



東瑞製葯(控股)有限公司

DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號：2348 Stock Code：2348

2021

ANNUAL REPORT 年報

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公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)

Mr. HUNG Yung Lai

Mr. CHEN Shaojun (resigned on 16 February 2022)

NON-EXECUTIVE DIRECTOR

Mr. LEUNG Hong Man

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

CHIEF EXECUTIVE OFFICER

Mr. CHEN Shaojun (resigned on 16 February 2022)

Mr. WU Weixian (appointed on 16 February 2022)

AUDIT COMMITTEE

Mr. LO Tung Sing Tony (*Chairman*)

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

REMUNERATION COMMITTEE

Mr. EDE, Ronald Hao Xi (*Chairman*)

Ms. LI Kei Ling

Mr. LO Tung Sing Tony

Ms. LAM Ming Yee Joan

NOMINATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

董事會

執行董事

李其玲女士 (*主席*)

熊融禮先生

陳紹軍先生 (於二零二二年二月十六日辭任)

非執行董事

梁康民先生

獨立非執行董事

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士

總裁

陳紹軍先生 (於二零二二年二月十六日辭任)

吳偉賢先生 (於二零二二年二月十六日被委任)

審核委員會

勞同聲先生 (*主席*)

EDE, Ronald Hao Xi 先生

林明儀女士

薪酬委員會

EDE, Ronald Hao Xi 先生 (*主席*)

李其玲女士

勞同聲先生

林明儀女士

提名委員會

李其玲女士 (*主席*)

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited, Hong Kong
 The Hongkong and Shanghai Banking Corporation Limited, Hong Kong
 Industrial and Commercial Bank of China Suzhou Wuzhong Sub-Branch
 Agricultural Bank of China Suzhou Nanmen Sub-Branch
 Bank of China Suzhou Wuzhong Sub-Branch

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road,
 Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square
 Hutchins Drive
 P.O. Box 2681
 Grand Cayman KY1-1111
 Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive, P.O. Box 2681,
 Grand Cayman KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
 Level 54, Hopewell Centre,
 183 Queen's Road East, Hong Kong

核數師

安永會計師事務所
 執業會計師
 註冊公眾利益實體核數師

主要往來銀行

中國銀行(香港)有限公司·香港
 香港上海滙豐銀行有限公司·香港
 中國工商銀行蘇州市吳中支行
 中國農業銀行蘇州市南門支行
 中國銀行蘇州吳中支行

總辦事處及主要營業地點

香港灣仔軒尼詩道338號
 北海中心30樓3001-02室

註冊辦事處

Cricket Square
 Hutchins Drive
 P.O. Box 2681
 Grand Cayman KY1-1111
 Cayman Islands

主要股份過戶登記處

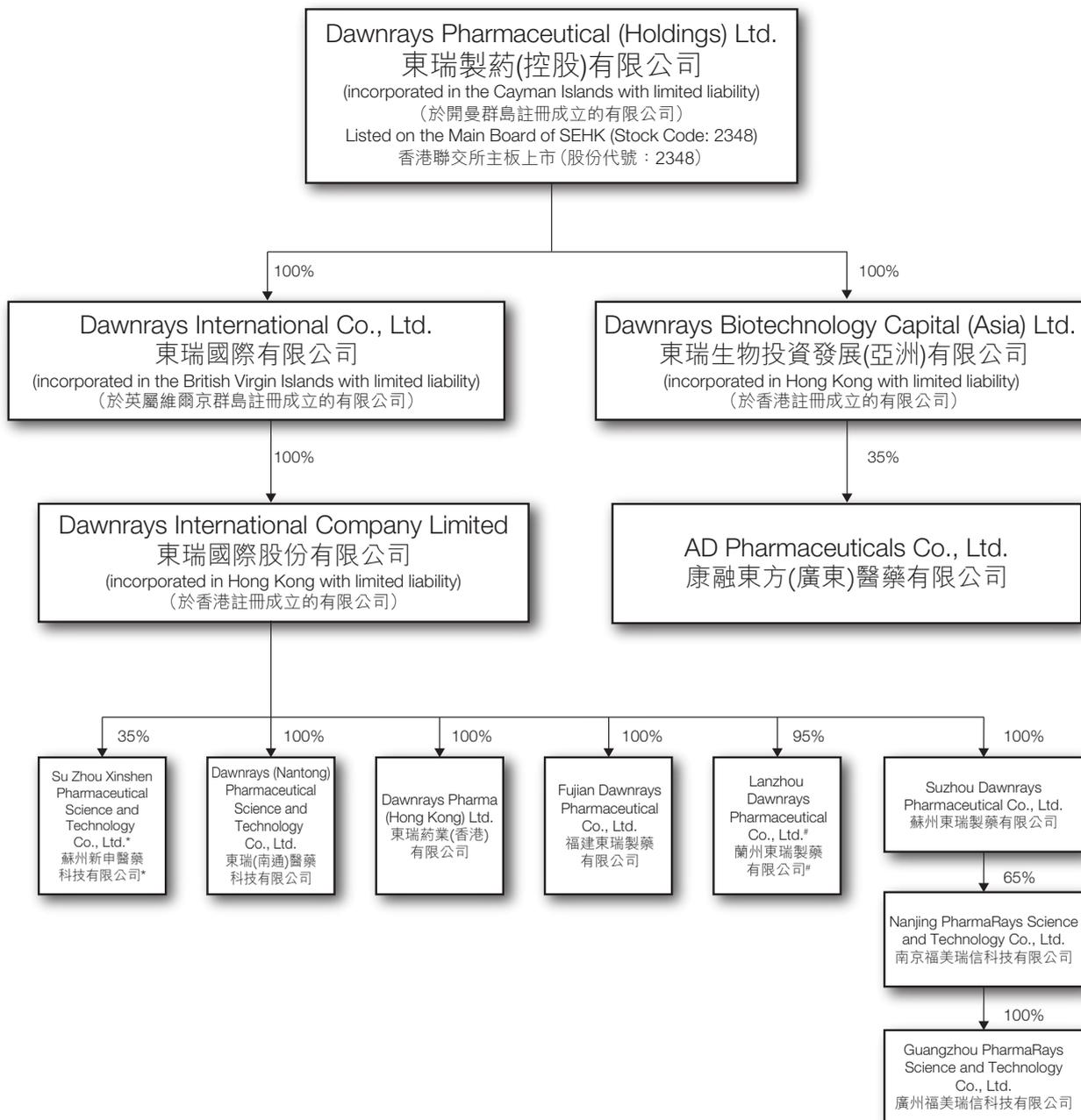
Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive, P.O. Box 2681,
 Grand Cayman KY1-1111, Cayman Islands

香港股份過戶登記分處

卓佳雅柏勤有限公司
 香港皇后大道東183號
 合和中心54樓

本集團架構圖

As at 31 December 2021 於二零二一年十二月三十一日



* The original name was Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. which was a wholly owned subsidiary of the Group. It was renamed as Su Zhou Xinshen Pharmaceutical Science and Technology Co., Ltd. after the Group disposed 65% interest to third party in July 2021.

Dawnrays International Company Limited entered into a joint venture contract in December 2020 with Xiangbei Welman Pharmaceutical Co., Ltd. which will hold 5% shares of Lanzhou Dawnrays Pharmaceutical Co., Ltd. Its first lot of capital was received in March 2021.

* 原名為蘇州東瑞醫葯科技有限公司為本集團全資附屬公司，本集團於二零二一年七月出售65%權益給第三方後更名蘇州新申醫葯科技有限公司。

東瑞國際股份有限公司與湖北威爾曼製葯股份有限公司於二零二零年十二月簽訂合資合同，湖北威爾曼將持有蘭州東瑞製葯有限公司5%股權。其第一筆投資款於二零二一年三月收到。

Dear SHAREHOLDERS,

On behalf of the board (the "Board") of the directors (the "Directors") of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"). I'm pleased to present the results of the Group for the year ended 31 December 2021 (the "reporting period").

GROUP RESULTS

The Group recorded revenue of approximately RMB1,165,155,000 for the year ended 31 December 2021 (2020: RMB1,024,270,000), representing an increase of 13.8% as compared to 2020. Profit attributable to owners of the parent was approximately RMB358,175,000 (2020: RMB268,130,000), representing an increase of 33.6% compared with 2020.

Profit attributable to owners of the parent included the investment gain of RMB99,069,000 on the disposal of 65% equity interest in Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. by the Group; loss of RMB29,561,000 on the disposal of assets by Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.; share of losses from an associate, AD Pharmaceuticals Co., Ltd., RMB46,418,000 (2020: RMB18,771,000). Excluding the above factors, operating profit was RMB335,085,000 (2020: RMB286,901,000), representing an increase of 16.8% as compared with 2020.

The revenue and operating profit increase were mainly due to a significant increase in the sales volume of products of the Group for which bids were won in the national centralized procurement of drugs (collectively referred to as "Centralized Procurement of Drugs"), namely Amlodipine Besylate Tablets (5mg), Atorvastatin Calcium Tablets (10mg), Entecavir Dispersible Tablets (0.5mg), Levocetirizine Dihydrochloride Tablets (5mg) and other specific medicines as compared with 2020.

致各股東：

本人欣然代表東瑞製葯(控股)有限公司(「本公司」)之董事(「董事」)會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度(「報告期間」)之業績報告。

本集團業績

本集團截至二零二一年十二月三十一日止年度錄得收入約人民幣1,165,155,000元(二零二零年：人民幣1,024,270,000元)，較二零二零年上升13.8%。母公司擁有人應佔溢利約人民幣358,175,000元(二零二零年：人民幣268,130,000元)，較二零二零年上升33.6%。

母公司擁有人應佔溢利含本集團出售蘇州東瑞醫藥科技有限公司65%股權的投資收益人民幣99,069,000元；東瑞(南通)醫藥科技有限公司處置資產損失人民幣29,561,000元；投資於聯營公司康融東方(廣東)醫藥有限公司承擔之虧損人民幣46,418,000元(二零二零年：人民幣18,771,000元)。撇除以上因素，經營性溢利為人民幣335,085,000元(二零二零年：人民幣286,901,000元)，較二零二零年上升16.8%。

收入與經營性溢利增加，主要由於本集團在全國藥品集中採購(統稱「藥品集中採購」)分別中標的產品：苯磺酸氨氯地平片5毫克、阿托伐他汀鈣片10毫克、恩替卡韋分散片0.5毫克、鹽酸左西替利嗪片5毫克等專科藥物銷售放量，銷售量較二零二零年上升所致。

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.065 per share for the year ended 31 December 2021 (2020: HK\$0.05), amounting to the total sum of approximately HK\$97,392,000 (2020: HK\$74,813,000) (equivalent to approximately RMB79,355,000 (2020: RMB62,655,000)), to the shareholders whose names appeared in the register of members as of Monday, 6 June 2022 subject to the approval of the shareholders at the forthcoming 2022 Annual General Meeting (the "2022 AGM").

Taking into consideration the interim dividend of HK\$0.015 per share paid on 5 October 2021 together with, the recommended payment of final dividend of HK\$0.065 per share, the total annual dividend distributed for the year will be HK\$0.08 per share. The annual dividend payout ratio will be approximately 27.3%, representing a year-on-year decrease of 3.6 percentage points.

BUSINESS REVIEW

During the reporting period, the pandemic was still raging. Omicron spread all over the world. Imported cases and local cases also occurred sporadically in many parts of China. Whenever a case was found in a region, epidemic prevention control and region-wide testing measures must be implemented. This did not have a significant impact on the production and operation of the Company but still had a certain impact on the construction progress of two indirectly owned subsidiaries, Lanzhou Dawnrays Pharmaceutical Co., Ltd. ("Lanzhou Dawnrays") Project and Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical") Shanfeng Road Project. With efforts for acceleration, the construction of the new factories in both places was nearing completion. The projects were expected to carry out verification and put into operation in 2022.

末期股息

董事會建議派發截至二零二一年十二月三十一日止年度末期股息每股為港幣0.065元(二零二零年：港幣0.05元)，合共約港幣97,392,000元(二零二零年：約港幣74,813,000元)(約相當於人民幣79,355,000元(二零二零年：約人民幣62,655,000元))予於二零二二年六月六日(星期一)已登記在股東名冊上之股東，惟須待股東在即將舉行之二零二二年股東週年大會上(「二零二二年股東週年大會」)批准通過，方可作實。

建議派發每股份港幣0.065元末期股息連同於二零二一年十月五日已派發每股份港幣0.015元中期股息，全年度派發股息將為每股份港幣0.08元。全年派息比例將約27.3%，同比下降3.6%。

業務回顧

報告期間，新冠肺炎疫情仍然肆虐，新一輪的奧密克戎(Omicron)席捲世界各地，中國多地亦偶發性出現輸入病例和本土病例，每當地區發現案例，須執行防疫管控、全區檢測措施，儘管對公司生產及營運影響不大，但對本公司兩間間接持有附屬公司蘭州東瑞製藥有限公司(「蘭州東瑞」)及蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)善豐路工程進度還是有些影響。經各方面全力趕工，兩地新廠區建設工程已接近尾聲。預計二零二二年能進行驗證及投入生產。

During the reporting period, due to the continuous impact of Centralized Procurement of Drugs in respect of which the bids were won in the Centralized Procurement of Drugs, the sales volume of specific medicines of the Group further increased considerably year on year. A bid was won for the An series of Amlodipine Besylate Tablets (“Anneizhen (安內真)”) of Suzhou Dawnrays Pharmaceutical, leading to the significant year-on-year increase in the sales volume. In addition, there was a year-on-year increase in the sales volume of the same series of Losartan Potassium and Hydrochlorothiazide Tablets (“Anneixi (安內喜)”). The sales volume of Entecavir Dispersible Tablets also increased. The sales volume of Atorvastatin Calcium Tablets of Fujian Dawnrays rose as compared with the previous year.

In addition to the government's continuous strict control over the clinical use of antibiotics, there was a year-on-year decrease in domestic and export sales of cephalosporin intermediates, bulk medicines, powder for injection and oral preparations of the Group during the reporting period due to the flare-ups of COVID-19 in the world.

During the reporting period, Phase III and Phase I clinical work was carried out respectively for clinical trials for Class I new drug registration of monoclonal antibody agent ebronucimab (PCSK9 monoclonal antibody) (AK102) (proposed to be used for lowering cholesterol levels) and AK109 (proposed to be used for treating gastric cancer, lung cancer and rectal cancer), both of which are monoclonal antibody agents developed by AD Pharmaceuticals Co., Ltd. (“AD Pharmaceuticals”), a joint venture enterprise established by the Group. According to the information of clinical trial research and the project progress known to the Group, the Group remains cautiously optimistic about the investment prospect.

In addition, in order to facilitate the Group's technological innovation in the research and development of preparation products, especially specific medicines, Nanjing PharmaRays Science and Technology Co., Ltd. (“Nanjing PharmaRays”), a joint venture established by the Group and several medical experts carried out various research and development projects, 4 of which were carried out by Nanjing PharmaRays under the engagement by the Group.

報告期間，由於藥品集中採購的中標藥品進一步放量增長，本集團專科藥物銷售數量同比增幅可觀。其中，蘇州東瑞製藥之安系列的苯磺酸氨氯地平片（「安內真」）中標，同比銷量大幅增加。此外，同系列的氯沙坦鉀氫氯噻嗪片（「安內喜」）的同比銷量亦有所上升。恩替卡韋分散片的銷售量亦有所增長。福建東瑞的阿托伐他汀鈣片銷售量亦較往年上升。

除了政府持續嚴格管制抗生素臨床使用外，由於全球新冠肺炎疫情持續，報告期間本集團頭孢菌素類中間體、原料藥、粉針劑及口服劑的國內及出口銷售都受到影響，同比均有所下降。

本集團投資建立的合資企業康融東方（廣東）醫藥有限公司（「康融東方」）研發之單抗藥物伊勞西單抗（PCSK9單克隆抗體）（AK102）（擬用於降低膽固醇水平）及AK109（擬用於治療胃癌、肺癌及直腸癌）一類新藥註冊申請的臨床試驗研究，報告期間正分別進行三期臨床和一期臨床工作。根據本集團所知的臨床試驗研究訊息與項目進度，本集團對是項投資前景維持審慎樂觀。

另外，為有利於本集團在製劑產品，尤其專科藥物研發方面的技術創新，本集團與數位醫學專家建立的合資企業南京福美瑞信科技有限公司（「南京福美瑞信」）已展開多項研發項目，其中有4個項目由本集團委託南京福美瑞信進行研究。

主席報告

During the Reporting Period, the research and development department of the Group actively accelerated and advanced the consistency evaluation of the quality and efficacy of generic drugs for certain selected and promising oral solid dosage forms and cephalosporin series of products. According to the “14th Five-Year Plan for Medical Insurance System with Universal Coverage”, there will be 500 varieties of drugs in the national and provincial centralized procurement of drugs in 2025, and the consistency evaluation of drugs will be beneficial to including the drugs in the national centralized procurement activities in the future. In terms of research and development of new products, in addition to self-research projects, during the reporting period, the Group and Nanjing Han Xin Pharmaceutical Technology Co., Ltd. (南京漢欣醫藥科技有限公司) entered into a product cooperation agreement for joint research and development of 5 products. For details, see the announcement of the Company published on the website of the Stock Exchange on 23 September 2021. Without significant changes, the Group will launch several new products in different treatment fields in the next few years.

As previously disclosed by the Company, due to land replotting requirements of the local government of the place where the enterprise is located or the land environment replanning requirements of the local government and in consideration of the long-term development strategy of the Company, the production workshop of Suzhou Dawnrays Pharmaceutical will be relocated from the factory on Tianling Road to the new factory on Shanfeng Road, and the office building will be relocated to the factory on Minfeng Road. As the new factory on Shanfeng Road was about to be completed, the production function of Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. (“Su Zhou Dawnrays Pharma Sci-Tech”), an indirect wholly-owned subsidiary of the Company, was integrated into the new factory, and the Group disposed of a 65% equity interest and the remaining 35% equity interest in Su Zhou Dawnrays Pharma Sci-Tech to independent third parties on 30 July 2021 and 26 January 2022 respectively. For details, see the announcements of the Company published on the website of the Stock Exchange on 30 July 2021 and 26 January 2022. The new factory of Lanzhou Dawnrays in Chemical Industry Park, Lanzhou New District will also be completed and is expected to be put into operation in 2022. The management of the Group is carrying out close follow-up and enhancing management to reduce the operating risks from the relocation. Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. (“Dawnrays Nantong”), an indirect wholly-owned subsidiary of the Company, suspended the production in January 2021, and the main activities of the company were handling factory relocation and general corporate administrative matters during the reporting period.

報告期間，本集團研發部對部份經甄選有前景的口服固型劑及頭孢菌素類系列產品加緊進行仿製藥質量和療效一致性評價工作，根據「十四五全民醫療保障計劃」規劃，2025年國家和省級藥品集採品種將達500個，藥品能通過一致性評價將有利於日後參與國家藥品集採活動。在新產品研發方面，除自研項目，於報告期間，本集團與南京漢欣醫藥科技有限公司訂立產品合作協議聯合進行5個產品的研發，詳細內容參閱本公司於二零二一年九月二十三日上載聯交所之公告。在無重大變化之情況下，本集團將有若干不同治療領域之新產品於未來數年內投放市場。

誠如本公司過去所作出之披露，由於企業所在地區地方政府的區域重置要求，或當區政府土地環境重劃所需以及本公司從長遠發展戰略角度考慮，蘇州東瑞製藥的生產車間將由天靈路廠區搬遷至善豐路新廠區，辦公樓搬至民豐路廠區。由於善豐路新廠區即將竣工，本公司間接全資擁有附屬公司蘇州東瑞醫藥科技有限公司（「蘇州東瑞醫藥科技」）的生產功能融合到新廠區，本集團分別於二零二一年七月三十日及二零二二年一月二十六日出售蘇州東瑞醫藥科技65%股權及後剩餘的35%股權給獨立第三方，詳細內容見本公司於二零二一年七月三十日及二零二二年一月二十六日上載聯交所公告。蘭州東瑞位於蘭州新區化工園區的新廠區亦將竣工，預計於二零二二年開始投產。本集團管理層正密切跟進並加強管理以求減少因搬遷引致的營運風險。本公司間接全資擁有附屬公司東瑞（南通）醫藥科技有限公司（「東瑞南通」）已於二零二一年一月停止生產，於報告期間，該公司主要處理廠房拆遷及一般企業行政事務。

OUTLOOK

In 2021, despite an increase in the cost of construction projects and production costs due to a continuous rise in the prices of raw and auxiliary materials, energy, building materials, freight and other resources, the Group continued to invest a large amount of funds to build new factories, mainly for facilitating the construction of more automated new factories, optimizing the process technology and production facilities for intermediates and bulk medicines, expanding its production capacity and product mix to enhance its competitiveness in domestic sales and export of bulk medicines, and creating cost and quality advantages for its downstream products, and giving full play to the role of the enterprise in the integration of bulk medicines and preparations, and reducing production costs. Meanwhile, energy-saving and emission-reduction facilities will be used in constructing the new factory, to support the environmental protection policy and the goal of carbon peaking by 2030, thus achieving the sustainable development of the Group.

With steady financial resources, the Group as a pharmaceutical manufacturer will increase its research and development investment. With the implementation of the drug marketing authorization holder system and the prevalence of the contract development manufacturing organization ("CDMO"), the Group will also search for suitable varieties to enrich its product mix and explore more products in different therapeutic areas, especially chronic diseases and children's drugs, so as to meet the market demand arising from the aging population and the government policy to encourage childbirth in China.

In addition, under the guidance of government policies, the development of the industry will be more standardized and centralized, with competition for the survival of the fittest, and the increased competition among enterprises. The Group's sales team closely monitors the market conditions, and actively plans for winning bids in the future national centralized procurement of drugs, in addition to changing the corporate marketing system in a timely manner and tapping into the terminal market to broaden the product coverage. The purchase by more hospitals of the products for which the bids are won will make more patients know the products of the Group, thus improving the brand of Dawnrays Pharmaceutical. This facilitates the international development of the Group in the long run.

