong

STOCK CODE

01558

COMPANY'S WEBSITE

www.hec-changjiang.com

LISTING PLACE

The Stock Exchange of Hong Kong Limited

中國法律顧問

嘉源律師事務所
中國
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西城區
復興門內大街158號
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香港法律顧問

嘉源律師事務所
香港
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17樓

H股股份過戶登記處

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

股份代號

01558

本公司網站

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上市地

香港聯合交易所有限公司



东阳光药