展望

二零二一年原輔料、能源、建材、運費等資源不斷調高價格，增加了建設工程成本及生產成本，本集團仍堅持投放大量資金建新車間，主要在於促成建設更為自動化的新廠房，優化中間體和原料藥的工藝技術和生產設施，擴充產能，增加銷售品種，以提升原料藥內銷和出口的競爭力，同時為本集團下游產品創造成本與質量優勢，發揮原料藥製劑一體化的企業能量，降低生產成本。同時在建新廠房時加入節能減排的設施，以配合環境保護政策及2030碳達峰的目標，讓本集團可持續發展。

本集團作為藥品生產商憑著穩健的財政資源，將加大研發投入，隨著藥品上市許可持有人制度推出，委託開發與製造（「CDMO」）熱潮盛行，本集團亦會搜尋合適品種，豐富產品結構，開拓更多不同治療領域的產品，尤其是慢性病及兒童藥物，以切合中國人口老齡化及政府鼓勵生育政策衍生的市場需求。

此外，於政府政策引導下，汰弱留強，行業的發展將更為規範和集中，企業之間的競爭將越趨激烈，本集團銷售團隊密切監察市場狀況，除適時改變企業營銷體系，深挖終端市場拓寬產品的覆蓋範圍外；亦積極籌劃於未來的國家藥品集中採購活動爭取中標的機會，藉著中標後產品能進入更多醫院市場，讓更多患者認識本集團醫藥產品，提升東瑞製藥的品牌，長遠而言可助力本集團朝著國際化發展。

主席報告

With the completion of the new factory of Suzhou Dawnrays Pharmaceutical on Shanfeng Road and the completion and operation of the Lanzhou Dawnrays project, Mr. Wu Weixian (吳偉賢先生), newly-appointed chief executive officer, will fully implement the development strategy of the Company, lead Dawnrays Pharmaceutical to open a new chapter and continue to contribute to human health. This will contribute to the sustainable development of the Group and bring long-term value to shareholders.

APPRECIATION

I would like to take this opportunity to express my heartfelt thanks to the shareholders, directors of the Company, partners, managers and employees of the Group for their support and contributions in businesses in the past year.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 25 March 2022

隨者蘇州東瑞製藥善豐路新車間建成及蘭州東瑞工程竣工開始投產，新任總裁吳偉賢先生將全面落實貫徹本公司發展策略，帶領東瑞製藥進入新的一頁，繼續為人類健康事業作出貢獻，亦有助本集團可持續發展，同時為股東帶來長遠的價值。

感謝

藉此機會，本人衷心感謝本公司股東、董事及本集團夥伴、管理人員和員工於過去一年在各項業務上所作出的支持與貢獻。

承董事會命

主席

李其玲

香港，二零二二年三月二十五日

REVIEW OF OPERATIONS

During the review period, with the normal management of the COVID-19 outbreak in China, the economy of China recovered and the pharmaceutical market was stable with movement in a positive direction. There was a significant increase in the sales of the Group's four products for which bids were won in the national centralized procurement, thus driving the continuous growth in the second and third terminal markets. There was an increase of 19.6% and 14.4% in the sales volume and sales of anti-hypertensive drug in "An" (安) series medicines of the Group as compared with the same period of 2020 respectively. There was a year-on-year increase of 37.5% and 47.4% respectively in the sales volume and sales of Fujian Dawnrays series products which are mainly used for treating hyperlipidemia. The sales volume and sales of Entecavir Dispersible Tablets, an anti-HBV drug increased by 49.6% and 8.1% year on year respectively.

The COVID-19 outbreak mainly caused an impact on the sales volume of the Group's antibiotic series products. There was a decrease of 1.5% in the sales volume of cephalosporin for oral when compared with the same period of 2020. The sales volume of cephalosporin intermediates and bulk medicines, compared with the same period of 2020 decreased by 24.2%. The sales volume and sales of powder for injections was increased of 34.1% and 42.9% compared with the same period of 2020 respectively.

During the period, in the face of the challenge of rapid increase in production, the Group actively guaranteed the supply of the products for which bids were won in the national centralized procurement. In response to the rapid changes in the market, the marketing management personnel appropriately adjusted the Group's product marketing ideas and sales strategies and strengthened the allocation of resources to explore new markets. Meanwhile, the Group made market development arrangements for new products, and strove to achieve reasonable growth in the sales of its drugs in 2022, so as to contribute to the profit of the Group.

業務營運回顧

於回顧期內，隨著國內新冠肺炎疫情進入常態化管理，國內經濟恢復性增長，醫藥市場穩中向好。本集團四個在國家集採中中標的產品進一步放量增長，帶動第二及第三終端市場持續發力，本集團治療高血壓的「安」系列產品與二零二零年度同期相比銷售量增長19.6%，銷售額增長14.4%。以治療高血脂症為主的福建東瑞系列產品銷售量同比增長37.5%，銷售額增長47.4%。抗乙肝病毒藥物恩替卡韋分散片銷售量同比增長49.6%，銷售額增長8.1%。

新冠肺炎疫情主要影響本集團抗生素系列產品的銷售量，口服頭孢與二零二零年度同期相比銷售量下降1.5%。頭孢菌素中間體及原料藥與二零二零年度同期相比銷售量下降24.2%。粉針劑與二零二零年度同期相比銷售量增長34.1%，銷售額增長42.9%。

期內，本集團面對產量急速增加的挑戰，積極保障國家集採中標產品的供應。營銷管理人員因應市場急促變化，適當調整本集團產品營銷思路和銷售策略並加強配置資源，拓展新的市場。同時佈局新產品市場開發，力爭本集團藥品銷售在二零二二年取得合理增長，於本集團的盈利作出貢獻。

ANTI-HYPERTENSIVE PRODUCTS

The Group has advantages in anti-hypertensive series of products. Through more than 20 years of deep engagement of the Group in the pharmaceutical market, the series of products had a good brand reputation among doctors and patients with hypertension. Based on the Group's integration of the survey data of market research institutions, "Anneizhen" (安內真) was ranked in the leading position among similar products on the second and third market terminals in many cities and provinces in terms of sales, and gained considerable market shares. Moreover, another anti-hypertensive drug "Anneixi" (安內喜) (Losartan Potassium and Hydrochlorothiazide Tablets) of the Group was ranked among the top domestic brands in terms of sales and became the Group's second star product for anti-hypertension. The sales of the series of products were RMB520,414,000 in 2021 (2020: RMB455,054,000), accounting for 44.7% of the sales of the Group. In the future, the Group's marketing management team will focus more on brand planning, channel building, price adjustment and academic promotion of the "An" (安) series products, strengthen the access design of products for different markets by closely following up national policies related to chronic disease management, and further explore the new market.

ANTI-HYPERLIPIDEMIC PRODUCTS

Anti-hyperlipidemic products are products newly developed by the Group. During the period, with the centralized procurement in alliance member regions, there was a continuous increase in the sales of Fujian Dawnrays's Atorvastatin Calcium Tablets. The sales of the anti-hyperlipidemic products were RMB255,059,000 (2020: RMB170,208,000), accounting for 21.9% of the sales of the Group. The Group ranked in leading position in the sales market in China in terms of such sales.

ANTIVIRAL PRODUCTS

The antiviral products are covered by the traditional treatment sector of the Group. There was a steady increase in the domestic market share of Entecavir Dispersible Tablets of the Group with the "unique cyclodextrin inclusion technology". During the period, the sales of the products in China were RMB90,503,000 (2020: RMB83,714,000), accounting for 7.8% of the sales of the Group, which was better than expectations, due to winning the bid for centralized procurement of drugs in national alliance member regions. The Group ranked in leading position in the sales market in China in terms of such sales.

抗高血壓產品

抗高血壓系列產品是本集團傳統優勢領域，通過本集團在醫藥市場二十多年的深耕，該系列產品在醫生以及高血壓患者中擁有良好品牌口碑。據本集團綜合市場調研機構調查資料，「安內真」於多個省市在第二及第三終端的銷售處於同類產品領先位置，佔據可觀的市場份額。此外，本集團另一高血壓產品「安內喜」(氯沙坦鉀氫氯噻嗪片)，在國產品牌的銷售位處前領位置，已成為本集團第二個抗高血壓的明星產品。該系列產品二零二一年實現銷售額人民幣520,414,000元(二零二零年：人民幣455,054,000元)，佔本集團銷售額44.7%。於未來本集團營銷管理層將著重關注「安」系列產品的品牌規劃、渠道建設、價格維護和學術推廣，緊隨國家慢性病管理相關政策，加強對不同市場的產品准入設計，進一步開拓新的市場。

抗高血脂產品

抗高血脂產品是本集團新發展的治療領域。期內，福建東瑞持有的阿托伐他汀鈣片借助國家聯盟地區集中採購持續放量增長，該類產品實現銷售額人民幣255,059,000元(二零二零年：人民幣170,208,000元)，佔本集團銷售額21.9%。銷售量在國內銷售市場處前列位置。

抗病毒產品

抗病毒產品亦是本集團傳統治療領域，本集團恩替卡韋分散片憑藉「獨特的環糊精包合技術」，在國內市場佔有率穩步提升。期內憑藉國家聯盟地區集中採購中標，於國內銷售方面取得比預期較好的結果，銷售額人民幣90,503,000元(二零二零年：人民幣83,714,000元)，佔本集團銷售額7.8%。銷售量在國內銷售市場處前列位置。

PRODUCTS FOR GOUT TREATMENT

In order to enrich the Group's product line, on 24 December 2020, Suzhou Dawnrays Pharmaceutical Co., Ltd., a subsidiary of the Group, signed a marketing authorization holder agreement with Nanjing Haina Medical and Pharmaceutical Technology Company Limited (南京海納醫藥科技股份有限公司), an independent third party, with regard to the transfer of the marketing authorization holder of Febuxostat tablets (40mg, 80mg) for gout treatment and bulk medicines for gout treatment. On 2 February 2021, Nanjing Haina Medical and Pharmaceutical Technology Company Limited (南京海納醫藥科技股份有限公司) obtained the drug registration certificates for Febuxostat Tablets (40mg, 80mg). The change of the marketing authorization holder to Suzhou Dawnrays Pharmaceutical Co., Ltd. was approved on 6 May 2021. During the period, the product was marketed. The product will bring a new source of profit for the Group in the future.

INTERMEDIATES AND BULK MEDICINES

During the period, related review and filing work for bulk medicines was actively carried out by the Group to further increase the market share. During the review period, the Group allocated resources and actively promoted the construction of Lanzhou Dawnrays bulk medicines production base and Suzhou Dawnrays Pharmaceutical Co., Ltd. relocation project, thus laying a solid foundation for the future production of bulk medicines and intermediates.

PRODUCT RESEARCH AND DEVELOPMENT

In addition to its research and development center, the Group and third parties jointly established Nanjing PharmaRays Science and Technology Co., Ltd. which is controlled by the Group, thus forming a pattern of dual research and development centers. Nanjing PharmaRays is an independent research and development company specializing in using new technologies of drug delivery systems for developing new drug products. Currently engaged in the research and development of generic drugs and new drugs. In addition, the Group cooperated with various domestic scientific research institutions to develop new drugs.

治療痛風產品

為豐富本集團產品線，於二零二零年十二月二十四日，本集團附屬公司蘇州東瑞製藥有限公司與獨立第三方南京海納醫藥科技股份有限公司簽訂轉讓治療痛風的非布司他片(40mg, 80mg)上市許可持有人及原料藥的轉讓協議。南京海納醫藥科技股份有限公司已於二零二一年二月二日取得非布司他片(40mg, 80mg)藥品註冊證書。二零二一年五月六日上市許可持有人變更為蘇州東瑞製藥有限公司獲批，期內該產品已實現銷售。未來該產品將為本集團帶來新的盈利增長點。

中間體及原料藥

期內，本集團積極開展原料藥關聯評審備案工作，以期將來進一步提升市場佔有率。於回顧期內，本集團調配資源，積極推進蘭州東瑞原料藥基地和蘇州東瑞製藥有限公司搬遷項目的建設，為未來原料藥及中間體的生產打好堅實基礎。

產品研發

本集團除自有研發中心外，另合資成立了本集團控股的南京福美瑞信科技有限公司，形成雙研發中心格局。南京福美瑞信是一家專注利用給藥系統新技術研發新的藥物產品的研發型公司，目前正從事仿製藥和新藥的研發。另外，本集團與多家國內科研機構合作開發若干新藥。

管理層討論及分析

Apart from the description in the following section of “NEW PRODUCTS AND PATENT LICENSING”, the Group’s ongoing projects cover the therapeutic areas of the circulatory system, digestive system, endocrine system, ophthalmology, dermatology, pediatrics, orthopedics, gynecology, antiviral drugs, etc., and involve bio-pharmaceuticals, polypeptide drugs, chemical pharmaceuticals, etc. The Group will continue investing more resources in research and development and innovation of production technology and products, and seek various scientific research cooperation opportunities so as to optimize our product mix and profitability foundation.

CONSISTENCY EVALUATION

As at 31 December 2021, according to statistics by product specification, the Group conducted quality and efficacy research into 31 varieties, with the applications for 9 varieties (Entecavir Dispersible Tablets (0.5mg), Amlodipine Besylate Tablets (5mg), Amlodipine Besylate Tablets (2.5mg), Levocetirizine Dihydrochloride Tablets (5mg), Cetirizine Hydrochloride Tablets (10mg), Metformin Hydrochloride Tablet (250mg), Azithromycin Tablets (250mg), Clarithromycin Tablets (250mg) and Telmisartan Tablets (80mg)) approved. The applications for consistency evaluation for 8 varieties have been submitted to the Center for Drug Evaluation, NMPA. Moreover, pharmaceutical research into 14 of such varieties is ongoing.

COST REDUCTION AND EFFICIENCY IMPROVEMENT

During the period, the Group continued to carry out energy conservation, emission reduction and cost reduction and efficiency enhancement activities of all employees. With the full utilization of the production capacity, production costs continuously decreased, which made an important contribution to increasing the Group’s profitability.

OTHER MATTERS

During the period, the Group continued improving production, product quality, human resources, internal audit etc., and endeavored to enhance the risk control capability and improve the operating level of various systems, in an attempt to maintain the Group’s sustainable development in the fierce business competition environment.

除於下列「新產品和專利授權情況」一節所述外，本集團在研項目覆蓋治療領域包括循環系統、消化系統、內分泌系統、眼科、皮膚科、兒科、骨科、婦科及抗病毒藥物等。涉及生物製藥、多肽類藥物和化學製藥等。本集團將持續投入更多資源於生產技術和產品的研發創新，並對外尋求各種科研合作機會，以優化產品結構和盈利基礎。

一致性評價

截至二零二一年十二月三十一日止，按產品規格統計，本集團進行質量和療效一致性研究品種31個，其中9個品種（恩替卡韋分散片(0.5mg)、苯磺酸氨氯地平片(5mg)、苯磺酸氨氯地平片(2.5mg)、鹽酸左西替利嗪片(5mg)、鹽酸西替利嗪片(10mg)、鹽酸二甲雙胍片(250mg)、阿奇霉素片(250mg)、克拉霉素片(250mg)、替米沙坦片(80mg)）的申請已獲批准。8個品種品規已向國家藥品監督管理局藥品評審中心進行一致性評價申請。此外14個品種正在進行藥學研究。

降本增效

本期間，本集團繼續開展全員節能減排，降本增效活動。隨著產能的充分發揮，生產成本持續降低，為增加本集團盈利水平作出重要貢獻。

其他事宜

期內，本集團於生產、產品質量、人力資源及內部審計等方面亦不斷改進，提高風險管控能力及完善各體系運作水平，以確保本集團於激烈的業務競爭環境中保持可持續發展。

PRODUCTION AND SALES

For the year ended 31 December 2021, there was a decrease of 41.5% in the production volume and 24.2% in the sales volume of intermediates and bulk medicines of the Group, as compared with 2020. There was a decrease of 6.6% in the production volume and an increase of 34.1% in the sales volume of cephalosporin powder for injection, as compared with last year. The decreases in the production and sales volumes of intermediates and bulk medicines were mainly due to the impact of the COVID-19 outbreak, while the increase in the sales volume of powder for injection was due to winning the bid for compound cefoperazone in certain provinces. There was an increase of 22.2% in the production volume and a rise of 27.9% in the sales volume of solid-dosage-forms as compared with the same period of last year. In terms of international business, the Group's sales in overseas markets declined due to the COVID-19 outbreak and Dawnrays Nantong discontinued production for relocation. The sales of overseas markets accounted for 5.4% of the total sales of the Group.

NEW PRODUCTS AND PATENT LICENSING

In 2021, the Group applied to the Center for Drug Evaluation, CFDA for the registration of a total of 15 varieties, with supplementary applications (consistency evaluation) for 7 varieties, supplementary applications for 2 varieties, and registration application for 2 bulk medicines, and 4 Class 4 chemical medicines. In 2021, the Group obtained 2 drug production approvals, 3 consistency evaluation approvals and 2 supplementary application approvals.

In 2021, the Group obtained a total of 2 invention patent certificates and 15 utility model patent certificates.

生產銷售情況

截至二零二一年十二月三十一日止年度，本集團中間體及原料藥的生產量及銷售量與二零二零年比較，分別為生產量減少41.5%，銷售量減少24.2%。頭孢菌素粉針劑的生產量較去年減少6.6%，銷售量較去年增加34.1%。中間體原料藥的生產量和銷售量減少主要是新冠肺炎疫情的影響，粉針劑銷售量增加是複方哌酮製劑在部份省區中標。固型劑的生產量比去年同期增長22.2%，銷售量比去年同期增加27.9%。國際業務方面，受新冠肺炎疫情和東瑞南通拆遷停產的影響，本集團海外市場銷售下滑。海外市場銷售佔本集團總體銷售份額的5.4%。

新產品和專利授權情況

二零二一年，共有15個品種向國家藥品監督管理局藥品審評中心進行了註冊申報，其中補充申請（一致性評價）申報7個，補充申請2個，原料藥登記2個，新化藥4類品種4個。二零二一年獲得藥品生產批件2個，獲得一致性評價批件3個，獲得補充申請批件2個。

二零二一年本集團共獲得2項發明專利證書和15項實用新型專利證書。

Management Discussion and Analysis

管理層討論及分析

HONORS AWARDED TO THE GROUP IN THE SECOND HALF OF 2021

二零二一年下半年授予本集團之榮譽

| Time of Awards | Honors | 頒授時間 | 榮譽 |
|----------------|---|----------|---|
| October 2021 | <ul style="list-style-type: none">— Fujian Dawnrays Pharmaceutical Co., Ltd. was awarded the honorary plaque of “thank you for the joint fight against the epidemic (同心抗疫、感謝有您)” by the CPC Committee of Putian and the Municipal People’s Government of Putian.— Suzhou Dawnrays Pharmaceutical Co., Ltd. was granted the title of “Excellent Anti-Hypertensive Product Brand” by the China Pharmaceutical Industry Association, for “Amlodipine Besylate Tablets (Anneizhen (安內真)).”— Suzhou Dawnrays Pharmaceutical Co., Ltd. was recognized as the “Trustworthy Enterprise in Suzhou” (2019–2020). | 二零二一年十月 | <ul style="list-style-type: none">— 福建東瑞製藥有限公司獲中共莆田市委、莆田市人民政府授予的「同心抗疫、感謝有您」榮譽牌匾。— 蘇州東瑞製藥有限公司「苯磺酸氨氯地平片(安內真)」獲中國化藥行業協會授予的「降血壓類優秀產品品牌」榮譽。— 蘇州東瑞製藥有限公司獲「蘇州市守合同重信用企業」(2019–2020年度)。 |
| November 2021 | <ul style="list-style-type: none">— Suzhou Dawnrays Pharmaceutical Co., Ltd. was granted the title of an excellent brand by Jiangsu Provincial Pharmacy Association, for “Anneizhen (安內真)”, “Leiyide” (雷易得)”, “Anneixi” (安內喜) and “Xikexin (西可新).” | 二零二一年十一月 | <ul style="list-style-type: none">— 蘇州東瑞製藥有限公司產品「安內真」、「雷易得」、「安內喜」、「西可新」榮獲江蘇省醫藥行業協會優秀品牌。 |
| December 2021 | <ul style="list-style-type: none">— Fujian Dawnrays Pharmaceutical Co., Ltd. was granted the title of “Advanced Organization in the city-wide statistical investigation 2020–2021” by the Putian Investigation Team of the National Bureau of Statistics (國家統計局莆田調查隊).— Suzhou Dawnrays Pharmaceutical Co., Ltd. was recognized as “Trustworthy Enterprise in Jiangsu Province” (2019–2020).— Suzhou Dawnrays Pharmaceutical Co., Ltd. was granted the honor of “Trustworthy and Excellent Organization” (2020–2021) by the Medicine, Equipment, Health Products and Cosmetics Industry Association of Wuzhong District, Suzhou (蘇州市吳中區藥械保化行業協會). | 二零二一年十二月 | <ul style="list-style-type: none">— 福建東瑞製藥有限公司獲國家統計局莆田調查隊授予的「2020–2021年度全市統計調查工作先進集體」。— 蘇州東瑞製藥有限公司獲「江蘇省守合同重信用企業」(2019–2020年度)。— 蘇州東瑞製藥有限公司獲蘇州市吳中區藥械保化行業協會「誠信優秀單位」(2020–2021年度)榮譽。 |
| January 2022 | <ul style="list-style-type: none">— Fujian Dawnrays Pharmaceutical Co., Ltd. was granted the “First Prize for Enterprises with Outstanding Economic Contribution in 2021” by the CPC Committee of Licheng District and the People’s Government of Licheng District. | 二零二二年一月 | <ul style="list-style-type: none">— 福建東瑞製藥有限公司獲中共荔城區委、荔城區人民政府頒發的「2021年度突出經濟貢獻企業一等獎」。 |

FINANCIAL REVIEW

SALES AND GROSS PROFIT

For the year ended 31 December 2021, the Group recorded a turnover of approximately RMB1,165,155,000, increased by RMB140,885,000 or 13.8% compared with last year, of which the turnover of intermediates and bulk medicines was RMB156,003,000, decreased by RMB44,211,000 or 22.1% compared with last year. The turnover of finished drugs was RMB1,009,152,000, increased by RMB185,096,000 or 22.5% compared with last year. The decrease in the sales of intermediates and bulk medicines was mainly due to the impact of the COVID-19 outbreak and the decrease in the intermediates business volume as a result of the relocation of Dawnrays Nantong. The increase in the sales of finished drugs was mainly due to winning the bids for four products of the Group in the national centralized procurement of drugs, and the resulting in growth of the second and third market terminals.

Sales amount of finished drugs, comprising system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-form of antibiotics, reached approximately RMB1,009,152,000. Taking into account of the total turnover, sales amount of finished drugs was approximately 86.6%, increased by 6.1 percentage points compared with last year. Sales amount of system specific medicines accounted for 95.3% of sales of finished drugs.

Gross profit was approximately RMB681,262,000, increased by RMB130,617,000 compared with last year, representing an increase of 23.7%. Gross profit margin increased by approximately 4.7 percentage points to 58.5% from 53.8% as in last year. Mainly due to the Group's production costs continuously decreased with the full utilization of production capacity, the gross profit margin increased.

財務回顧

銷售及毛利

截至二零二一年十二月三十一日止年度，本集團全年銷售額約人民幣1,165,155,000元，比上年增長13.8%，銷售額增長人民幣140,885,000元。其中中間體及原料藥銷售額人民幣156,003,000元，比去年下降22.1%，銷售額下降人民幣44,211,000元；成藥銷售額人民幣1,009,152,000元，比去年上升22.5%，銷售額增加人民幣185,096,000元。中間體及原料藥銷售額的減少主要受新冠肺炎疫情的影響及東瑞(南通)醫藥拆遷中間體業務量減少所致，成藥銷售額增加主要是本集團四個國家藥品集中採購中標產品持續放量及帶動第二及第三終端市場增長所致。

成藥包括系統專科藥、頭孢菌素的粉針劑、片劑及其他口服抗生素固型劑，銷售金額約人民幣1,009,152,000元。成藥的銷售金額佔總體銷售金額的比重約86.6%，較去年的銷售比重增加了6.1個百分點。其中系統專科藥佔成藥銷售的比重約95.3%。

毛利額約人民幣681,262,000元，比去年增加約人民幣130,617,000元，增加23.7%。毛利率為58.5%，較去年的53.8%增加了約4.7個百分點。主要是隨著產能的充分發揮本集團生產成本持續降低，故毛利率增長。

Management Discussion and Analysis

管理層討論及分析

TABLE OF TURNOVER ANALYSIS

營業額分析 — 按產品劃分

| PRODUCT 產品 | TURNOVER 營業額 | | | SALES BREAKDOWN 銷售比例 | | |
|--|----------------------|----------------------|----------------------|-------------------------|---------------|--|
| | (RMB'000) (人民幣千元) | (RMB'000) (人民幣千元) | (RMB'000) (人民幣千元) | (%) (%) | (%) (%) | Percentage points changes 百分點 變幅 |
| | 2021 二零二一年 | 2020 二零二零年 | changes 變幅 | 2021 二零二一年 | 2020 二零二零年 | |
| Intermediates and Bulk Medicines 中間體及原料藥 | 156,003 | 200,214 | -44,211 | 13.4 | 19.5 | -6.1 |
| Finished Drugs 成藥 | 1,009,152 | 824,056 | 185,096 | 86.6 | 80.5 | 6.1 |
| Overall 總體 | 1,165,155 | 1,024,270 | 140,885 | 100.0 | 100.0 | - |

EXPENSES

During the year, the total expenses incurred were approximately RMB331,400,000, representing an increase of RMB92,398,000 from RMB239,002,000 in the previous year, and accounted for 28.4% of the turnover (2020: 23.3%). Due to the COVID-19 normalization in China, the Group resumed various sales and promotion activities and enhanced the development of the second and third terminal markets. The selling expenses increased by RMB54,458,000 as compared with last year, and the selling expense ratio was approximate to that of 2019. The administrative expenses increased by RMB8,185,000 as compared with last year, mainly due to the increase in the administrative expenses of Lanzhou Dawnrays and Nanjing PharmaRays. Finance expenses were RMB641,000, representing a decrease of RMB4,187,000 as compared with the previous year. Research and development expenses increased by RMB9,084,000 as compared with the previous year. Other expenses increased by RMB24,858,000 as compared with the previous year, mainly increased the loss of RMB29,561,000 for the disposal of Dawnrays Nantong assets.

SEGMENT PROFIT

For the year ended 31 December 2021, the segment profit from the finished drugs segment was approximately RMB546,252,000, representing an increase of RMB72,966,000 compared with RMB473,286,000 in 2020, mainly due to increase in the sales of finished drugs. The intermediates and bulk medicines had segment loss of RMB2,296,000 while it was segment profit of RMB2,608,000 in 2020. The loss was mainly due to decrease in intermediate business volume as result of the relocation of Dawnrays Nantong.

費用

年內，費用總支出約共人民幣331,400,000元，較去年人民幣239,002,000元增加人民幣92,398,000元。佔營業額的比例為28.4%（二零二零年：23.3%）。由於國內新冠肺炎疫情常態化，本集團恢復各項銷售推廣活動及加大第二及第三終端市場開發力度，銷售費用比去年增加人民幣54,458,000元，銷售費用率與2019年相若。行政費用較去年增加人民幣8,185,000元，主要是蘭州東瑞和南京福美瑞信的行政費用增加。財務費用人民幣641,000元，比上年減少人民幣4,187,000元。研發費比去年增加人民幣9,084,000元。其他費用比去年增加人民幣24,858,000元，主要是增加了東瑞南通處置資產損失人民幣29,561,000元。

分類溢利

截至二零二一年十二月三十一日止年度，成藥分部的分類溢利約人民幣546,252,000元，較二零二零年人民幣473,286,000元增加人民幣72,966,000元。主要是成藥銷售增加的影響。中間體及原料藥分部的分類虧損人民幣2,296,000元，二零二零年為盈利人民幣2,608,000元，主要是東瑞南通拆遷中間體業務量減少。

INTERESTS AND RIGHTS IN ASSOCIATE

During the year, AD Pharmaceuticals Co., Ltd. (“AD Pharmaceuticals”), which is invested by Dawnrays Biotechnology Capital (Asia) Ltd. (“Dawnrays Biotechnology”), a subsidiary of the Group, conducted Phase III clinical trial of monoclonal antibody agent AK102 for the treatment of primary hypercholesterolemia and mixed hyperlipidemia and Phase I clinical trial of monoclonal antibody agent AK109 for the treatment of diseases including gastric cancer. Dawnrays Biotechnology invested a total of RMB185,000,000. Due to the business operation and clinical development of AD Pharmaceuticals and the development of the industrialization base of China-Singapore Guangzhou Knowledge City in Guangzhou, China, Dawnrays Biotechnology provided an unsecured interest-bearing loan of RMB49,000,000 to AD Pharmaceuticals during the period. For the year ended 31 December 2021, the R&D and administrative expenses occurred by AD Pharmaceuticals totaled approximately RMB132,623,000. As a result, in proportion to the investment percentage, the Group shared an investment loss of approximately RMB46,418,000, as compared with RMB18,771,000 in the same period of 2020.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2021, profit attributable to owners of the parent amounted to approximately RMB358,175,000, representing an increase of RMB90,045,000 or 33.6% compared with RMB268,130,000 in last year. Of which included the gain on disposal of Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. RMB99,069,000 and the loss of assets disposal of Dawnrays Nantong RMB29,561,000.

ANALYSIS ON THE RETURN ON ASSETS

As at 31 December 2021, net assets attributable to owners of the parent were approximately RMB2,380,714,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent was 15.0% (2020: 12.4%). The current ratio and quick ratio was 2.17 and 1.88 respectively. Turnover days for trade receivables were approximately 55 days. The turnover days for trade receivables including bills receivables were 105 days. Turnover days for inventory were approximately 167 days. The financial liquidity was improved as compared with last year.

分佔於聯營公司之權益

年內，本集團附屬公司東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)投資的康融東方(廣東)醫藥有限公司(「康融東方」)已開展以治療原發性高膽固醇血症和混合型高脂血症的單抗藥物AK102三期臨床試驗及以治療胃癌等疾病的單抗藥物AK109的一期臨床試驗。東瑞生物合共投入資本人民幣185,000,000元，因康融東方的業務營運及臨床開發以及位於中國廣州的中新廣州知識城的產業化基地建設，本期間東瑞生物向康融東方提供無抵押有息借款共人民幣49,000,000元。截至二零二一年十二月三十一日止年度，康融東方發生研發費及各項行政費用約人民幣132,623,000元，本集團按投資比例承擔投資損失約人民幣46,418,000元，二零二零年同期為人民幣18,771,000元。

母公司擁有人應佔溢利

截至二零二一年十二月三十一日止年度，母公司擁有人應佔溢利約人民幣358,175,000元，較二零二零年人民幣268,130,000元增加人民幣90,045,000元，上升33.6%。其中出售附屬公司蘇州東瑞醫藥科技有限公司收益人民幣99,069,000元；處置東瑞南通資產損失人民幣29,561,000元。

資產盈利能力分析

於二零二一年十二月三十一日，母公司擁有人應佔淨資產約人民幣2,380,714,000元，淨資產收益率(界定為母公司擁有人應佔溢利除以母公司擁有人應佔淨資產)為15.0%(二零二零年：12.4%)。流動比率和速動比率分別為2.17和1.88，應收賬款周轉期約55日，應收賬款(含應收票據)周轉期約105日，存貨周轉期約167日。資金流動性較上年好轉。

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2021, the Group had financial assets at fair value through profit or loss including:

- (i) invested in certain Hong Kong public listed shares amounted approximately RMB6,933,000 (31 December 2020: approximately RMB5,962,000);
- (ii) invested in financial bonds issued by China Development Bank amounted approximately RMB40,463,000 (31 December 2020: RMB30,174,000);
- (iii) purchased certain wealth management products (all were structured deposits) of approximately RMB160,000,000 (31 December 2020: RMB164,000,000) of floating interest rate principal-preservation type with annual interest rate from 1.30% to 3.70% from 5 good credit worth banks in China. The expected yield would be approximately RMB788,000 in total. The wealth management products were mainly relatively lower risk of default. All principal and interests will be paid together on the maturity date. The Board believes that the investment in aforementioned wealth management products can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group.

The above mentioned financial assets at fair value through profit or loss amounted to approximately RMB208,184,000 (31 December 2020: approximately RMB201,192,000), representing approximately 6.2% (31 December 2020: 6.9%) of the total assets of the Group. For the year ended 31 December 2021, the Group recorded net gain of approximately RMB5,560,000 (2020: RMB11,741,000) on the financial assets at fair value through profit or loss. The Board believes that the investment in equity investments and financial assets can diversify the investment portfolio of the Group and achieve a better return to the Group in future.

以公允價值計量且其變動計入損益之財務資產

於二零二一年十二月三十一日，本集團持有以公允價值計量且其變動計入損益之財務資產包括：

- (i) 投資若干於香港公開上市股權約人民幣6,933,000元(於二零二零年十二月三十一日：約人民幣5,962,000元)；
- (ii) 投資國家開發銀行發行的金融債券約人民幣40,463,000元(於二零二零年十二月三十一日：人民幣30,174,000元)；
- (iii) 於5家中國信用良好的銀行購買若干保本浮動收益的理財產品(均是結構性存款)約人民幣160,000,000元(於二零二零年十二月三十一日：人民幣164,000,000元)，年利率為1.30%–3.70%之間，預期收益共約人民幣788,000元。理財產品主要為違約風險相對較低，所有本金和利息於到期日一併支付。董事會認為投資上述理財產品能加強本集團財務狀況及為本集團帶來豐厚收益。

上述以公允價值計量且其變動計入損益之財務資產合共約人民幣208,184,000元(二零二零年十二月三十一日：約人民幣201,192,000元)，佔本集團總資產約6.2%(二零二零年十二月三十一日：6.9%)。截至二零二一年十二月三十一日止年度，本集團合共錄得以公允價值計量且其變動計入損益之財務資產收益淨額約人民幣5,560,000元(二零二零年：人民幣11,741,000元)。董事會認為投資於股權投資及財務資產能使本集團投資組合多元化及未來取得更佳收益。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, the Group had cash and bank balances approximately RMB577,744,000 (as at 31 December 2020: RMB730,986,000). During the year, the net cash inflows from operating activities was approximately RMB393,139,000 (2020: RMB302,903,000). Net cash outflows from investing activities was approximately RMB284,202,000 (2020 net cash inflows: RMB26,447,000). Net cash outflows from financing activities was approximately RMB129,754,000 (2020: RMB327,696,000).

As at 31 December 2021, the Group had aggregate bank facilities of approximately RMB1,100,000,000 (as at 31 December 2020: RMB1,300,000,000). As at 31 December 2021, the Group's interest-bearing bank and other borrowings was RMB21,013,000 (as at 31 December 2020: Nil), and the debt ratio (defined as sum of interest-bearing bank borrowings over total assets) of the Group was 0.6% (as at 31 December 2020: Zero). The above mentioned bank and other borrowings' interest rate were fixed ranging from 1.60% to 2.46%.

As at 31 December 2021, the Group had trade receivables of approximately RMB180,017,000 (as at 31 December 2020: RMB176,391,000), increased by 2.1% compared to 2020, mainly due to the impact of increase of sales.

As at 31 December 2021, the inventory balance of the Group was approximately RMB203,476,000 (as at 31 December 2020: RMB246,028,000), representing a decrease of RMB42,552,000 as compared with 2020. The decrease in inventory as at the end of the period was mainly due to decrease of stock-up of intermediates.

As at 31 December 2021, the Group's contracted but not provided for plant and machinery capital commitments amounted to approximately RMB239,908,000 (as at 31 December 2020: RMB252,523,000), which was mainly related to Suzhou Dawnrays Pharmaceutical relocation construction project and Lanzhou Dawnrays intermediates and bulk medicines production base project.

流動資金及財政資源

於二零二一年十二月三十一日，本集團持有現金及銀行存款約人民幣577,744,000元（於二零二零年十二月三十一日：人民幣730,986,000元）。年內，經營業務的現金流入淨額約人民幣393,139,000元（二零二零年：人民幣302,903,000元）；使用在投資活動的現金流出淨額約人民幣284,202,000元（二零二零年：流入淨額人民幣26,447,000元）；使用在融資活動的現金流出淨額約人民幣129,754,000元（二零二零年：人民幣327,696,000元）。

於二零二一年十二月三十一日，本集團之銀行信貸總額約人民幣1,100,000,000元（於二零二零年十二月三十一日：人民幣1,300,000,000元）。於二零二一年十二月三十一日，本集團之計息銀行及其他借貸為人民幣21,013,000元（於二零二零年十二月三十一日：無）。本集團之負債比率（界定為計息銀行借貸除以資產總值）為0.6%（於二零二零年十二月三十一日：零）。上述銀行及其他借貸的利率為1.60%至2.46%的固定息率。

於二零二一年十二月三十一日，本集團應收貿易賬款額約人民幣180,017,000元（於二零二零年十二月三十一日：人民幣176,391,000元），較二零二零年上升2.1%，主要是銷售額增加的影響。

於二零二一年十二月三十一日，本集團存貨餘額約人民幣203,476,000元（於二零二零年十二月三十一日：人民幣246,028,000元），較二零二零年減少人民幣42,552,000元。期末存貨減少主要是中間體庫存減少。

於二零二一年十二月三十一日，本集團已訂約但未作撥備的廠房及機器資本開支承擔共約人民幣239,908,000元（於二零二零年十二月三十一日：人民幣252,523,000元），主要涉及蘇州東瑞製藥搬遷工程項目及蘭州東瑞中間體原料藥生產基地項目。

SUBSTANTIAL INVESTMENT

In 2021, Nanjing PharmaRays, a majority-owned subsidiary of the Group and a research and development company, owned as to 65% by Suzhou Dawnrays Pharmaceutical, had the registered capital of RMB50,000,000, and Suzhou Dawnrays Pharmaceutical made a capital contribution of RMB32,500,000, in accordance with the joint venture agreement. The registered capital subscribed by the other two shareholders amounted to RMB17,500,000, of which RMB16,500,000 was paid and RMB1,000,000 was not paid.

As a result of the urban planning adjustment of Wuzhong Economic and Technological Development Zone by the Suzhou Municipal People's Government, Suzhou Dawnrays Pharmaceutical and the local government signed a relocation compensation agreement on 20 December 2017. The agreed relocation compensation amounted to approximately RMB351,200,000. As at 31 December 2021, Suzhou Dawnrays Pharmaceutical received the relocation compensation of RMB175,595,000. The factory of Suzhou Dawnrays Pharmaceutical located on Tianling Road in Wuzhong Economic and Technological Development Zone will be relocated to Wusongjiang Chemical Industrial Park in Wuzhong Economic and Technological Development Zone. The planned investment in the project was RMB402,000,000. The construction of the project is nearing completion and is expected to be completed and put into operation in 2022. During the year, Dawnrays International made an additional capital contribution of US\$17,500,000 to Suzhou Dawnrays Pharmaceutical.

As a result of the planning adjustment of Yangkou Chemical Industrial Park by the Rudong County People's Government of Nantong City, Dawnrays Nantong, a subsidiary of the Group, signed a relocation compensation agreement with the local government on 30 December 2020, and the compensation was RMB82,433,000. As at 31 December 2021, Dawnrays Nantong received the compensation of RMB25,880,000. The demolition of the factory of the company was nearing completion.

重大投資

二零二一年，本集團控股附屬公司南京福美瑞信（一間研發型企業，蘇州東瑞製藥佔65%股份）之註冊資本為人民幣50,000,000元，蘇州東瑞製藥已根據合資協議投入認繳註冊資本人民幣32,500,000元。另兩家股東認繳的註冊資本人民幣17,500,000元，已到位人民幣16,500,000元，未到位人民幣1,000,000元。

由於蘇州市人民政府對吳中經濟技術開發區城市規劃調整，蘇州東瑞製藥於二零一七年十二月二十日與所在地政府簽署拆遷補償協議，雙方協議之拆遷補償金額約人民幣351,200,000元，至二零二一年十二月三十一日止蘇州東瑞製藥已收到拆遷補償金人民幣175,595,000元。蘇州東瑞製藥吳中經濟技術開發區天靈路廠區將搬遷至吳中經濟技術開發區吳淞江化工園區。該項工程計劃投資人民幣402,000,000元。目前該項目建設已接近尾聲，預計二零二二年建成投產。年內，東瑞國際股份已增加蘇州東瑞製藥投資款17,500,000美元。

由於南通市如東縣人民政府洋口化工園區規劃調整，本集團附屬公司東瑞南通於二零二零年十二月三十日與所在地政府簽署搬遷補償協議，補償金額人民幣82,433,000元，至二零二一年十二月三十一日止東瑞南通已收到補償金人民幣25,880,000元。目前該公司生產廠區拆除已近尾聲。

Lanzhou Dawnrays Pharmaceutical Co., Ltd., the intermediates and bulk medicines production base of the Group, was established on 30 December 2019 with a registered capital of US\$50,000,000, 95% of which was contributed by the Group and 5% by Xiangbei Welman Pharmaceutical Co., Ltd. (湘北威爾曼製藥股份有限公司). The project land area was 250 mu. As at the end of December 2021, the registered capital invested in total was US\$30,000,000. The main products are cephalosporin bulk medicines and intermediates, system specific bulk medicines, raw materials of enzyme inhibitors, and raw materials of health supplements. The planned investment in the project was RMB430,000,000. The construction of the project is nearing completion and is expected to be completed and put into operation in 2022.

During the year, to streamline the structure of the Group, the dissolution of Cinmed (Hong Kong) Investment Limited, a subsidiary of the Group's subsidiary Top Field Limited was approved on 11 February 2021. Deregistration of Cinmed Medical Equipment (Putian) Co., Ltd., a subsidiary of Fujian Dawnrays Pharmaceutical Co., Ltd. was approved on 1 February 2021. The goodwill arising from the acquisition of Top Field Limited and its subsidiary Fujian Dawnrays ("Fujian Dawnrays Goodwill") amounted to RMB241,158,000. The Group is required to check, at each reporting period end, whether the recoverable amount based on the value in use of the cash-generating unit of Fujian Dawnrays exceeds the carrying value at 31 December 2021. After an assessment, the Group believes that there were no indications of impairment on Fujian Dawnrays Goodwill as at 31 December 2021.

Save as disclosed above and the disposal of 65% interest of Su Zhou Dawnrays Pharma Sci-Tech disclosed in the Company's announcement dated 30 July 2021, there were no significant external investments, material acquisitions or disposal of subsidiaries and associated companies by the Group during the year.

本集團中間體及原料藥生產基地「蘭州東瑞製藥有限公司」於二零一九年十二月三十日成立，註冊資本50,000,000美元，本集團佔95%股份，湘北威爾曼製藥股份有限公司佔5%股份。該項目佔地250畝。至二零二一年十二月底已累計投入註冊資本30,000,000美元。主要產品為頭孢類原料藥和中間體、系統專科原料藥、酶抑制原料及保健品原料。該項目工程計劃投資人民幣430,000,000元。目前該項目建設已近尾聲預計二零二二年建成投產。

年內，為精簡集團架構，本集團附屬公司Top Field Limited的附屬公司興安(香港)投資有限公司已於二零二一年二月十一日獲准解散。福建東瑞製藥有限公司附屬公司興安醫療器械(莆田)有限公司已於二零二一年二月一日獲批准註銷登記。因收購Top Field Limited及其附屬公司福建東瑞產生的商譽(「福建東瑞商譽」)人民幣241,158,000元，本集團需於每年報告期末對福建東瑞之現金產出單元之使用價值所計算之可收回金額超過其於二零二一年十二月三十一日之賬面值，經評估本集團認為二零二一年十二月三十一日之福建東瑞商譽並沒有減值跡象。

年內，除上述披露及於日期為二零二一年七月三十日之本公司公告披露出售蘇州東瑞醫藥科技65%權益外，本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

Management Discussion and Analysis

管理層討論及分析

FOREIGN EXCHANGE AND TREASURY POLICIES

As at year ended 31 December 2021, the Group recorded an exchange gain of RMB997,000 (2020: loss of RMB1,476,000). The Group's substantial business activities, assets and liabilities are denominated in Renminbi, so the risk derived from the foreign exchange to the Group is not high. The treasury policy of the Group is to manage any risk of foreign exchange or interest rate (if any) only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

STAFF AND REMUNERATION POLICY

As at 31 December 2021, the Group employed approximately 1,065 (2020: 1,090) employees and the total remuneration was approximately RMB172,023,000 (2020: RMB156,313,000). The total remuneration increased mainly due to salary increment and the severance fee for lay off certain Su Zhou Dawnrays Pharma Sci-Tech and Dawnrays Nantong employees. The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

CHARGES ON ASSETS

As at 31 December 2021, the Group had not pledged any assets to banks to secure credit facilities granted to its subsidiaries (as at 31 December 2020: Nil).

CONTINGENT LIABILITIES

As at 31 December 2021, the Group had no material contingent liabilities.

外幣及庫務政策

截至二零二一年十二月三十一日止年度，本集團錄得匯兌收益人民幣997,000元(二零二零年：虧損人民幣1,476,000元)。本集團大部分業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。本集團的庫務政策為只會在外匯風險或利率風險(如有)對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯和利率市場狀況，並於有需要時以外匯遠期合約對沖外匯風險及利息掉期合約對沖利率風險。

僱員及薪酬政策

於二零二一年十二月三十一日，本集團約有員工1,065名(二零二零年：1,090名)，員工費用總額約人民幣172,023,000元(二零二零年：人民幣156,313,000元)。員工費用增加主要是調薪及遣散部份蘇州東瑞醫藥科技及東瑞南通員工費用。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場薪酬指標及個別員工的資歷而定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

資產抵押

於二零二一年十二月三十一日，本集團無資產抵押予銀行以獲取授予其附屬公司的信貸額度(於二零二零年十二月三十一日：無)。

或有負債

於二零二一年十二月三十一日，本集團並無重大或有負債。

EVENTS AFTER THE REPORTING PERIOD

On 26 January 2022, the Group and Suzhou Rongxin Construction Development Co., Ltd. entered into an agreement, pursuant to which the company sold 35% of equity interest in Su Zhou Xinshen Pharmaceutical Science and Technology Co., Ltd. (formerly known as Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd.), further details of which were set out in the Company's announcement dated 26 January 2022.

On February 2022, Mr. Chen Shaojun has resigned from his position as an executive director and the chief executive officer of the Company as well as other directorships and general manager at the subsidiary or associated company level of the Company. Mr. Wu Weixian has been appointed to act as the chief executive officer of the Company with effect from 16 February 2022.

PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments, increase of registered capital in subsidiaries and capital for relocation plans under the section "Liquidity and Financial Resources" and "Substantial Investment", the Group does not have any plan for material investments or acquisition of capital assets.

The Group has sufficient financial and internal resources to pay the capital commitments, capital expenditure for relocation plans, investment projects and increased registered share capital described above. However, it is still possible to pay the above capital expenditure commitments with bank loans or internal resources of the Group.

SEGMENT INFORMATION

An analysis of the Group's segment information for the year ended 31 December 2021 is set out in note 3 to the financial statements.

於報告期後事項

於二零二二年一月二十六日，本集團與蘇州融新建設發展有限公司簽署協議出售蘇州新申醫藥科技有限公司(前稱蘇州東瑞醫藥科技有限公司)35%股權，進一步詳情載於本公司日期為二零二二年一月二十六日的公告。

於二零二二年二月，陳紹軍先生辭任本公司執行董事兼總裁及其於本公司之附屬公司及聯營公司層面的其他董事及總經理之職務。吳偉賢先生自二零二二年二月十六日起被委任為本公司總裁。

未來重大投資及預期融資來源

除於上述「流動資金及財政資源」及「重大投資」所載有關資本開支承擔、附屬公司註冊資本增加及搬遷計劃資本所披露者外，本集團並無任何未來重大投資計劃或購入資本資產計劃。

本集團有充足的財政及內部資源足以支付上述資本開支承擔、搬遷計劃資本開支、投資項目及增加註冊資本。但仍可能以銀行貸款或本集團內部資源支付上述資本開支承擔。

分類資料

本集團截至二零二一年十二月三十一日止年度之分類資料分析載於財務報表附註3。

The board of Directors (the “Board”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) believes that corporate governance is essential to the success of the Company and its subsidiaries (collectively referred to as the “Group”). Good corporate governance can safeguard the interests of all shareholders and enhance corporate value. Therefore, the Board has adopted various measures to ensure that a high standard of corporate governance is maintained.

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Ltd. (the “Stock Exchange”) for the year ended 31 December 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Company confirms that all the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the 2021 annual report.

THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these committees are set out in this report.

No corporate governance committee has been established and so the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company’s policies, practices on corporate governance, training and continuous professional development of Directors and senior management, developing, reviewing and monitoring the code of conduct to employees and Directors such as inside information disclosure regulations and assuring the Company’s policies and practices on compliance with legal and regulatory requirements, etc.

東瑞製葯(控股)有限公司(「本公司」)之董事會(「董事會」)深信企業管治為本公司及其附屬公司(統稱「本集團」)成功的關鍵，良好的企業管治能保障全體股東權益及提升企業價值，因此董事會已採取各項措施，以確保維持高標準的企業管治。

就董事所知、所得資料及所信，截至二零二一年十二月三十一日年度，本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四的企業管治守則(「管治守則」)所載之守則條文規定。

證券交易的標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的行為守則。根據對所有董事作出的特定查詢後，本公司確認所有董事於二零二一年年報覆蓋的會計期內一直遵守標準守則所規定的準則。

董事會

董事會負責領導及監控本公司，並負責監管本集團之業務、策略方針及表現。董事會亦轉授權力及責任予管理層，以管理本集團。此外，董事會亦已將各種職責分派至董事會轄下委員會。該等委員會之詳情載於本報告內。

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展，制定、檢討及監察僱員及董事的操守準則例如內幕信息披露管理制度及確保本公司之政策及常規符合法律及監管規定等。

The Board held 14 board meetings including 6 regular meetings and 8 ad-hoc meetings during the year ended 31 December 2021. The regular board meetings were to consider, among other things, reviewing and approving the interim and annual results of the Group, overall group strategy, annual budgets, approval of major capital transactions and other significant operational and financial matters. The ad-hoc meetings were convened when circumstance required such as approving a loan to associate company, cancellation of repurchased shares, grant options to employees, capital expenses for construction or purchasing production facilities, set up of research and development project and etc.

Details of the attendance of Directors at board meetings, annual general meeting of the Company (the “AGM”) and other three board committees’ meetings (the Audit Committee, the Nomination Committee and the Remuneration Committee) during the year 2021 are set out in the following table:

董事會於截至二零二一年十二月三十一日止年度內已舉行十四次董事會會議，包括六次定期董事會會議及八次臨時董事會會議。定期會議是考慮(其中包括)審閱及批准本集團中期及全年業績、整體企業策略、年度預算、批准重大資本交易及其他重大營運及財務事宜。臨時會議是在情況有需要時例如批准一筆貸款給聯營公司、註銷回購股票、授予購股權給員工、批准建造或採購生產設備的資本開支及研發項目立項等而召開。

於二零二一年，各董事於董事會會議、本公司股東週年大會(「股東週年大會」)及另外三個董事委員會會議(審核委員會、提名委員會及薪酬委員會)的出席詳情列載於下表：

| Name of Directors | 董事姓名 | No. of meetings attended/held | | | | |
|--|-----------------------|-------------------------------|--------|-----------------|----------------------|------------------------|
| | | Board | AGM | Audit Committee | Nomination Committee | Remuneration Committee |
| | | 董事會 | 股東週年大會 | 審核委員會 | 提名委員會 | 薪酬委員會 |
| <i>Executive Directors</i> | | | | | | |
| Ms. Li Kei Ling (Chairman) | 李其玲女士(主席) | 14/14 | 1/1 | – | 3/3 | 2/2 |
| Mr. Hung Yung Lai | 熊融禮先生 | 14/14 | 1/1 | – | – | – |
| Mr. Chen Shaojun | 陳紹軍先生 | 10/14 | 1/1 | – | – | – |
| <i>Non-executive Director</i> | | | | | | |
| Mr. Leung Hong Man | 梁康民先生 | 8/14 | 1/1 | – | – | – |
| <i>Independent Non-executive Directors</i> | | | | | | |
| Mr. Lo Tung Sing Tony | 勞同聲先生 | 9/14 | 1/1 | 4/4 | 3/3 | 2/2 |
| Mr. EDE, Ronald Hao Xi | EDE, Ronald Hao Xi 先生 | 7/14 | 1/1 | 4/4 | 3/3 | 2/2 |
| Ms. Lam Ming Yee Joan | 林明儀女士 | 9/14 | 1/1 | 4/4 | 3/3 | 2/2 |

At least 14 days' notice of regular board meeting is given to all Directors. The agenda and board papers are sent to the Directors at least 3 days before the meetings of the Board and board committees so that the Directors have the time to review the documents. Directors can include matters for discussion in the agenda if the need arises. Minutes of meetings of the Board and board committees are recorded in sufficient details that matters considered and decisions reached. The draft and final versions of the minutes will be sent to Directors within a reasonable time after the meetings. Minutes of meetings of the Board and board committees are kept by the company secretary of the Company and open for inspection on reasonable notice by any Directors.

All Directors are entitled to have unrestricted access to the advice and service of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations are followed. Upon reasonable request and appropriate circumstances, Directors can seek independent professional advice to assist them to discharge their duties, at the Company's expenses.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board had determined to be material, the matter will be dealt with by holding a board meeting with the presence of disinterested Independent Non-executive Directors or a meeting of a board committee set up for that purpose pursuant to a resolution passed in a board meeting.

BOARD COMPOSITION

The Board currently comprises six Directors, of whom two are Executive Directors, one is Non-executive Director and three are Independent Non-executive Directors. The composition meets the requirement of the Listing Rules for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors. The three Independent Non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and business management respectively. With their experience gained from senior positions held in other organizations, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. The biographies of the Directors are set out in pages 44 to 47 to the 2021 annual report, which demonstrates the skills, expertise, experience and qualifications of the Directors.

董事會定期會議的通告於會議舉行最少十四天前發出予各董事。董事會及其轄下委員會會議的議程及相關會議文件，至少在每次會議三天前送交予各董事，使各董事有時間審閱該等文件。如有需要，董事可在議程中加插欲討論的事項。董事會及其轄下委員會的會議記錄均詳盡記錄會議上考慮事項及達致的決定，並於會議後合理時間內把初稿及最終定稿發送給董事。董事會及轄下委員會會議記錄由本公司公司秘書存置，並於任何董事發出合理通知時供公開查閱。

所有董事均有權取得公司秘書的意見和服務，以確保董事會程序及所有適用規則及規例均獲得遵守；根據合理要求並在適當情況下，董事可尋求獨立專業意見，以妥善履行彼等之職責，費用由本公司支付。

倘董事會認為主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，將以在該事項中本身沒有重大利益的獨立非執行董事出席的董事會議或根據董事會會議通過之決議案就此而成立之董事委員會會議處理。

董事會組成

董事會現由六名董事組成，其中二位成員為執行董事、一位為非執行董事及三位為獨立非執行董事。其組成情況符合上市規則要求董事會成員最少須有三分之一為獨立非執行董事之做法，三位獨立非執行董事極具才幹，在會計及工商管理各範疇擁有學術及專業資歷；加上他們在其他機構擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各董事履歷載於二零二一年年報第44至47頁，當中載列各董事之技能、專業知識、經驗及資格。

The Company has received annual confirmation of independence from the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-executive Directors are independent within the definition of the Listing Rules.

Ms. Li Kei Ling, the Chairman of the Board and Mr. Hung Yung Lai, one of the Executive Directors, are directors and ultimate shareholders of several private companies incorporated in Hong Kong and British Virgin Islands.

Save as disclosed above, the Board members have no financial, business, family or other material/relevant relationships with each other. The balanced Board composition is formed to ensure strong independence exists across the Board which can effectively exercise independent judgement.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors understand the importance of continuous professional development and are willing to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code A.6.5 on Directors' training. All Directors had participated in continuous professional development and provided a record of training they received for the year ended 31 December 2021 to the Company.

本公司已接獲該三名獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確定全體獨立非執行董事均屬上市規則所界定之獨立人士。

董事會主席李其玲女士及其中一位執行董事熊融禮先生為數家於香港及英屬維爾京群島註冊成立的私人公司的董事及最終股東。

除上文披露外，董事會成員間並無任何財務、業務、家族或其他重大／相關關係。董事會以如此均衡之架構組成，目的在確保整個董事會擁有穩固之獨立性，能夠有效地作出獨立判斷。

董事之持續培訓及發展

董事了解持續專業發展之重要性並願意發展及更新其知識和技能，以確保其繼續在具備全面資訊及切合所需之情況下向董事會作出之貢獻。

董事承諾遵守管治守則第A.6.5條有關董事培訓，於截至二零二一年十二月三十一日止年度，全體董事均有參與持續專業發展，並已向本公司提供其所接受之培訓記錄。

The individual training record of each Director received for the year ended 31 December 2021 is set out below:

於截至二零二一年十二月三十一日止年度，各董事接受培訓之個人記錄載列如下：

| Directors | 董事 | Briefings and updates on the listing rules, business, operations, and corporate governance matters 有關上市條例、業務、營運及企業管治事宜之簡報及更新 | Attending or participating in seminars/conferences relevant to the management or business 出席或參加與管理或業務有關之講座／會議 |
|------------------------|-----------------------|---|--|
| Ms. Li Kei Ling | 李其玲女士 | ✓ | ✓ |
| Mr. Hung Yung Lai | 熊融禮先生 | ✓ | ✓ |
| Mr. Chen Shaojun | 陳紹軍先生 | ✓ | ✓ |
| Mr. Leung Hong Man | 梁康民先生 | ✓ | ✓ |
| Mr. Lo Tung Sing Tony | 勞同聲先生 | ✓ | ✓ |
| Mr. EDE, Ronald Hao Xi | EDE, Ronald Hao Xi 先生 | ✓ | ✓ |
| Ms. Lam Ming Yee Joan | 林明儀女士 | ✓ | ✓ |

APPOINTMENTS AND ELECTION OF DIRECTORS

The nomination committee will consider the appointment of new Directors first by reviewing the profiles of the candidates and making recommendations to the Board. New Directors appointed by the Board during the year to fill a casual vacancy or as an addition to the Board shall retire and submit themselves for re-election at the first general meeting immediately followed their appointment.

Non-executive Directors are appointed for a fixed term of two years and are subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Company's articles of association (the "Articles").

According to the Company's Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting. All retiring Directors shall be eligible for re-election.

董事委任及選舉

新董事之委任先經提名委員會考慮，審閱候選人之履歷後向董事會作出建議。年內獲董事會委任填補臨時空缺或新增加入董事會之新董事須退任並於緊隨彼等獲委任後之股東大會上膺選連任。

非執行董事的固定委任年期為兩年，並須根據本公司組織章程細則（「組織章程細則」）於股東週年大會上輪席告退並重選連任。

根據組織章程細則，於每屆股東週年大會上，當時為數三分一的董事（或如董事並非三的倍數，則須為最接近但不少於三分一的董事人數）均須輪席告退，惟每名董事（包括按特定任期委任之董事）須至少每三年於股東週年大會上輪值告退一次。所有退任董事符合資格膺選連任。

RESPONSIBILITIES OF DIRECTORS

Every newly appointed Director will receive a comprehensive, formal and tailored induction on his first appointment to have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors endeavour to give sufficient time and attention to the Group's affairs and are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-executive Directors take an active role in board meetings, contribute to the development of strategies and policies and make sound and independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various board committees and scrutinize the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

SUPPLY OF AND ACCESS TO INFORMATION

The management has the obligation to supply the Board with monthly updates and adequate information to enable it to make informed decisions on matters placed before it. Where any Director requires more information than is volunteered by the management, each Director has separate and independent access to the Group's management to make further enquires if necessary. Where queries are raised by Directors, management will respond as promptly and fully as possible.

董事之責任

每位新委任董事均會在首次接受委任時獲得全面、正式兼特為其而設的就任須知，以對本集團之營運及業務有適當理解，以及完全知悉彼在法規及普通法、上市規則、適用之法律規定及其他監管規定以及本公司之業務及管治政策下之職責。董事將致力付出足夠時間及精神以處理本集團事務，並獲持續更新有關法律及規管變更、業務及市場變動以及本集團之策略發展，以便履行彼等之職責。

獨立非執行董事在董事會會議上擔當活躍角色，可為制訂策略及政策作出貢獻，並就策略、政策、表現、問責、資源、重大委任及行為準則事宜作出可靠及獨立之判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事會轄下委員會之成員，審查本集團在實現議定企業目標及指標時之整體表現，並監察表現之呈報。

資料之提供及獲取

管理層有責任向董事會提供月報及充足之資料，以供董事會對提呈事項作出知情決定。倘有任何董事要求獲得除管理層自願提供之資料以外之其他資料，董事於必要時可透過不同及獨立途徑接觸本集團管理層，以作出進一步諮詢。若有董事提出問題，管理層將儘快作出全面的回應。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision of the CG Code A.2.1, the roles of the chairman (the “Chairman”) and the chief executive officer (the “CEO”) should be separated and should not be performed by the same individual. The Board has appointed Ms. Li Kei Ling as the Chairman. She has executive responsibilities and provides leadership to the Board such as ensuring all Directors are properly briefed on issues arising at board meetings and received complete and reliable information in a timely manner so that the Board works effectively and discharges its responsibilities. During 2021, Mr. Chen Shaojun was the Executive Director and CEO of the Company. Mr. Wu Weixian was appointed by the Company as CEO to succeed Mr. Chen Shaojun with effect from 16 February 2022. CEO is delegated with the authority and responsibility for managing the Group’s business operation and implementing the development strategies. CEO will periodically present the updated market situation, long term strategies and objectives of the Group, quarterly results to the Board at the Board meeting. Variances analysis between the actual performances and the budget targets are explained in the meeting. This helps the Board to monitor the Group’s business operations and to amend the targets when required. In addition, CEO will also present the coming year budget summary to the Board for approval at the Board meeting held in December each year.

ACCOUNTABILITY AND AUDIT

The management provides explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors and CEO acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements and announcements to shareholders. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company’s annual and interim reports and other financial disclosures required under the Listing Rules, and reports to the regulators as well as the information required to be disclosed pursuant to the statutory requirements.

The responsibilities of the auditors to the shareholders are set out in the Independent Auditor’s Report on pages 68 to 74.

主席及總裁

根據管治守則A.2.1規定，主席（「主席」）及總裁（「總裁」）之職務應分開，不得由同一人兼任。董事會委任李其玲女士為主席，彼負有執行責任及領導董事會，如確保董事會會議上所有董事均適當知悉當前的事項和及時收到完備可靠的資訊，使董事會有效地運作和履行其職責。於二零二一年，陳紹軍先生擔任本公司執行董事兼總裁職務。於二零二二年二月十六日起，本公司委任吳偉賢先生接任陳紹軍先生為本公司總裁。總裁獲授予權力和責任管理本集團業務營運及推行發展策略，總裁於每一季度向董事會提呈季度業績，會上闡述更新之市場情況、長期策略及目標，實際表現與預算目標有所差異之分析，此舉有助董事會監控本集團之業務營運及於必要時修訂目標。此外，總裁亦於每年十二月份召開之董事會會議上向董事會提呈下一年度之預算概要，尋求董事會批准。

問責及核數

管理層向董事會提供有關解釋及資料，令董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事及總裁確認須負責為每一財政年度編製能真實及公允地反映本集團業務狀況之財務報告及向股東提呈中期及年度財務報表及公佈。董事會並不知悉任何重大不確定因素會對本集團的持續經營能力投下重大疑惑，因此，董事會仍然採用持續經營基準編製賬目。

董事會確認，其有責任在本公司年度報表及中期報告和根據上市規則規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料，提供平衡、清晰及易於理解之評估。

核數師向股東承擔的責任載於第68至74頁獨立核數師報告內。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

The CEO and senior management of the Group is responsible for the design, implementation and monitoring of the risk management and internal control systems. Appropriate policies and controls have been set and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However the systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Of which including:

- (1) establishing written policies and work flow for major operations and production cycles to ensure compliance with applicable laws, regulations, and industry standards;
- (2) clearly defined the authorities and key responsibilities of each business and operational unit, having in place appropriate segregation of duties and setting proper authorization levels to ensure adequate checks and balances; and
- (3) rules and guidelines are set to control treasury activities, financial and management reporting, human resources functions and computer systems' operations.

風險管理及內部監控

董事會確認其監管本集團的風險管理及內部監控系統的責任，以及透過審核委員會至少每年檢討其成效。審核委員會協助董事會履行其於本集團財務、營運、合規、風險管理及內部監控，以及財務及內部審計職能方面資源的監管及企業管治角色。

本集團總裁及高級管理層負責風險管理及內部監控系統的設計、實施及監察。適當的政策和監控已訂立及建立，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計準則及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。惟有關係統及內部監控只能作出合理而非絕對的保證可防範重大失實陳述或損失，其訂立旨在管理而非消除未能達致業務目標的風險。

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計，其中包括：

- (1) 訂明書面工作制度和主要業務與生產週期的工作流程以確保遵照有關法律、規例和生產製造標準；
- (2) 清楚界定各業務及營運部門的權責，制訂適當的分工，實施妥善的審批權，以確保有效之制衡；及
- (3) 訂立規則及指引以監控本集團庫務事宜、財務與管理匯報、人力資源功能及電腦系統之運作。

The Group's risk management framework includes the following elements:

- (i) identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- (ii) develop necessary measures to mitigate, reduce or transfer such risks; and
- (iii) monitor and review the effectiveness of such measures.

The Group has embedded its risk management systems into the core operating practices of the business. On an ongoing basis, business and operational units assess and identify their potential risks which may impact on their ability to achieve their business objectives and/or those of the Group. The head of each unit has to complete relevant risk and control self-assessment questionnaires and confirm to the CEO that appropriate internal control policies and procedures have been established and properly complied with. CEO conducts review of the effectiveness of risk management annually and presents report to the Audit Committee after review.

In addition, the Board monitors and reviews the adequacy and effectiveness of the internal control systems through a programme of internal audit. The internal audit department is set up by the Company to review the major operational and financial control of the Group in compliance with the established processes and standards on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit department reports directly to the Chairman of the Board and the Audit Committee. The Audit Committee examines the internal audit department's review and opinions about operational effectiveness of the Group's internal control system and reports to the Board.

During 2021, based on the internal audit report and the risk management report presented by internal audit department and CEO respectively, the Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

本集團的風險管理框架包括以下部分：

- (i) 識別本集團業務環境的重大風險及評估該等風險對本集團業務的影響；
- (ii) 制定紓緩或減少或轉移該等風險的必要措施；及
- (iii) 監察及檢討有關措施的有效性。

本集團已把其風險管理系統融入業務的核心營運常規，業務及營運部門持續評估及識別各自可能影響其實現本身及／或本集團經營目標的能力的潛在的風險，各單位主管須填寫有關風險及內部監控的自我評估問卷，並向總裁確認已制訂及妥善遵守適當的內部監控政策及程序；總裁須每年對風險管理有效性進行評估並於評估後提交報告給審核委員會。

此外，董事會透過內部稽核程序監察及檢討其內部監控系統是否足夠及有效。本公司設立內部審計部以持續基準審閱本集團之主要營運及財務控制是否遵照制定的流程和標準，及旨在以循環基準涵蓋本集團之所有主要營運，內部審計部直接向董事會主席及審核委員會匯報。而審核委員會則審閱內部審計部對本集團內部監控系統運作成效的檢討結果及意見，並向董事會作出匯報。

於二零二一年，根據內部審計部及總裁分別提交的內部審計報告及風險管理報告，審核委員會及董事會均無發現任何將對本集團的財務狀況或經營業績造成重大影響而需多加關注的事項，亦認為風險管理及內部監控系統整體而言充足並具成效，包括在會計、內部審計及財務匯報職能方面有足夠的資源、員工資歷及經驗，以及有足夠的員工培訓課程及預算。

INSIDE INFORMATION POLICY

The Company has established policy to ensure that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Access to inside information is at all times confined to relevant senior management executed on “as needed” basis, until proper disclosure or dissemination of inside information is made in accordance with applicable laws and regulation. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed.

DELEGATION BY THE BOARD

The day-to-day management of the Group is delegated to the management by the Board, with division heads responsible for individual department’s daily operations.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board’s approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

BOARD COMMITTEES

The Board has established the nomination committee, remuneration committee and audit committee. The committees’ terms of references defined their functions and responsibilities have been posted on the Company’s website.

NOMINATION COMMITTEE

As at 31 December 2021, the nomination committee of the Company (the “Nomination Committee”) had Ms. Li Kei Ling as the committee’s chairman, and the three Independent Non-executive Directors, Mr. Lo Tung Sing Tony, Mr. EDE, Ronald Hao Xi and Ms. Lam Ming Yee Joan as the committee’s members. The Nomination Committee’s terms of reference are summarized as follows:

- (1) to review the structure, size and composition (including the skill, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;

內幕消息政策

本公司已制定政策，以確保內幕消息根據適用法例及法規公平及適時地向公眾發佈。在任何時候，只限於相關高級管理層人員並按情況需要方能獲取內幕消息，直至內幕消息根據適用法例及法規予以披露或發佈，並提醒相關負責之員工及其他專業人士須將內幕消息保密直至已公開披露。

董事會權力的轉授

董事會轉授本集團之日常管理權力給管理層，部門主管負責各部門的日常運作。

董事會特別委託管理層執行之主要企業事宜包括籌備中期及年度報告及通告以供董事會於公佈前批核，執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

董事會轄下的委員會

董事會成立提名委員會、薪酬委員會及審核委員會。闡明委員會的權力及職責的職權範圍登載於本公司網站上。

提名委員會

於二零二一年十二月三十一日，本公司提名委員會（「提名委員會」）以李其玲女士為委員會主席及三名獨立非執行董事勞同聲先生、EDE, Ronald Hao Xi先生及林明儀女士為委員會成員。提名委員會之職權範圍概述如下：

- (1) 至少每年檢討董事會之架構、人數及組成（包括技能、知識及經驗）；並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；

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|--|--|
| <p>(2) to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;</p> <p>(3) to assess the independence of Independent Non-executive Directors; and</p> <p>(4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer.</p> | <p>(2) 物色具備合適資格可擔任董事的人士，挑選提名有關人士出任董事或就此向董事會提出意見；</p> <p>(3) 評核獨立非執行董事的獨立性；及</p> <p>(4) 就董事委任或重新委任以及董事（尤其是主席及總裁）繼任計劃向董事會提出建議。</p> |
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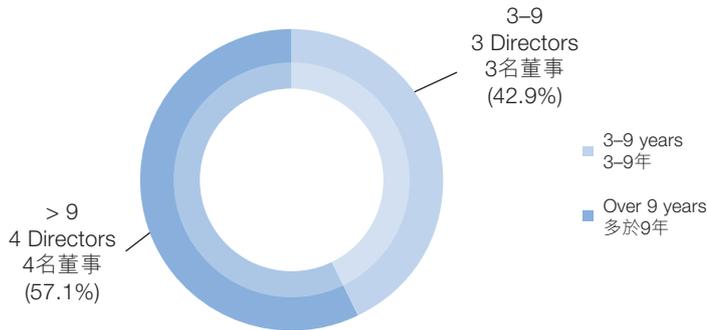
BOARD DIVERSITY POLICY

The Nomination Committee adopted a board diversity policy (the “Board Diversity Policy”) which seeks to achieve board diversity through the consideration of a number of factors, including but not limited to ethnicity, working experience, professional skills, knowledge and length of service. The Company believes that increasing diversity at the Board level is an important part of achieving its strategic objectives and to attract and retain the best people. Appointments to the Board shall be on merit, in the context of the skills and experience the Board as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. There are many considerations that factor into the Nomination Committee’s nomination process including legal requirements, best practices, and skills required to complement the Board’s skill set and the number of Directors needed to discharge the duties of the Board and its Committees. But it will not set any restrictions like gender, age, cultural or educational background when short listing candidates. The Company believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. The Nomination Committee shall review the diversity of the Board at least annually taking into account the Group’s business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Board to complement the Company’s corporate strategy. As at 31 December 2021, the composition of the Board of the Company was as follows:

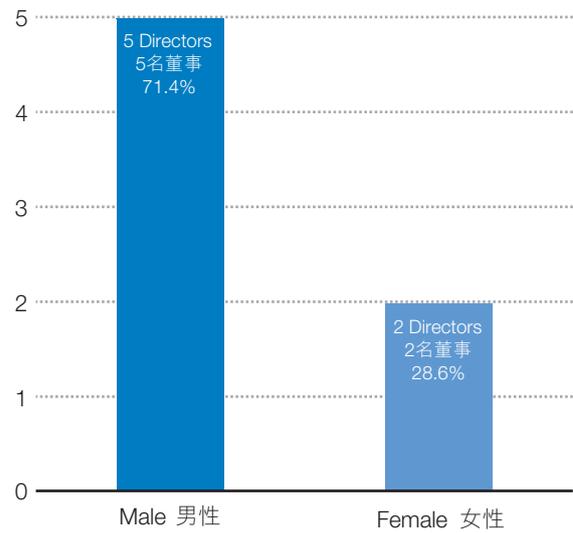
董事會成員多元化政策

提名委員會已採納董事會成員多元化政策（「多元化政策」）透過考慮各項因素，包括但不限於種族、工作經驗、專業技能、知識及服務年期，務求達致董事會成員多元化。本公司相信，提升董事會層面的多樣性乃實現其策略性目標及吸引和挽留人才的一個重要部分。董事會應當用人唯才，以董事會整體有效運作所需的技能和經驗為本，依循客觀標準，並適當考慮多樣性的好處。提名委員會的提名過程中包括不少考慮因素，如法律要求、最佳常規和董事會的所需技能，以及履行董事會及其委員會的職責所需要的董事人數等。但篩選候選名單時不會設置任何如性別、年齡、文化或教育背景等限制。本公司相信，一個真正多元化的董事會將包括具備不同技能、地區及行業經驗、背景及其他資歷的董事，並可加以善用。考慮到本集團業務模式及具體需要，提名委員會須至少每年審閱董事會成員的多樣性，並須監察多元化政策的執行，並如合適會就為配合本公司策略而擬對董事會作出的變動提出建議。於二零二一年十二月三十一日，本公司董事會組成如下：

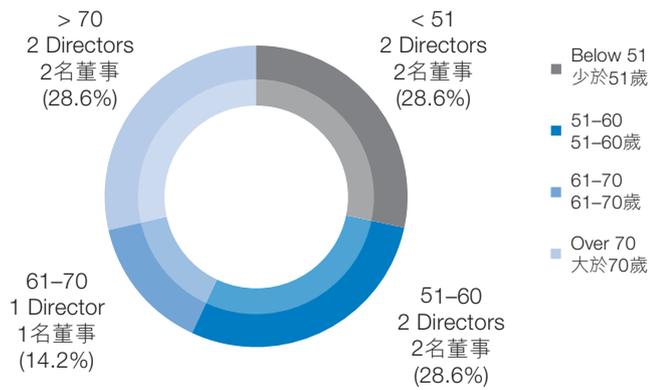
A LENGTH OF SERVICE 服務年期



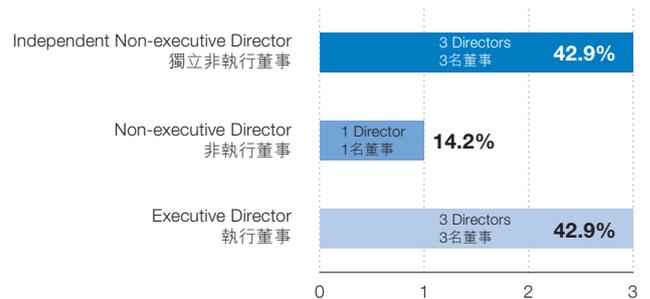
B GENDER 性別



C AGE 年齡



D DESIGNATION 職務



NOMINATION POLICY

The Nomination Committee recommends candidates for nomination to the Board, which approves the final choice of candidates. The Nomination Committee was responsible to maintain the nomination policy of the Company (the "Nomination Policy") and review the same from time to time. The objective of the Nomination Policy is to assist the Company in fulfilling its duties and responsibilities as provided in its terms of reference. This Nomination Policy sets out, inter alia, the selection criteria and the evaluation procedures in nominating candidates to be appointed or reappointed as Directors of the Company. The Nomination Committee shall consider any and all candidates recommended as nominees for Directors to the Committee by any Directors or Shareholders of the Company in accordance with the Articles. The Nomination Committee may also undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees. The Nomination Committee shall endeavour to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence (in case of Independent Non-executive Directors) to effectively represent the best interests of all Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating candidates including personal interviews, background checks, written submission by the candidates and third party references. As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process. The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Company. Non-executive Directors and Executive Directors are required to disclose his/her competing businesses to the Company. Cross-directorships in Hong Kong or overseas between Directors are also reviewed annually. The Nomination Committee is accountable for assessing whether any competing businesses or interlocking directorships could materially interfere with the exercise of objective and unfettered judgement by relevant Directors or their ability to act in the best interests of the Group.

During the year 2021, the Nomination Committee had three meetings to review the independence of Independent Non-executive Directors, the renewal of Directors' letter of appointment and the qualification of candidate for re-election in the AGM.

提名政策

提名委員會向董事會推薦提名候選人，由董事會通過最終人選。提名委員會負責維持本公司的提名政策（「提名政策」），並不時對提名政策進行檢討。提名政策目標為協助本公司履行其於職權範圍內規定的職責。本提名政策載列（其中包括）提名待委任或重選為本公司董事之人選的評選標準及評估程序。根據公司組織章程細則，提名委員會應考慮由任何本公司董事或股東向委員會建議的任何及所有董事候選人。提名委員會亦可自行尋找候選人及可保留專業人事中介或其他第三方的服務以協助物色及評估有潛質的候選人。提名委員會會致力物色誠實守信並擁有資格、資質、技能、經驗及獨立性（倘為獨立非執行董事）的人士加入董事會，以有效代表所有股東的最佳利益，挑選具有良好的判斷力、能提供可行實用的見解及多元化觀點的能力的候選人。提名委員會可以任何其認為適當的方法評估候選人，包括面試、背景調查、候選人的陳述書及第三方引薦。每次選舉或委任董事時，應盡可能以大致相同的程序評估候選人。提名委員會認為，擁有獨立性是履行董事職責，以監督本公司的業務及事務的管理的一個重要部分。非執行董事和執行董事須披露其與本公司的競爭業務。提名委員會亦會就董事於香港或海外的跨董事職務作每年檢討。提名委員會負責評估董事會否受其競爭業務及跨董事職務，重大影響其在履行職責時作出客觀及不受約束的決定，以維護本集團之最佳利益。

於二零二一年，提名委員會舉行了三次會議評估獨立非執行董事的獨立性、董事委任函的續期及於股東週年大會重選之候選人資格。

REMUNERATION COMMITTEE

As at 31 December 2021, the remuneration committee of the Company (the “Remuneration Committee”) had Mr. EDE, Ronald Hao Xi, an Independent Non-executive Director, as the committee’s chairman, Ms. Li Kei Ling, and two Independent Non-executive Directors, Mr. Lo Tung Sing Tony and Ms. Lam Ming Yee Joan as the committee’s members. The Remuneration Committee’s terms of reference are summarized as follows:

- (i) to recommend to the Board on the Group’s policy and structure of all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to determine with delegated responsibility from the Board, the remuneration packages of individual Executive Directors and senior management;
- (iii) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment;
- (iv) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (v) to ensure that no Director or any of her/his associates is involved in deciding her/his own remuneration.

The Group’s remuneration policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. In order to attract, retain, and motivate high-performance persons, the Company has adopted share option scheme to reward those participants who contribute to the success of the Group’s operations.

薪酬委員會

於二零二一年十二月三十一日，本公司薪酬委員（「薪酬委員會」）以獨立非執行董事EDE, Ronald Hao Xi先生為委員會主席，李其玲女士及兩名獨立非執行董事一勞同聲先生及林明儀女士為委員會成員。薪酬委員會職權範圍概述如下：

- (i) 就本集團董事及高級管理層的全體薪酬政策及架構，以及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- (ii) 獲董事會轉授責任釐定各執行董事及高級管理層之薪酬待遇；
- (iii) 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任時應向彼等支付之補償金；
- (iv) 檢討及批准因行為失當而遭解聘或免職之董事所涉及的補償安排；及
- (v) 確保任何董事或其任何聯繫人不得參與自行釐定薪酬。

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂，為招攬、挽留及激勵表現稱職人員，本公司採納購股權計劃，從而對為本集團業務成功作出貢獻之參與者提供獎勵。

The Board considers that the Executive Directors of the Company, CEO and the chief financial officer are the key management personnel of the Group. For the year ended 31 December 2021, the aggregate emoluments payable to Directors, CEO and the chief financial officer were within the following bands:

| | | Number of individuals |
|--------------------------------|-------------------------------|-----------------------|
| | | 人數 |
| Nil to HK\$1,000,000 | 零至港幣 1,000,000 元 | 6 |
| HK\$1,000,001 to HK\$2,000,000 | 港幣 1,000,001 元至港幣 2,000,000 元 | 1 |
| HK\$2,000,001 to HK\$3,000,000 | 港幣 2,000,001 元至港幣 3,000,000 元 | – |
| HK\$3,000,001 to HK\$4,000,000 | 港幣 3,000,001 元至港幣 4,000,000 元 | – |
| HK\$4,000,001 to HK\$5,000,000 | 港幣 4,000,001 元至港幣 5,000,000 元 | – |
| HK\$5,000,001 to HK\$6,000,000 | 港幣 5,000,001 元至港幣 6,000,000 元 | – |
| HK\$6,000,001 to HK\$7,000,000 | 港幣 6,000,001 元至港幣 7,000,000 元 | 1 |

Details of the amount of Directors' and chief executive officer's emoluments are set out in note 8 to the financial statements and the details of the Share Option Scheme are set out in note 34 to the financial statements.

董事會認為本公司執行董事、總裁及首席財務官均為本集團主要管理人員。截至二零二一年十二月三十一日止年度，應付董事、總裁及首席財務官之總薪酬介乎以下範圍：

董事及總裁酬金之詳情載於財務報表附註8，而購股權計劃之詳情載於財務報表附註34。

The Remuneration Committee had two meetings in 2021 to determine the bonus and remuneration of director and senior management.

於二零二一年，薪酬委員會舉行了二次會議以釐定董事及高級管理層獎金及薪金。

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company who among themselves possess a wealth of management experience in the accounting profession, commercial, medical and pharmaceutical sectors.

審核委員會

本公司遵照上市規則第3.21條，以審閱及監管本集團財務申報過程及內部監控成立審核委員會（「審核委員會」）。審核委員會包括三名本公司獨立非執行董事。彼等分別於會計專業、商業及醫藥行業具有豐富之管理經驗。

As at 31 December 2021, the Audit Committee's chairman was Mr. Lo Tung Sing Tony, while Mr. EDE, Ronald Hao Xi and Ms. Lam Ming Yee Joan were the committee's members. The Audit Committee's terms of reference are summarized as follows:

於二零二一年十二月三十一日，審核委員會主席為勞同聲先生，EDE, Ronald Hao Xi先生及林明儀女士為委員會成員。審核委員會的職權範圍概述如下：

- (i) to consider and recommend to the Board the independence, appointment, re-appointment and removal of external auditors;
- (ii) to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions of its resignation or dismissal;

- (i) 就外聘核數師的獨立性、委任、重新委任及罷免作出考慮並向董事會提供建議；
- (ii) 批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；

- (iii) to review financial information; and
- (iv) to oversee financial reporting system, risks management and internal control system.

During the year 2021, the Audit Committee had four meetings, two of which were held with external auditors without presence of Executive Directors. The work performed by the Audit Committee for the year ended 31 December 2021 is summarized below:

- (1) reviewed the external auditors' independence, the terms of engagement and approved the remuneration of the external auditors;
- (2) reviewed the annual audit plan of the external auditors and discussed with them about the nature and scope of the audit;
- (3) reviewed the Group's interim financial information and annual financial statements, before submission to the Board, discussed the financial reporting matters and any areas of concerns during the audits, including but not limited to the impact of the changes in accounting policies and practices, and on the compliance with accounting standards, the Listing Rules and the legal requirements; and
- (4) reviewed internal audit report and annual audit plan of the internal audit department and the effectiveness of internal audit function, risk management and internal control systems.

The audited financial statements of the Company for the year ended 31 December 2021 have been reviewed by the Audit Committee before recommending them to the Board for approval.

AUDITORS' REMUNERATION

Ernst & Young has been reappointed as the Company's external auditors at the AGM on 28 May 2021 until the conclusion of the next AGM. During the year 2021, there was no non-statutory audit service provided, the remuneration paid or payable to the Company's external auditors in respect of services provided was as follow:

Fees for statutory audit service amounted to RMB2,204,00.

- (iii) 審閱財務資料；及
- (iv) 監管財務申報制度、風險管理及內部監控系統。

於二零二一年，審核委員會開會四次，其中兩次在執行董事不在場的情況下與外聘核數師開會。截至二零二一年十二月三十一日止年度，審核委員會的工作摘要如下：

- (1) 審閱外聘核數師的獨立身份、聘任書及批准外聘核數師的薪酬；
- (2) 與外聘核數師檢討年度審核計劃，及討論審核性質及範疇；
- (3) 在向董事會提交半年及年度財務報表前作出審閱，討論有關財務報告事宜及審核過程中之任何問題，包括但不限於會計政策及慣例變動之影響、及是否遵守會計準則、上市規則及法律之規定；及
- (4) 審閱內部審計部提交的內部審計報告及每年的內部審計計劃、及內部審核功能、風險管理及內部監控系統的有效性。

本公司截至二零二一年十二月三十一日止年度經審核的財務報表於提呈董事會批准前經由審核委員會審閱。

核數師酬金

安永會計師事務所於本公司二零二一年五月二十八日股東週年大會上獲續聘為本公司之外聘核數師直至應屆股東週年大會為止。於二零二一年，並沒有提供非法定的核數服務，就所提供服務已付或應付本公司之外聘核數師之酬金如下：

法定的核數服務費用共人民幣2,204,000元。

COMPANY SECRETARY

Ms. Pang Kit Ling, the company secretary of the Company, is a full time employee of the Group. During the year, the company secretary of the Company confirmed that she had taken no less than 15 hours of relevant professional training.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's memorandum and articles of association during the year ended 31 December 2021.

SHAREHOLDERS' RIGHTS

Pursuant to Articles 58 of the Company's Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a director, please refer to the procedures available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

公司秘書

本公司公司秘書彭潔玲女士為本集團全職僱員，年內，本公司公司秘書確認彼曾參加不少於15小時的相關專業培訓。

組織章程文件

於截至二零二一年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則並無任何變動。

股東權利

根據本公司之公司組織章程細則第58條之規定，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(附有於本公司股東大會表決權利)十分之一的股東，於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則股東(們)可親自以相同方式召開該大會，股東因董事會未有召開會議而招致的任何合理費用，須由本公司償還股東。

開曼群島公司法或本公司之公司組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。

關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

股東可隨時致函本公司之香港主要營業地點(地址為香港灣仔軒尼詩道338號北海中心30樓3001-02室)，向董事會提出查詢及表達意見。

COMMUNICATIONS WITH SHAREHOLDERS

The Board recognizes the importance of good communications with all shareholders. The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports. Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board attends the AGM and arranges the chairman of the committees or in the absence of the chairman of such committees, another member of the committees to be available to answer questions at the AGM. The Chairman proposes separate resolutions for each issue to be considered, including the election of Directors, and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of AGM.

與股東的溝通

董事會認同與所有股東有良好的溝通至為重要，本公司設立不同渠道保持與股東溝通，包括刊印年度報告、中期報告，本公司之網站載有公司資料、企業管治常規、本公司刊發之中期及年度報告、公告及通函，使本公司股東可及時地取得本公司之最新資訊。

本公司的股東週年大會提供寶貴場合讓董事會直接與股東溝通。董事會主席出席股東週年大會，並安排董事會轄下委員會的主席，或在該等委員會的主席缺席時由另一名委員會成員在股東週年大會上回答提問。主席就每項獨立之事宜個別提出決議案以供審議，包括選舉董事，並對各項提呈之決議案以投票方式進行表決。投票表決之結果於股東週年大會日於本公司網站上登載。

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Ms. Li, Kei Ling, aged 73, is an Executive Director and Chairman of the Company. Ms. Li is one of the founders of the Group. She founded the Group in December 1995 and was appointed to the Board in October 2002. She was also the chief executive officer of the Company from 1 March 2015 to 17 April 2016. Ms. Li is also the Chairman of Dawnrays International Co., Ltd., Dawnrays International Company Limited (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., Fujian Dawnrays Pharmaceutical Co., Ltd., Nanjing PharmaRays Science and Technology Co., Ltd., Guangzhou PharmaRays Science and Technology Co., Ltd., Lanzhou Dawnrays Pharmaceutical Co., Ltd., Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. She is the Chairman of the Nomination Committee and a member of the Remuneration Committee. Ms. Li has over thirty years of experience in corporate management, strategic planning, business operations and finance, in particular for pharmaceutical enterprises in the PRC. She is responsible for supervising the strategic management decisions to ensure good corporate governance practices and business policies are established, and executing the overall developmental strategies of the Group.

Mr. HUNG, Yung Lai, aged 77, is an Executive Director of the Company and one of the founders of the Group. Mr. Hung founded the Group in December 1995 and was appointed to the Board in October 2002. Mr. Hung also holds directorship in Dawnrays International Co., Ltd., Dawnrays Biotechnology Capital (Asia) Ltd., Dawnrays International Company Limited (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., Fujian Dawnrays Pharmaceutical Co., Ltd., Nanjing PharmaRays Science and Technology Co., Ltd., Guangzhou PharmaRays Science and Technology Co., Ltd., Lanzhou Dawnrays Pharmaceutical Co., Ltd., and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Hung holds a degree from 上海音樂學院 (Shanghai Conservatory of Music). He has over thirty years of experience in corporate management and corporate development, and has participated in founding and managing of pharmaceutical and high-tech enterprises. Mr. Hung is an executive director and the chairman of Sing Lee Software (Group) Ltd., a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. Hung is a director and chairman of AD Pharmaceuticals Co., Ltd., an associate of the Group.

執行董事

李其玲女士，73歲，本公司執行董事兼主席。李女士為本集團創辦人之一，彼於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。於二零一五年三月一日至二零一六年四月十七日，彼亦是本公司總裁。李女士亦是本公司之附屬公司包括東瑞國際有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、東瑞(南通)醫藥科技有限公司、福建東瑞製藥有限公司、南京福美瑞信科技有限公司、廣州福美瑞信科技有限公司、蘭州東瑞製藥有限公司、東瑞藥業(香港)有限公司之主席，彼也是提名委員會主席及薪酬委員會的成員。李女士於企業管理、策略規劃、業務營運及財務等方面，尤其在中國製藥企業的上述有關方面，擁有逾三十年經驗。彼負責監督管理決策之執行，確保制定良好的企業管治常規和經營方針，及制定本集團的整體發展策略。

熊融禮先生，77歲，本公司執行董事及本集團創辦人之一。熊先生於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。熊先生亦於本公司之附屬公司包括東瑞國際有限公司、東瑞生物投資發展(亞洲)有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、東瑞(南通)醫藥科技有限公司、福建東瑞製藥有限公司、南京福美瑞信科技有限公司、廣州福美瑞信科技有限公司、蘭州東瑞製藥有限公司及東瑞藥業(香港)有限公司擔任董事職務。熊先生持有上海音樂學院的學位。彼於企業管理與公司發展方面擁有逾三十年經驗，並曾創立及管理製藥及高科技企業。熊先生是聯交所創業板上市公司新利軟件(集團)股份有限公司的執行董事兼主席。熊先生為本集團一間聯營公司—康融東方(廣東)醫藥有限公司之董事兼主席。

NON-EXECUTIVE DIRECTOR

Mr. LEUNG, Hong Man, aged 47, is a Non-executive Director of the Company. He joined the Group and was appointed to the Board in November 2005. Mr. Leung has started his business career in knitting machinery since 1993. He has over ten years experience in sales and management and also over ten years experience in finance and property investments. In recent years, Mr. Leung has strived to exploit business in hi-tech agriculture and arts and cultural industries. Mr. Leung currently is the shareholder and the director of Toyo International Investment Ltd., which has been one of the substantial shareholders (as required to be disclosed under Part XV of the Securities and Futures Ordinance) of the Company since September 2005.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LO, Tung Sing Tony, aged 53, is an Independent Non-executive Director of the Company. Mr. Lo joined the Group in October 2010. He is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Lo has extensive experience in financial management and business development in Hong Kong and multinational companies. He obtained his Bachelor degree in Business Administration from The Chinese University of Hong Kong and Master of Science in Financial Management from The University of London. Mr. Lo is an associate member of The Hong Kong Institute of Certified Public Accountants. He currently holds the position of Director of Finance at The University of Hong Kong.

Mr. EDE, Ronald Hao Xi, aged 63, is an Independent Non-executive Director of the Company. Mr. EDE joined the Group in June 2015 and was appointed as a Non-executive Director. He was re-designated as an Independent Non-executive Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company with effect from 1 July 2017. Mr. EDE has extensive experience in financial and business management in multinational companies. He obtained his Bachelor degree in Business Administration from The University of Hawaii and a Master of Business Administration degree from The University of Washington. He is also a fellow member of the Institute of Singapore Chartered Accountants. In January 2017, Mr. EDE was appointed as an independent non-executive director of Mindray Medical International Ltd. (a company listed on Shenzhen Stock Exchange). Mr. EDE currently holds the position of executive director and chief financial officer of Innovent Biologics Inc. (a company listed on the Main Board of the Stock Exchange of Hong Kong Limited).

非執行董事

梁康民先生，47歲，本公司非執行董事，彼於二零零五年十一月加盟本集團及被委任為董事。梁先生自一九九三年開展針織機械事業，在銷售及管理工作方面累積超過十年經驗，以及逾十年的金融及房地產投資經驗。近年更致力拓展高新農業事務和文化藝術行業。梁先生現時為東海國際投資有限公司（自二零零五年九月起成為本公司根據證券及期貨條例第XV部需要披露的主要股東之一）的股東及董事。

獨立非執行董事

勞同聲先生，53歲，本公司獨立非執行董事，勞先生於二零一零年十月加盟本集團。彼現分別為本公司審核委員會主席、薪酬委員會及提名委員會的成員。勞先生於香港及跨國公司財務管理及業務發展方面擁有廣泛經驗。勞先生於香港中文大學取得工商管理學士學位及於倫敦大學取得財務管理學碩士學位。彼亦是香港會計師公會會員。彼現任香港大學財務處長。

EDE, Ronald Hao Xi先生，63歲，本公司獨立非執行董事，EDE先生於二零一五年六月加盟本集團及被委任為非執行董事。於二零一七年七月一日起被調任為本公司獨立非執行董事、薪酬委員會主席、審核委員會以及提名委員會的成員。EDE先生於跨國公司財務及業務管理方面有廣泛經驗。彼於夏威夷大學(The University of Hawaii)取得工商管理學士學位及於華盛頓大學(The University of Washington)取得工商管理碩士學位。彼亦是新加坡特許會計師公會資深會員。EDE先生於二零一七年一月被委任為邁瑞醫療國際有限公司(一間於深圳證券交易所上市公司)的獨立非執行董事。EDE先生現任信達生物製藥有限公司(一間於香港聯合交易所有限公司主板上市公司)執行董事兼首席財務官。

董事及高級管理層履歷

Ms. LAM, Ming Yee Joan, aged 54, is an Independent Non-executive Director of the Company. Ms. Lam joined the Group in May 2018. She is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company respectively. Ms. Lam earned her bachelor degree in accountancy from City University of Hong Kong. She is a certified public accountant in Hong Kong. Ms. Lam has extensive experience in the finance and accounting field, gained from major international financial institutions and listed company in Hong Kong.

CHIEF EXECUTIVE OFFICER

Mr. WU, Weixian, aged 53, is the chief executive officer of the Company. Mr. Wu has been appointed as the chief executive officer of the Company from 16 February 2022 to take charge of daily business operations and management of the Group. Mr. Wu joined the Group in April 2019. He was the general manager of Nanjing PharmaRays Science and Technology Co., Ltd., a non-wholly owned subsidiary of Suzhou Dawnrays Pharmaceutical Co., Ltd. (an indirect wholly owned subsidiary of the Company) and Guangzhou PharmaRays Science and Technology Co., Ltd., a wholly owned subsidiary of Nanjing PharmaRays Science and Technology Co., Ltd. Mr. Wu holds directorship in Nanjing PharmaRays Science and Technology Co., Ltd., and Guangzhou PharmaRays Science and Technology Co., Ltd. Mr. Wu obtained his Bachelor degree of Medicine from Guangzhou Medical College (renamed as Guangzhou Medicine University in 2013) and Diploma in Management from China Europe International Business School. Mr. Wu worked in a number of multinational corporations or sino-foreign joint ventures. From March 1997 to August 2009, he successively served as the sales manager of Beijing Novartis Pharma Co., Ltd. Guangzhou Site first and the marketing manager of Beijing Novartis Pharma Co., Ltd. Beijing Headquarter. In 2007, he had been delegated to work in Novartis Pharmaceuticals Corporation's United States Oncology Drug Division in New Jersey for one year. Mr. Wu has over twenty-eight years of experience in pharmaceutical industry and specializes in planning and management of sales, marketing and business development of pharmaceutical products.

林明儀女士，54歲，本公司獨立非執行董事，林女士於二零一八年五月加盟本集團，彼現分別為本公司審核委員會、薪酬委員會及提名委員會的成員。林女士擁有香港城市大學會計學學士學位，彼亦是香港專業會計師。林女士曾於多家跨國金融機構及香港上市公司任職，擁有豐富的財務與會計管理經驗。

總裁

吳偉賢先生，53歲，本公司總裁，吳先生於二零二二年二月十六日被委任為本公司總裁，負責管理本集團日常營運及管理工作。吳先生於二零一九年四月加盟本集團，曾擔任本公司間接全資附屬公司蘇州東瑞製藥有限公司之非全資附屬公司－南京福美瑞信科技有限公司及南京福美瑞信科技有限公司之全資附屬公司－廣州福美瑞信科技有限公司總經理。吳先生於南京福美瑞信科技有限公司及廣州福美瑞信科技有限公司擔任董事職務。吳先生於廣州醫學院（於二零一三年更名為廣州醫科大學）取得臨床醫學學士學位及於中歐國際工商學院取得工商管理文憑。吳先生曾於多間跨國企業或中外合資企業任職，自一九九七年三月至二零零九年八月，曾先後擔任北京諾華製藥有限公司廣州辦事處銷售經理及北京諾華製藥有限公司北京總部市場經理；於二零零七年，曾被派往美國新澤西州的諾華公司美國腫瘤藥品事業部工作一年。吳先生在醫藥行業擁有逾二十八年經驗，專注於醫藥產品的銷售、市場推廣及業務拓展的計劃與管理工作。

SENIOR MANAGEMENT

Mr. WU, Yijun, aged 58, is the Chief Financial Officer of the Group. Mr. Wu is responsible for the Group's financial management including financial planning, capital budgeting, execution of costing, budget planning and monitoring. Mr. Wu holds directorship in Fujian Dawnrays Pharmaceutical Co., Ltd., Nanjing PharmaRays Science and Technology Co., Ltd. and Guangzhou PharmaRays Science and Technology Co., Ltd. which are all subsidiaries of the Company. Mr. Wu obtained a Bachelor degree of Accountancy from Nanjing Audit Institute (renamed as Nanjing Audit University in 2015). He attained senior accountant and economist qualification in the PRC. Mr. Wu has over thirty years' experience in internal control, budgeting, financial management, investment and financing, economic management and PRC's taxation regulations. Mr. Wu joined the Group in December 2002.

高級管理層

吳義俊先生，58歲，本集團首席財務官，負責本集團的財務管理包括財務策劃、資金規劃、成本核算、預算編製及監督工作。吳先生亦於本公司之附屬公司包括福建東瑞製藥有限公司、南京福美瑞信科技有限公司及廣州福美瑞信科技有限公司擔任董事職務。吳先生持有南京審計學院（於二零一五年更名為南京審計大學）會計學士學位，並持有中國正高級會計師和經濟師資格。吳先生於內部控制、財政預算、財務管理、投融資、經濟管理及中國稅務法規方面擁有超過三十年經驗。吳先生於二零零二年十二月加盟本集團。

董事會報告

The board of Directors (the “Board”) herein present their report and the audited financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. In 2021, the Group disposed 65% interest of Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. to a third party on 30 July 2021, further details were set out in the Company’s announcement dated 30 July 2021. Save as disclosed above, there were no significant changes in the nature of the Group’s principal activities during the year.

DIVIDEND POLICY

The Company aims to provide its shareholders with a target annual dividend payout ratio between 25% to 50% of the profit after tax attributable to owners of the parent in any financial year subject to the following factors:

1. the Company’s actual and expected cash flow positions and financial performance;
2. projected capital expenditure, future expansion plans and growth opportunities;
3. the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
4. general economic conditions and business cycle of the Group’s core business;
5. general expectation of shareholders and investors of the Company; and
6. any other factors that the Board deems appropriate.

The Board will declare dividends semi-annually. The payment of final dividend is subject to the approval of Shareholders and scrip dividend distribution option also may be provided for the election of the Shareholders in relation to the payment of final dividend in any financial year. This dividend policy and the declaration and/or payment of dividends under this policy are subject to the Board’s continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and the Shareholders, and are in compliance with all applicable laws and regulations.

董事會(「董事會」)提呈其董事會報告及東瑞製葯(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)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。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載列於財務報表附註1。於二零二一年本集團出售蘇州東瑞醫葯科技有限公司65%權益給獨立第三方，進一步詳情載於本公司日期為二零二一年七月三十日的公告。除上述披露外，本集團於年內的主要業務性質並無重大變動。

股息政策

本公司致力於任何財政年度為其股東派發約佔母公司擁有人除稅後溢利的25%–50%的年度派息比例，惟受限於以下因素：

1. 本公司的實際及預期現金流狀況及財務表現；
2. 預計資本開支、未來擴展計劃及增長機會；
3. 本集團負債權益比率、股本回報率及相關財務契約；
4. 整體經濟狀況及本集團核心業務的業務週期；
5. 本公司股東及投資者的整體期望；及
6. 董事會認為適當的任何其他因素。

董事會將每半年宣派股息。末期股息的派發須待股東批准，而本公司亦可能於任何財政年度就末期股息的派發提供以股代息分派選項以供股東選擇。董事會會持續審訂本股息政策以及根據本政策宣派及／或派發的股息，以確定本股息政策以及宣派及／或派發的股息符合本集團及股東的最佳利益，並遵守所有適用法律及法規。

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2021 and the state of affairs of the Company and the Group at that date are set out in the audited financial statements on pages 75 to 201.

An interim dividend of HK\$0.015 per ordinary share was paid on 5 October 2021. The Board recommends the payment of a final dividend of HK\$0.065 per ordinary share in respect of the year, to shareholders on the register of members on 6 June 2022. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

BUSINESS REVIEW

Review of the Group's business for the year ended 31 December 2021 are presented in "Chairman's Statement" and "Management Discussion and Analysis" on pages 5 to 10 and pages 11 to 16 respectively. The "Financial Review" on pages 17 to 25 also includes an analysis of the Group's financial key performance indicators during the year. Future developments in the Group's business are disclosed in "Chairman's Statement" on pages 6 to 10 and "Management Discussion and Analysis" on pages 11 to 14.

The applicable discussion and analysis as cross-referenced above shall form an integral part of this Report of the Directors.

EVENTS AFTER THE REPORTING PERIOD

On 26 January 2022, the Group and Suzhou Rongxin Construction Development Co., Ltd. entered into an agreement, pursuant to which the company sold 35% of equity interest in Su Zhou Xinshen Pharmaceutical Science and Technology Co., Ltd. (formerly known as Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd.), further details of which were set out in the Company's announcement dated 26 January 2022.

On February 2022, Mr. Chen Shaojun resigned from his position as an executive director and the chief executive officer of the Company as well as other directorships and general manager at the subsidiary or associated company level of the Company. Mr. Wu Weixian has been appointed to act as the chief executive officer of the Company with effect from 16 February 2022.

業績及股息

本集團截至二零二一年十二月三十一日止年度的溢利及本公司及本集團於該日的財務狀況，載於經審核財務報表第75至201頁。

每股普通股港幣0.015元的中期股息已於二零二一年十月五日派發。董事會建議向於二零二二年六月六日名列股東名冊的股東支付末期股息每股普通股港幣0.065元。有關建議已列入財務報表，並以分配保留溢利的形式計入財務狀況表內權益一節中。

業務回顧

本集團截至二零二一年十二月三十一日止年度的業務回顧，分別載於「主席報告」第5至10頁及「管理層討論及分析」第11至16頁。「財務回顧」第17至25頁亦包括了本年度本集團主要財務表現指標的分析。本集團的未來發展於「主席報告」第6至10頁及「管理層討論及分析」第11至14頁披露。

上述互相參照之適用討論及分析是本董事會報告書的組成部分。

報告期後事項

於二零二二年一月二十六日，本集團與蘇州融新建設發展有限公司簽署協議出售蘇州新申醫藥科技有限公司(前稱蘇州東瑞醫藥科技有限公司)35%股權，進一步詳情載於本公司日期為二零二二年一月二十六日的公告。

於二零二二年二月，陳紹軍先生辭任本公司執行董事兼總裁及其於本公司之附屬公司及聯營公司層面的其他董事及總經理之職務。吳偉賢先生自二零二二年二月十六日起被委任為本公司總裁。

PRINCIPAL RISKS AND UNCERTAINTIES

Details about the Group's financial risk management objectives and policies are disclosed in note 38 to the financial statements. The following risks and uncertainties may affect the results and business operations of the Group, some of which are inherent to pharmaceutical sector and some are from external sources.

(1) DRUG APPROVAL PROCESS IN RELATION TO PRODUCTS UNDER DEVELOPMENT

The actual timing of the market launch of products under development could vary significantly from our estimates due to a number of factors including delays or failures in our pre-clinical studies or clinical trials, the lengthy approval process and the uncertainties in the outcome of regulatory approval process. If any of the necessary approvals in relation to products under development is delayed or not obtained, this could adversely affect the timing of the market launch of the products. The Group is committed to investing in research and development of new drugs in order to ensure a rich product pipeline.

(2) TENDER AND PRICE CONTROL

The Group has to participate in a government-led tender process every year or every few years. In the event that the Group fails to win the tender in a tender process, the sale of the Group's products to public hospitals in such provinces will be prohibited and the Group will lose market share of that part. In addition, certain new methods have been recently adopted in the tender process for centralized procurement of drugs, which may exert further downward pressure against the price of pharmaceutical products and the Group's market share, revenue and profitability may be adversely affected. The Group has a team of staff monitoring and handling the drug tenders with the objective of winning the tenders for the Group's products at a desirable price level.

主要風險及不確定性

本集團的金融風險管理目標及對策載於財務報表附註38。下列之風險及不確定性可能會影響本集團之業績及業務經營，部份因素屬醫藥行業固有，部份則來自外界來源。

(1) 有關開發中產品之藥品批准

開發中產品上市之實際時間可能由於多項因素而與本集團預期之時間存在重大差異，包括臨床前研究或臨床試驗延遲或失敗，審批流程需時及監管批准過程結果之不確定性。倘任何開發中產品須取得之必要批准有所延誤或未能獲取，將影響該等產品上市之實際時間。本集團致力投資於研發新藥品以確保擁有豐富的在研產品線。

(2) 招標及價格控制

本集團須每年參與或每隔幾年參與政府主導的招標程序。倘本集團未能在招標程序中中標，本集團的產品將不能銷售至各省份的公立醫院，本集團也將會失去該部分的市場份額；另外，最近集採招標過程中採用若干新方法，可能對醫藥產品價格造成進一步下調的壓力。這對本集團的市場份額、收入及盈利能力可能會有不影響。本集團擁有一隊監督及處理藥品招標之隊伍，負責為本集團產品爭取以理想之價格水平中標。

(3) HEALTHCARE REFORM IN CHINA

The healthcare system in the PRC is undergoing a crucial reform period, where laws, regulations and policies in effect governing the medical, healthcare and pharmaceutical industry are constantly evolving. New policies implementation may have material effects to the Group. It may also incur significant costs, divert the resources and attention of the management and thus leading to more uncertainties and risks in respect of the Group's business and operation.

(4) PRC ENVIRONMENTAL AND SAFETY REGULATIONS

The PRC government amends relevant laws, rules and regulations from time to time in order to impose a more stringent standard for environmental and safety protection. The Group is subject to such laws, rules and regulations including but not limited to those in relation to the discharge of gaseous waste, liquid waste and solid waste, noise pollution and the safety of the workers during the manufacturing process. Any violation of these laws, rules or regulations may result in substantial fines, criminal sanctions, revocation of operating permits, shutdown of the production facilities and obligations to take corrective measures.

(3) 中國醫療改革

中國當前處於醫療體制改革關鍵時期，很多監管醫療保健及製藥業的法律、法規或執行政策正在發展且經常變更。新政策推行均可能對本集團造成重大影響，也可能產生高昂費用、分散資源及管理層注意力，因而使本集團的業務及營運面臨的不確定因素及風險增加。

(4) 中國環境及安全法規

中國政府不時修訂相關的法律、規則及法規，以對環境及安全保障實施更嚴格的標準。本集團需要遵守該等法律、規則及法規，包括但不限於有關氣體廢物、液體廢物及固體廢物之排放、噪音污染以及製造流程中工人之安全。違反任何該等法律、規則及法規均可能導致大額罰款、刑事制裁、撤銷經營許可、關閉生產設施及須採取修正措施。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board is well aware of the importance of environmental protection on the Group's sustainability and stable development. The Group strives to improve product quality while achieving the best balance between cost control and environmental protection, devotes to be a resource-saving and environment-friendly enterprise with low energy and resources consumption and low level of discharge on wastages. The Group has established an environmental management system to promote clean production, to reduce pollution and to reduce the risk of environmental accidents. The Group also evaluates environmental and social risks of its suppliers on a regular basis to ensure the safety of its supply chains.

環保政策及表現

董事會非常瞭解環境保護對本集團持續穩定發展的重要性。本集團力求在提高產品質量的同時在成本控制及環境保護之間取得最佳平衡，致力成為能源資源消耗少、污染物排放低、節約資源及保護環境的企業。本集團通過環境管理體系的建立，推行清潔生產，減少污染，降低環境事故風險，亦定期評估供應商的环境和社會風險，以確保其供應鏈安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The environmental, social and governance report of the Company prepared in accordance with Appendix 27 of the Listing Rules will be announced on The Stock Exchange of Hong Kong Limited and the Company's website on or before 31 May 2022.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

As far as the Directors and management are aware, for the year ended 31 December 2021, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

KEY RELATIONSHIPS

(1) EMPLOYEES

Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety. The staff and remuneration policy are presented in "Management Discussion and Analysis" on page 24.

(2) SUPPLIERS

The Group has established a supplier management system to handpick suppliers through a screening and evaluation process based on quality and price. Furthermore, the Group also carries out field audit on its suppliers when necessary, with a view to make endeavor to ensure its suppliers are equipped to provide guarantees on quality, as well as safety and other environmental issues that require managerial skills. Such audit cover a number of areas, including productivity, technical standards, quality assurance, supply capability, as well as safety and environmental management credentials.

環境、社會及管治報告

根據上市規則附錄27編製的本公司環境、社會及管治報告將於二零二二年五月三十一日或之前在香港聯合交易所有限公司及本公司網站上公佈。

遵守相關法律及規例

就董事及管理層所知，截至二零二一年十二月三十一日止年度，本集團已遵守對本集團業務及營運有重大影響之相關法律及規例。

重要關係

(1) 僱員

本集團以人為本，給予僱員合理待遇，同時為挽留人才不斷完善薪酬福利、培訓、職業健康與安全等制度，並定期檢討更新。本集團的僱員及薪酬政策載於「管理層討論及分析」第24頁。

(2) 供應商

本集團建立了供應商管理制度，通過質量、價格對供應商篩選及評估以挑選供應商。此外，為求致力確保供應商在質量保證、安全及其他環境管理等方面的能力，本集團按需要到供應商現場調查，對其生產能力、技術水準、質量保證能力、供貨能力、安全環境管理資質等方面進行實地審查。

(3) DISTRIBUTORS

The Group sells some of products to customers through third-party distributors. The Group works closely with distributors to ensure that the Group shares the view for upholding brand value and customer services, specifically focusing on attracting and retaining customers in order to drive sales growth. The Group also requires distributors to comply with the Group's policies and promotional activities standards. The Group also monitors the financial condition and repayment history of distributors.

(4) CUSTOMERS

The Group maintains a good relationship with its customers and constantly endeavours to deliver quality products and services to its customers. The Group also directs dedicated efforts to deal with complaints about relevant products and has established relevant processes to handle complaints. In addition the Group has assigned staff to investigate customers' complaint cases and provide timely feedbacks in order to safeguard customers' benefits.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 26 to 43 of the annual report.

EMOLUMENT POLICY

The Group's emolument policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. Other fringe benefits, including defined contribution retirement schemes, share option scheme and medical cover are also provided.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals during the year are set out in notes 8 and 9 to the financial statements.

(3) 分銷商

本集團透過第三方分銷商向客戶出售部份產品。本集團與分銷商合作緊密，以確保本集團於提升品牌價值及客戶服務方面(尤其是專注於吸引和維繫顧客以促進銷售增長)之觀點一致。本集團要求分銷商遵守本集團的政策及推廣活動標準，亦會監察分銷商之財務狀況及還款紀錄。

(4) 客戶

本集團與顧客關係良好，不斷致力為客戶提供優質產品及服務，對有關產品的投訴更是高度重視，並已制定處理投訴機制，公司設有專責人員對投訴事件進行調查，並對客戶提供及時回饋，保障客戶利益。

企業管治

本公司之企業管治常規詳情載於年報第26至43頁之企業管治報告內。

薪酬政策

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂。另提供其他福利包括定額供款退休計劃、購股權計劃及醫療福利。

董事及五名最高薪人士之酬金

年內，董事及五名最高薪人士之酬金詳情載於財務報表附註8及附註9。

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 202. This summary does not form part of the audited financial statements.

DONATION

During the year, the Group made charitable donation amounting to RMB363,600.

PROPERTY, PLANT AND EQUIPMENT AND LAND LEASE

Details of movements in property, plant and equipment and land lease of the Company and the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 31 December 2021, the Group had RMB21,013,000 interest-bearing bank and other borrowings.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 32 to the financial statements.

PRE-EMPTIVE RIGHTS

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

財務資料概要

節錄自本集團最近五個財政年度已公佈的經審核財務報表的已公佈業績、資產及負債概要載於第202頁。該概要並不構成經審核財務報表的部分。

捐款

年內，本集團的慈善捐款為人民幣363,600元。

物業、廠房及設備及土地租賃

本公司及本集團於年內的物業、廠房及設備及土地租賃的變動詳情，分別載於財務報表的附註14及15。

計息銀行及其他貸款

本集團於二零二一年十二月三十一日的計息銀行及其他貸款為人民幣21,013,000元。

股本

本公司之股本於本年度之變動載於財務報表附註32。

優先購買權

本公司的公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例提呈發售新股予現有股東。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased 8,608,000 shares of the Company's listed securities on The Stock Exchange at an aggregate consideration of HK\$11,442,400 before expenses. The Directors believe that the repurchases reflect the Company's confidence in its long term business prospects and would ultimately benefit the Company and for the enhancement of shareholder value in the long term. The repurchased shares were subsequently cancelled. The monthly breakdown of shares repurchased during the year was as follows:

| Month of Repurchase | 購回月份 | Number of Shares repurchased | The highest price paid per share (HK\$) | The lowest price paid per share (HK\$) | Aggregate consideration paid (HK\$) |
|---------------------|----------|------------------------------|---|--|-------------------------------------|
| | | 購回股份數目 | 每股已付最高價格 (港幣) | 每股已付最低價格 (港幣) | 總代價 (港幣) |
| January 2021 | 二零二一年一月份 | 4,432,000 | 1.40 | 1.12 | 5,616,880 |
| February 2021 | 二零二一年二月份 | 4,176,000 | 1.49 | 1.23 | 5,825,520 |
| Total | 總計 | 8,608,000 | | | 11,442,400 |

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2021.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in consolidated statement of changes in equity and note 35 to the financial statements.

購買、贖回或出售本公司上市證券

年內，本公司在聯交所購回8,608,000股本公司上市證券，未計其他費用之總代價為港幣11,442,400元，董事認為，股份回購能反映本公司對其長遠業務前景之信心，最終將為本公司帶來裨益及為提高股東長遠利益而作出。購回的股份隨即註銷。於年內每月購回股份之詳情列載如下：

除上文披露者外，截至二零二一年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

儲備

本公司及本集團於年內的儲備變動詳情，載於綜合權益變動表及財務報表附註35。

DISTRIBUTABLE RESERVES

At 31 December 2021 the Company's reserves available for distribution amounted to RMB215,877,000, of which RMB79,355,000 has been proposed as a final dividend for the year. Under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company of approximately RMB2,521,000 as at 31 December 2021 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 16.82% of the total sales for the year and sales to the largest customer included therein amounted to 4.67%. Purchases from the Group's five largest suppliers accounted for 28.15% of the total purchases for the year and purchases from the largest supplier included therein amounted to 7.24%.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

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

EXECUTIVE DIRECTORS

Ms. Li Kei Ling

Mr. Hung Yung Lai

Mr. Chen Shaojun (resigned on 16 February 2022)

NON-EXECUTIVE DIRECTOR

Mr. Leung Hong Man

可供分派儲備

本公司於二零二一年十二月三十一日的可供分派儲備達人民幣215,877,000元，其中建議人民幣79,355,000元用作宣派年內的末期股息。根據開曼群島公司法（一九六一年第三號，經綜合及修訂）第二十二章，本公司於二零二一年十二月三十一日可供分派予本公司股東的股份溢價賬約人民幣2,521,000元，惟本公司須於緊接建議派發股息當日後，本公司有能力清償其於一般業務過程中到期的債務。股份溢價賬亦可以繳足紅股的方式分派。

主要客戶及供應商

於回顧年內，向本集團五大客戶的銷售額佔本年銷售總額的16.82%，而向其中最大客戶的銷售額則佔4.67%。向本集團五大供應商的採購額佔年內採購總額的28.15%，而向其中最大供應商的採購額則佔7.24%。

本公司董事或其任何聯繫人或任何股東（據董事所知，擁有本公司已發行股本逾5%權益）於本集團五大客戶或供應商中並無擁有任何實益權益。

董事

本公司於年內及截至本報告刊發之日止的董事如下：

執行董事

李其玲女士

熊融禮先生

陳紹軍先生（於二零二二年二月十六日辭任）

非執行董事

梁康民先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Tung Sing Tony
 Mr. EDE, Ronald Hao Xi
 Ms. Lam Ming Yee Joan

In accordance with the article 87 of the Company's articles of association (the "Articles"), Ms. Li Kei Ling and Mr. Lo Tung Sing Tony will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

The Company has received annual confirmations of independence from Mr. Lo Tung Sing Tony, Mr. EDE, Ronald Hao Xi and Ms. Lam Ming Yee Joan and as at the date of this report still considers them to be independent.

DIRECTORS' AND KEY MANAGEMENT'S BIOGRAPHIES

The Board considers the executive directors of the Company, CEO and the chief financial officer are the key management personnel of the Group.

Biographical details of the Directors of the Company and the financial controller are set out on pages 44 to 47 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Ms. Li Kei Ling entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Ms. Li's service contract was renewed for a term of three years which commenced on 1 July 2005 and continued thereafter for successive terms of three years. Her appointment is subject to termination by either party giving not less than three months' written notice. Ms. Li is currently entitled to director's fee and other remuneration from the Group totally HK\$1,162,800 per year.

Mr. Hung Yung Lai entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Mr. Hung's service contract was renewed for a term of three years which commenced on 1 July 2005 and continued thereafter for successive terms of three years. His appointment is subject to termination by either party giving not less than three months' written notice. Mr. Hung is currently entitled to director's fee and other remuneration from the Group totally HK\$742,800 per year.

獨立非執行董事

勞同聲先生
 EDE, Ronald Hao Xi 先生
 林明儀女士

根據本公司組織章程細則(「組織章程細則」)第87條，李其玲女士及勞同聲先生將於應屆股東週年大會(「股東週年大會」)上輪席告退，並符合資格願膺選連任。

本公司已取得勞同聲先生、EDE, Ronald Hao Xi 先生及林明儀女士的年度獨立確認書，並於本報告刊發之日仍視彼等為獨立人士。

董事及主要管理層履歷

董事會認為本公司執行董事、總裁及首席財務官均為本集團主要管理人員。

本公司董事及財務總監的履歷詳情載於年報第44至47頁。

董事服務合約

李其玲女士與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。李女士的服務合約於二零零五年七月一日獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。李女士目前於本集團有權享有董事袍金及其他酬金每年共港幣1,162,800元。

熊融禮先生與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。熊先生的服務合約由二零零五年七月一日開始獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。熊先生目前於本集團有權享有董事袍金及其他酬金每年共港幣742,800元。

董事會報告

Mr. Leung Hong Man entered into a letter of appointment with the Company for a term of two years which commenced on 1 November 2005 and continued thereafter for successive terms of two years. Mr. Leung is currently entitled to a basic annual remuneration of HK\$300,000. Mr. Leung's appointment is subject to termination by either party giving not less than one month's written notice. Save for the above director's fee, Mr. Leung is not entitled to any other remuneration.

Mr. Lo Tung Sing Tony entered into a letter of appointment with the Company for a term of two years which commenced on 1 October 2010 and continued thereafter for successive terms of two years. Mr. EDE, Ronald Hao Xi entered into a letter of appointment with the Company for a term of two years commenced on 15 June 2015. As Mr. EDE was re-designated as Independent Non-executive Director, he entered into a new letter of appointment with the Company for a term of two years commenced on 1 July 2017 and continued thereafter for successive terms of two years. Ms. Lam Ming Yee Joan entered into a letter of appointment with the Company for a term of two years which commenced on 25 May 2018 and continued thereafter for successive terms of two years. Each of Mr. Lo's, Mr. EDE's and Ms. Lam's appointment is respectively subject to termination by either party giving not less than one month's written notice. Each of Mr. Lo, Mr. EDE and Ms. Lam is currently entitled to an annual remuneration of HK\$360,000. Save for the above directors' fees, the three Independent Non-executive Directors are not entitled to any other remuneration.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group. There was no contract of significance between the Group, its controlling shareholder or any of its subsidiaries during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

梁康民先生與本公司訂立委任函，由二零零五年十一月一日開始為期兩年，其後每次續期兩年，梁先生現時享有年度酬金港幣300,000元。梁先生的委任均可於任何一方發出不少於一個月書面通知書予以終止。除上述董事袍金外，梁先生並無享有任何其他酬金。

勞同聲先生與本公司訂立委任函，由二零一零年十月一日開始為期兩年，其後每次續期兩年。EDE, Ronald Hao Xi先生於二零一五年六月十五日與本公司訂立為期兩年的委任函，因EDE先生被調任為獨立非執行董事，彼與本公司重新簽訂由二零一七年七月一日開始為期兩年的委任函，其後每次續期兩年。林明儀女士與本公司訂立委任函，由二零一八年五月二十五日開始為期兩年，其後每次續期兩年。勞先生、EDE先生及林女士的委任均可分別於任何一方發出不少於一個月書面通知書予以終止。勞先生、EDE先生及林女士現時各自享有年度酬金港幣360,000元。除上述董事袍金外，三名獨立非執行董事並無享有任何其他酬金。

擬於應屆股東週年大會上再獲推選的董事，並無與本公司訂立不可於一年內免賠償(除法定賠償外)予以終止的服務合約。

董事於合約的權益

概無董事於對本集團業務屬重大的任何合約中直接或間接擁有重大權益。於年內本集團、其控股股東或其任何附屬公司之間並無任何重大合約。

管理合約

於年內，概無訂立或存在任何有關處理及管理本公司全部業務或業務的重要部份的合約。

COMPETITION AND CONFLICT OF INTERESTS

According to the Company's competition and conflict of interest policy, a board member's serving as a director and/or officer of an entity that competes with the Group's business is involving a conflict of interest. A director involves in such kind of conflict of interest shall not be present in the meeting and participate in or be permitted to hear the Board's discussion of related matters. A director who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

Mr. EDE, Ronald Hao Xi (Mr. EDE), an Independent Non-executive Director of the Company, has been serving as Executive Director and chief financial officer of a listed company in Hong Kong. Part of that listed company's business is competing with the business of the Group's associate and so Mr. EDE is involving a conflict of interest under the Group's competition and conflict of interest policy. To avoid such a possible conflict, during the year under review, upon agreement with Mr. EDE, he was not present or abstain from voting in meetings when the Board discussed, decided and voted on the matters and business with respect to the Group's associate.

Except abovementioned, in the opinion of the Directors, none of the Directors, the substantial shareholders of the Company and any of their respective close associates has engaged in any businesses that competes or may compete, either directly or indirectly with the business of the Group or has any other conflict of interests with the Group during the year under review which are required to be disclosed under the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or offices, to the extent as permitted by laws.

The Company has acquired insurance coverage on Directors' and officers' liabilities which provides certain indemnities against liabilities incurred in respect of any legal actions which may be taken against Directors and officers in the execution and discharge of their duties or in relation thereto.

競爭及利益衝突

根據本公司競爭及利益衝突政策，董事會成員擔任一間與本集團有競爭業務之企業的董事及／或高級管理人是涉及利益衝突。董事如涉及此等利益衝突時將不會出席會議及參與或被准許聆聽董事會討論有關事項。董事如與將會在會議上投票的合約或交易有利益衝突時，將不會被計入以投票為目的出席的法定人數中。

EDE, Ronald Hao Xi先生(EDE先生)，本公司獨立非執行董事，擔任另一間於香港上市的公司的執行董事及首席財務官。該上市公司的部份業務正與本集團之聯營公司之業務競爭，因此根據本公司競爭及利益衝突政策，EDE先生涉及利益衝突。為避免該等可能發生的衝突，於回顧年內，經與EDE先生協定，董事會就本集團的聯營公司的事項或業務需討論、決定及投票時，EDE先生不參加會議或對有關之決議棄權投票。

除上述披露外，董事認為，本公司董事、主要股東及彼等各自任何緊密聯繫人，概無於本年度內從事任何與本集團業務構成或可能構成直接或間接競爭的業務，或與本集團出現任何其他利益衝突，而須根據上市規則予以披露。

獲准許的彌償條文

根據組織章程細則，在法律容許的範圍內，各董事有權從公司的資產中按其可能產生或就或其執行及／或履行職務及／或行使其權力時所產生及／或其職責、權力或職務有關的所有成本、費用、開支、虧損及負債獲得彌償。

本公司已為董事及行政人員購買責任保險，為彼等因履行其職責或相關事宜時可能要承擔的法律責任提供若干彌償。

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

SHARE OPTION SCHEME

The Company adopted another share option scheme which was approved by the shareholders at the annual general meeting on 24 May 2013 and was effective on 21 June 2013 (the “2013 Share Option Scheme” or “Scheme”). The Scheme will remain in force for 10 years from the effective date until 20 June 2023 with purpose of providing incentives and rewards to eligible persons (including the Company’s Directors, Independent Non-executive Directors, employees of the Group and other eligible participants as defined under the 2013 Share Option Scheme) who contribute to the success of the Group’s operations. As the shareholders of the Company approved share sub-division, the number and exercise price of share options and the closing price of the Company’s shares at immediate date before the grant had been adjusted on 6 August 2018. The detailed disclosures relating to the Scheme including the purposes and the eligible participants of the Scheme and valuation of options are set out in note 34 to financial statements. The total number of shares available for issue under the Scheme is 156,880,800 shares which representing approximately 10.47% of the issued share capital of the Company at the date of this annual report.

股票掛鈎協議

於年內曾訂立或年終仍存在之股票掛鈎協議詳情載列如下：

購股權計劃

本公司採納另一個於二零一三年五月二十四日之股東週年大會上獲股東批准並於二零一三年六月二十一日生效的購股權計劃(「二零一三購股權計劃」或「該計劃」)，該計劃由生效日起計十年內有效直至二零二三年六月二十日止。旨在對本集團業務成就作出貢獻的合資格參與者(包括本公司的董事、獨立非執行董事、本集團的僱員及根據二零一三購股權計劃所界定的其他合資格參與者)的激勵及獎勵。由於本公司股東批准股份拆細，購股權數目、購股權行使價及緊接授出購股權前一天本公司股份收市價格於二零一八年八月六日曾作出調整。有關該計劃的詳情包括該計劃的目的與合資格參與者及購股權的估值載於財務報表附註34。於本報告日，根據該計劃可予發行的股份總數為156,880,800股，約佔本公司已發行股份的10.47%。

Movements of Company's share options under the Scheme during the year were as follows:

於年內，該計劃中的本公司購股權變動如下：

| Name or category of participant | 參與者名稱或類別 | Number of share options 購股權數目 | | | | At 31 December 2021 | Date of grant of share options (a) (dd/mm/yy) | Exercise period of share options (dd/mm/yy) | Exercise price of share options (b) | Closing price of the Company's shares at immediate date before the grant (c) 緊接授出購 股權前一天 本公司股份 收市價格(c) |
|---------------------------------|-------------|----------------------------------|-------------------------------|---------------------------------|----------------------------------|---------------------------|--|--|--|--|
| | | At 1 January 2021 | Granted during the year | Exercised during the year | Lapsed during the year (d) | | | | | |
| Director | 董事 | | | | | | | | | |
| Mr. Chen Shaojun (e) | 陳紹軍先生(e) | 6,000,000 | - | - | (6,000,000) | - | 08/01/15 | 08/01/16-07/01/21 | 2.575 | 2.485 |
| | | 6,000,000 | - | - | (6,000,000) | - | 18/03/15 | 18/03/16-17/03/21 | 2.635 | 2.575 |
| | | 4,000,000 | - | - | (4,000,000) | - | 16/04/15 | 16/04/16-15/04/21 | 3.670 | 3.585 |
| | | 16,000,000 | - | - | (16,000,000) | - | 28/08/19 | 31/12/19-31/12/20 | 1.380 | 1.300 |
| | | 32,000,000 | - | - | - | 32,000,000 | 28/08/19 | 01/05/22-30/04/24 | 1.380 | 1.300 |
| | | 64,000,000 | - | - | (32,000,000) | 32,000,000 | | | | |
| Other employees | 其他僱員 | | | | | | | | | |
| In aggregate | 總計 | 5,800,000 | - | - | (5,800,000) | - | 08/01/15 | 08/01/16-07/01/21 | 2.575 | 2.485 |
| | | 6,200,000 | - | - | (6,200,000) | - | 16/04/15 | 16/04/16-15/04/21 | 3.670 | 3.585 |
| | | 1,200,000 | - | - | (1,200,000) | - | 23/11/15 | 23/11/16-22/11/21 | 3.190 | 3.185 |
| | | 3,000,000 | - | - | - | 3,000,000 | 11/05/16 | 11/05/17-10/05/22 | 3.170 | 3.145 |
| | | 10,300,000 | - | - | (200,000) | 10,100,000 | 29/11/17 | 29/11/18-28/11/23 | 2.125 | 2.095 |
| | | 14,400,000 | - | (748,000) | - | 13,652,000 | 09/01/19 | 09/01/20-08/01/25 | 1.500 | 1.460 |
| | | 15,400,000 | - | (660,000) | - | 14,740,000 | 28/08/19 | 28/08/20-27/08/25 | 1.380 | 1.300 |
| | | 16,000,000 | - | (668,000) | - | 15,332,000 | 26/08/20 | 26/08/21-25/08/26 | 0.900 | 0.900 |
| | | - | 3,000,000 | - | - | 3,000,000 | 31/03/21 | 31/03/22-30/03/27 | 1.470 | 1.500 |
| | | 72,300,000 | 3,000,000 | (2,076,000) | (13,400,000) | 59,824,000 | | | | |
| | | 136,300,000 | 3,000,000 | (2,076,000) | (45,400,000) | 91,824,000 | | | | |

董事會報告

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
 - (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
 - (c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.
 - (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees or still not exercised at the expiry date.
 - (e) Mr. Chen Shaojun was resigned as an executive director and chief executive officer of the Company on 16 February 2022, 32,000,000 share options were lapsed on 16 February 2022.
- (a) 購股權的歸屬期為授出日期至行使期開始為止。
 - (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
 - (c) 於授予購股權前一天所披露的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。
 - (d) 基於僱員辭任職務或於到期日仍未行使，購股權根據計劃的條款而予以失效。
 - (e) 陳紹軍先生於二零二二年二月十六日辭任本公司執行董事兼總裁，32,000,000份購股權於二零二二年二月十六日失效。

The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercise of options within the disclosure line. The weighted average closing price of Company's shares immediately before the dates on which the options were exercised by employees was HK\$1.73. During the year, no options granted under 2013 Share Option Scheme were cancelled by the Company.

於緊接購股權行使日期前披露的本公司股份價格為股份於緊接披露類別的所有購股權行使日期前一日的聯交所股份收市價的加權平均數。其他僱員已行使的購股權於緊接行使日前一日之加權平均股份收市價為港幣一元七角三分。於年內，本公司並無註銷任何根據二零一三購股權計劃授出之購股權。

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the interests and short positions of the Directors and Chief Executive Officer in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

董事及總裁於股份及相關股份的權益及淡倉

於二零二一年十二月三十一日，董事及總裁於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉載列如下：

Long positions in ordinary shares of the Company:

於本公司普通股中的好倉：

Number of ordinary shares held, capacity and nature of interest

持有的股份數目、身份及權益性質

| Name | Notes | Directly beneficially owned | Share option granted | Through controlled corporation | Total | Approximate |
|-----------------------------|-------|-----------------------------------|-------------------------|--------------------------------------|-------------|---|
| | | | | | | percentage of the Company's issued share capital (%) |
| 名稱 | 附註 | 直接實益擁有 | 獲頒授的 購股權 | 通過控制 公司持有 | 總數 | 約佔本公司 已發行股本的 百分比(%) |
| Directors | | | | | | |
| 董事 | | | | | | |
| Ms. Li Kei Ling 李其玲女士 | (a) | 107,372,000 | – | 594,356,000 | 701,728,000 | 46.83 |
| Mr. Hung Yung Lai 熊融禮先生 | (a) | 1,880,000 | – | 594,356,000 | 596,236,000 | 39.79 |
| Mr. Leung Hong Man 梁康民先生 | (b) | – | – | 105,300,000 | 105,300,000 | 7.03 |
| Mr. Chen Shaojun 陳紹軍先生 | (c) | 20,376,000 | 32,000,000 | – | 52,376,000 | 3.50 |

Long positions in shares and underlying shares of associated corporation:

於相聯法團股份及相關股份中的好倉：

| Name of Director | Name of associated corporation | Relationship with the Company | Number of Ordinary shares held | Capacity and nature of interest | Percentage of |
|----------------------------|--------------------------------------|--|--------------------------------------|---|--|
| | | | | | the associated corporation's issued share capital (%) |
| 董事名稱 | 相聯法團名稱 | 與本公司的關係 | 持有普通股數目 | 身份及權益性質 | 佔相聯法團 已發行股本的 百分比(%) |
| Ms. Li Kei Ling 李其玲女士 | Fortune United Group Limited | the Company's holding company 本公司的控股公司 | 2 | Through a controlled corporation 通過一間控制公司 | 50 |
| Mr. Hung Yung Lai 熊融禮先生 | Fortune United Group Limited | the Company's holding company 本公司的控股公司 | 2 | Through a controlled corporation 通過一間控制公司 | 50 |

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Notes:

- (a) 594,356,000 shares of the Company are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.
- (b) 105,300,000 shares of the Company are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.
- (c) As at 31 December 2021, Mr. Chen Shaojun was directly beneficially owned 20,376,000 shares of the Company and 32,000,000 share options which were granted to him under the share option scheme of the Company. As Mr. Chen resigned as an executive director and chief executive officer of the Company, the 32,000,000 share options were lapsed on 16 February 2022.

Save as disclosed above, as at the date of this report, none of the Directors or Chief Executive Officer had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Share option scheme", "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 34 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

附註：

- (a) 594,356,000股本公司股份由一家於英屬維爾京群島註冊成立的公司Fortune United Group Limited所持有。Fortune United Group Limited的股本由李其玲女士全資擁有的Keysmart Enterprises Limited及由熊融禮先生全資擁有的Hunwick International Limited各自實益擁有50%權益。
- (b) 105,300,000股本公司股份由一家於香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有50%權益。
- (c) 於二零二一年十二月三十一日，陳紹軍先生直接實益擁有20,376,000股本公司股份及32,000,000份根據本公司購股權計劃授予彼之股購股。由於陳先生辭任本公司執行董事兼總裁，該32,000,000份購股權於二零二二年二月十六日失效。

除上述者外，於本報告刊發之日，概無董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有須根據證券及期貨條例第352條予以記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

董事購買股份或債券的權益

除於上述「購股權計劃」一節、「董事及總裁於股份及相關股份的權益及淡倉」一節及財務報表附註34所載購股權計劃披露的事宜外，年內並無任何董事、彼等的配偶或未滿18歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份的權益

As at 31 December 2021, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

於二零二一年十二月三十一日，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，於本公司股份及相關股份的權益或淡倉載列如下：

| Name | Notes | Nature of interest | Number of Shares held | Approximate percentage of the Company's issued share capital (%) 約佔本公司已發行股本的百分比 (%) | Long position/ short position |
|---|-----------|--|-----------------------|--|----------------------------------|
| 名稱 | 附註 | 權益性質 | 持有的股份數目 | | 好倉／淡倉 |
| Fortune United Group Limited | (a) | Directly Beneficially owned 直接實益擁有 | 594,356,000 | 39.67 | Long position 好倉 |
| Keysmart Enterprises Limited | (a) | Through controlled corporation 通過控制公司持有 | 594,356,000 | 39.67 | Long Position 好倉 |
| Hunwick International Limited | (a) | Through controlled corporation 通過控制公司持有 | 594,356,000 | 39.67 | Long Position 好倉 |
| Mdm. lu Pun 姚彬女士 | (b) | Family interest 家屬權益 | 596,236,000 | 39.79 | Long Position 好倉 |
| Mr. Li Tung Ming 李東明先生 | | Directly Beneficially owned 直接實益擁有 | 224,000 | 0.01 | Long Position 好倉 |
| | (c) | Through controlled corporation 通過控制公司持有 | 80,000,000 | 5.34 | Long Position 好倉 |
| Time Lead Investments Limited | (c) | Directly Beneficially owned 直接實益擁有 | 80,000,000 | 5.34 | Long Position 好倉 |
| Toyo International Investment Limited 東海國際投資有限公司 | (d) | Directly Beneficially owned 直接實益擁有 | 105,300,000 | 7.03 | Long Position 好倉 |
| Mdm. Lo Mei Sai 羅美茜女士 | (e) | Family interest 家屬權益 | 105,300,000 | 7.03 | Long Position 好倉 |
| Mr. Leung Yiu Sing 梁耀成先生 | (d) & (f) | Through controlled corporation 通過控制公司持有 | 109,628,000 | 7.32 | Long Position 好倉 |

| Name | Notes | Nature of interest | Number of Shares held | Approximate percentage of the Company's issued share capital (%) 約佔本公司已發行股本的百分比 (%) | Long position/ short position |
|------------------------------|-------|--|-----------------------|--|----------------------------------|
| 名稱 | 附註 | 權益性質 | 持有的股份數目 | | 好倉／淡倉 |
| Mdm. Chu Shuet Fong 朱雪芳女士 | (g) | Family interest 家屬權益 | 105,300,000 | 7.03 | Long Position 好倉 |
| | (f) | Through controlled corporation 通過控制公司持有 | 4,328,000 | 0.29 | Long Position 好倉 |
| FMR LLC | (h) | Through controlled corporation 通過控制公司持有 | 119,776,545 | 8.00 | Long Position 好倉 |

Notes:

附註：

- (a) The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (a) Fortune United Group Limited 的已發行股本由 Keysmart Enterprises Limited 及 Hunwick International Limited 平均實益擁有。Keysmart Enterprises Limited 及 Hunwick International Limited 分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (b) Mdm. lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (b) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (c) The issued capital of Time Lead Investments Ltd. is beneficially owned by Mr. Li Tung Ming.
- (c) Time Lead Investments Limited 的已發行股本由李東明先生實益擁有。
- (d) The issued capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company and his father Mr. Leung Yiu Sing.
- (d) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父親梁耀成先生平均實益擁有。
- (e) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (e) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (f) 4,328,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Limited, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the issued share capital of Dragon Asia Industrial (Holdings) Limited.
- (f) 4,328,000 股本公司股份由香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有 50% 權益。
- (g) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.
- (g) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。
- (h) According to the corporate substantial shareholder notice of FMR LLC filed for the relevant event dated 30 September 2021 as shown on the website of the Stock Exchange, the relevant interests of FMR LLC were held via FMR LLC and its subsidiaries and the percentage of the Company's issued share capital was based on 1,497,149,000 shares, the number of issued shares as on 30 September 2021.
- (h) 誠如聯交所網頁所示，根據 FMR LLC 日期為二零二一年九月三十日就相關事項存檔的公司主要股東通知，FMR LLC 的相關權益乃由 FMR LLC 及其附屬公司持有及是根據二零二一年九月三十日已發行股份 1,497,149,000 股計算佔本公司已發行股本的百分比。

Save as disclosed above, as at 31 December 2021, no person, other than the Directors and Chief Executive Officer of the Company, whose interests are set out in the section “Directors’ and Chief Executive Officer’s interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

Li Kei Ling

Chairman

Hong Kong, 25 March 2022

除上文披露者外，於二零二一年十二月三十一日，並無其他人士（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）登記於本公司股份或相關股份中擁有的權益或淡倉（須根據證券及期貨條例第336條予以登記）。

足夠的公眾持股量

根據本公司獲得的已公開資料及據董事所知，於本報告刊發之日，公眾人士持有本公司已發行股本總額至少25%。

核數師

安永會計師事務所將退任，而重新委任彼等為本公司核數師的決議案，將於應屆股東週年大會上提呈。

代表董事會

李其玲

主席

香港，二零二二年三月二十五日



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**TO THE SHAREHOLDERS OF
DAWRAYS PHARMACEUTICAL (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)**

致東瑞製葯(控股)有限公司
(在開曼群島註冊成立的有限公司)
全體股東

OPINION

We have audited the consolidated financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 201, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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.

意見

本核數師(以下簡稱「我們」)已審計列載於第75至201頁東瑞製葯(控股)有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「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表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及載有主要會計政策概要的綜合財務報表附註。

我們認為，該等綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公允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，及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露要求妥為編製。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審計綜合財務報表須承擔的責任」一節中闡述。根據香港會計師公會頒佈的職業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項的應對以對綜合財務報表整體進行審計及出具意見為背景，且我們不會對該等事項單獨發表意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括有關該等事項的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對以下事項所執行的程序，為我們就隨附的綜合財務報表整體發表審計意見提供了基礎。

KEY AUDIT MATTERS (Cont'd)

Key audit matter

關鍵審計事項

Impairment of goodwill acquired in business combination

於業務合併中收購的商譽減值

The Group had goodwill amounting to approximately RMB241 million as at 31 December 2021, arising from the acquisition of subsidiaries. Goodwill was allocated to the cash-generating unit ("CGU"), which was expected to benefit from the synergies of the combination.

於二零二一年十二月三十一日，貴集團因收購附屬公司錄得商譽約人民幣241百萬元。商譽會分配至預期可從合併協同效應中獲益的現金產生單位（「現金產生單位」）。

Under IFRSs, the Group is required to perform impairment testing for goodwill annually at each reporting period end. The impairment testing performed at the end of the reporting period was based on the recoverable amount of the respective CGU to which the goodwill was allocated. Management performed the impairment testing based on the value in use calculation using discounted cash flow projections. The determination of value in use of the respective CGU involved significant judgements.

根據國際財務報告準則，貴集團須於每年報告期末對商譽進行減值測試。報告期末進行的減值測試乃根據商譽所屬各現金產生單位的可收回金額進行。管理層按使用價值計算方法進行減值測試，使用價值乃基於貼現現金流量預測確定。釐定相關現金產生單位之使用價值涉及重要判斷。

The Group's disclosures about goodwill are contained in note 2.4 "Summary of significant accounting policies — business combinations and goodwill", note 2.5 "Significant accounting judgements, estimates and assumptions — impairment of goodwill" and note 17 "Goodwill" to the consolidated financial statements.

貴集團有關商譽的披露資料載於綜合財務報表附註2.4重大會計政策概要 — 業務合併及商譽、附註2.5主要會計判斷、估計及假設 — 商譽減值及附註17商譽內。

關鍵審計事項(續)

How our audit addressed the key audit matter

我們的審計如何應對關鍵審計事項

We involved internal valuation specialists to assist us in the evaluation of the key assumptions and methodologies used in the impairment analysis including, in particular, the discount rate and terminal growth rate.

我們請內部估值專家參與協助我們評估減值分析中所用的關鍵假設及方法包括(尤其是)貼現率及永久增長率。

We paid specific attention to the forecasts used with respect to future revenue and budgeted gross margins by comparing the forecasts with the historical performance of the respective CGU and the business development plan.

我們特別注意就未來收入及預測毛利率所用的預測，並將該等預測與各現金產生單位的過往表現及業務發展計劃進行對比。

Furthermore, we assessed the adequacy of the Group's disclosures concerning goodwill in the consolidated financial statements.

此外，我們評估貴集團於綜合財務報表中對商譽的披露是否充足。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況有重大不符，或者似乎有重大錯報。基於我們已執行的工作，如果我們認為其他資料有重大錯報，我們需要報告有關事實。就此而言，我們無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港《公司條例》披露要求編製真實而公允列報的綜合財務報表，以及對於編製不存在由於舞弊或錯誤而導致的重大錯報的綜合財務報表所需的內部控制負責。

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

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於舞弊或錯誤而導致的任何重大錯報取得合理保證，並出具包括我們意見的核數師報告。我們僅向全體股東（作為一個整體）報告，除此之外本報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審計總能發現重大錯報。錯報可以由舞弊或錯誤引起，如果合理預期錯報個別或匯總起來可能影響綜合財務報表使用者依據該等綜合財務報表所作出的經濟決定，則有關的錯報可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了職業判斷，保持了職業懷疑態度。我們亦：

- 識別及評估由於舞弊或錯誤而導致綜合財務報表存在重大錯報的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為我們意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因舞弊而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露資料的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

核數師就審計綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，就可能導致對貴集團持續經營的能力產生重大疑慮的事件或情況是否存在重大不確定性得出結論。如果我們認為存在重大不確定性，則有必要在核數師報告中提請報表使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部責任。

我們與審核委員會溝通計劃的審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及(倘適用)消除不利影響的行動或採取的防範措施。

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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 Lai Chee Kong.

核數師就審計綜合財務報表須承擔的責任 (續)

從與審核委員會溝通的事項中，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為黎志光。

Ernst & Young

Certified Public Accountants
Hong Kong

25 March 2022

安永會計師事務所

執業會計師
香港

二零二二年三月二十五日

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Notes 附註 | 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 |
|---|-----------------------|-------------|-----------------------------------|-----------------------------------|
| REVENUE | 收入 | 4 | 1,165,155 | 1,024,270 |
| Cost of sales | 銷售成本 | | (483,893) | (473,625) |
| Gross profit | 毛利 | | 681,262 | 550,645 |
| Other income and gains | 其他收入及收益 | 4 | 135,879 | 38,426 |
| Selling and distribution expenses | 銷售及分銷費用 | | (109,030) | (54,572) |
| Administrative expenses | 行政費用 | | (117,409) | (109,224) |
| Research and development costs | 研究及開發成本 | | (67,028) | (57,944) |
| Other expenses | 其他費用 | 5 | (37,292) | (12,434) |
| Finance costs | 財務費用 | 6 | (641) | (4,828) |
| Share of losses of an associate | 應佔一間聯營公司之虧損 | | (46,418) | (18,771) |
| PROFIT BEFORE TAX | 除稅前溢利 | 7 | 439,323 | 331,298 |
| Income tax expense | 所得稅 | 11 | (85,160) | (66,505) |
| PROFIT FOR THE YEAR | 本年度溢利 | | 354,163 | 264,793 |
| Attributable to: | 以下各項應佔： | | | |
| Owners of the parent | 母公司擁有人 | | 358,175 | 268,130 |
| Non-controlling interests | 非控股權益 | | (4,012) | (3,337) |
| | | | 354,163 | 264,793 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股權益持有人 應佔每股盈利 | 13 | | |
| Basic, for profit for the year | 基本，以本年度溢利計算 | | RMB0.2392 | RMB0.1736 |
| Diluted, for profit for the year | 攤薄，以本年度溢利計算 | | RMB0.2375 | RMB0.1735 |

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | 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 |
|---|------------------------|-----------------------------------|-----------------------------------|
| PROFIT FOR THE YEAR | 本年度溢利 | 354,163 | 264,793 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | 以後期間將被重分類至損益表的其他全面收益： | | |
| Exchange differences on translation of foreign operations | 換算境外業務而產生之匯兌差額 | 6,019 | 10,303 |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods: | 以後期間將不被重分類至損益表的其他全面虧損： | | |
| Exchange differences on translation of the Company's financial statements | 換算本公司之財務報表而產生之匯兌差額 | (6,963) | (14,279) |
| OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX | 本年度除稅後其他全面虧損總額 | (944) | (3,976) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | 本年度除稅後全面收益總額 | 353,219 | 260,817 |
| Attributable to: | 以下各項應佔： | | |
| Owners of the parent | 母公司擁有人 | 357,231 | 264,154 |
| Non-controlling interests | 非控股權益 | (4,012) | (3,337) |
| | | 353,219 | 260,817 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2021 於二零二一年十二月三十一日

| | | | 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 |
|---|---------------------|-------------|-----------------------------------|-----------------------------------|
| | | Notes 附註 | | |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 356,930 | 452,593 |
| Right-of-use assets | 使用權資產 | 15a | 110,755 | 124,553 |
| Construction in progress | 在建工程 | 16 | 675,201 | 204,803 |
| Goodwill | 商譽 | 17 | 241,158 | 241,158 |
| Other intangible assets | 其他無形資產 | 18 | 287,013 | 206,716 |
| Investment in an associate | 於一間聯營公司之投資 | 19 | 87,250 | 98,669 |
| Loan to an associate | 貸款予一間聯營公司 | 20 | 50,110 | - |
| Long-term prepayments | 長期預付款 | 23 | 14,356 | 20,000 |
| Deferred tax assets | 遞延稅項資產 | 30 | 5,749 | 6,529 |
| | | | 1,828,522 | 1,355,021 |
| Total non-current assets | 非流動資產總額 | | | |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 21 | 203,476 | 246,028 |
| Trade and notes receivables | 應收貿易及票據款項 | 22 | 346,778 | 330,747 |
| Prepayments, other receivables and other assets | 預付款、其他應收款項及其他資產 | 23 | 80,591 | 39,761 |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | 24 | 208,184 | 201,192 |
| Cash and bank balances | 現金及銀行存款 | 25 | 577,744 | 730,986 |
| | | | 1,416,773 | 1,548,714 |
| Assets held for sale | 待出售之資產 | 39 | 94,263 | - |
| Total current assets | 流動資產總額 | | 1,511,036 | 1,548,714 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade and notes payables | 應付貿易及票據款項 | 26 | 143,212 | 157,613 |
| Other payables and accruals | 其他應付款及預提費用 | 27 | 490,521 | 312,074 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 28 | 21,013 | - |
| Lease liabilities | 租賃負債 | 15b | 980 | 924 |
| Income tax payable | 應付所得稅 | | 15,498 | 9,297 |
| Other liabilities, current | 其他負債·流動 | 31 | 25,880 | - |
| Total current liabilities | 流動負債總額 | | 697,104 | 479,908 |
| NET CURRENT ASSETS | 淨流動資產 | | 813,932 | 1,068,806 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | | 2,642,454 | 2,423,827 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2021 於二零二一年十二月三十一日

| | | Notes 附註 | 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 |
|--|-------------------|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Government grants | 政府撥款 | 29 | 600 | 900 |
| Deferred tax liabilities | 遞延稅項負債 | 30 | 66,871 | 61,715 |
| Other liabilities, non-current | 其他負債，非流動 | 31 | 175,595 | 175,595 |
| Lease liabilities | 租賃負債 | 15b | 1,527 | 2,025 |
| Total non-current liabilities | 非流動負債總額 | | 244,593 | 240,235 |
| Net assets | 淨資產 | | 2,397,861 | 2,183,592 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 32 | 80,370 | 81,072 |
| Treasury shares | 庫存股份 | 33 | - | (430) |
| Reserves | 儲備 | 35 | 2,300,344 | 2,089,861 |
| | | | 2,380,714 | 2,170,503 |
| Non-controlling interests | 非控股權益 | | 17,147 | 13,089 |
| Total equity | 權益總額 | | 2,397,861 | 2,183,592 |

LI Kei Ling

李其玲

Director

董事

HUNG Yung Lai

熊融禮

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔權益 | | | | | | | | | | | |
|--|----------------|--|-----------------|-----------------------|----------------------------|----------------------|---------------------|---------------------------|------------------------------|------------------|----------------------------|---------------------------|--------------|
| | | Issued capital | Treasury shares | Share premium account | Capital redemption reserve | Share option reserve | Contributed surplus | Statutory surplus reserve | Exchange fluctuation reserve | Retained profits | Total equity of the parent | Non-controlling interests | Total equity |
| | | 已發行股本 | 庫存股份 | 股份溢價 | 資本購回儲備 | 購股權儲備 | 應入盈餘 | 法定盈餘公積金 | 匯兌波動儲備 | 保留溢利 | 權益總額 | 非控股權益總額 | 權益總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 32) | (note 33) | | | (note 34) | (note 35) | (note 35) | (note 35) | (note 35) | | | |
| | | (附註32) | (附註33) | | | (附註34) | (附註35) | (附註35) | (附註35) | (附註35) | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 81,072 | (430) | -* | 7,748* | 45,057* | 100,175* | 353,110* | (3,545)* | 1,587,316* | 2,170,503 | 13,089 | 2,183,592 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | - | 358,175 | 358,175 | (4,012) | 354,163 |
| Other comprehensive loss for the year: | 本年度其他全面虧損: | | | | | | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - | (944) | - | (944) | - | (944) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | - | - | - | (944) | 358,175 | 357,231 | (4,012) | 353,219 |
| Contribution from a non-controlling shareholder | 一個非控股股東之注資 | - | - | - | - | - | - | - | - | - | - | 8,070 | 8,070 |
| Disposal of a subsidiary | 出售一間附屬公司 | - | - | - | - | - | - | (13,563) | - | 13,563 | - | - | - |
| Final 2020 dividend declared | 宣派二零二零年末期股息 | - | - | - | - | - | - | - | - | (125,312) | (125,312) | - | (125,312) |
| Exercise of share options | 購股權行使 | 86 | - | 2,521 | - | (417) | - | - | - | - | 2,190 | - | 2,190 |
| Shares repurchased in previous years and cancelled this year | 往年已購回並於本年註銷的股份 | (430) | 430 | - | - | - | - | - | - | - | - | - | - |
| Shares repurchased and cancelled | 已購回並註銷之股份 | (358) | - | - | 358 | - | - | - | - | (9,626) | (9,626) | - | (9,626) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | - | - | - | - | 4,328 | - | - | - | - | 4,328 | - | 4,328 |
| Lapse of share options | 失效之購股權 | - | - | - | - | (29,390) | - | - | - | 29,390 | - | - | - |
| Interim 2021 dividend | 二零二一年中期股息 | - | - | - | - | - | - | - | - | (18,600) | (18,600) | - | (18,600) |
| Transfer from retained profits | 自保留溢利中轉撥 | - | - | - | - | - | - | 39,440 | - | (39,440) | - | - | - |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 80,370 | - | 2,521* | 8,106* | 19,578* | 100,175* | 378,987* | (4,489)* | 1,795,466* | 2,380,714 | 17,147 | 2,397,861 |

* These reserve accounts comprise the consolidated reserves of RMB2,300,344,000 (2020: RMB2,089,861,000) in the consolidated statement of financial position.

* 此等儲備合共人民幣2,300,344,000元(二零二零年: 人民幣2,089,861,000元)構成綜合財務狀況表上的儲備金額。

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔權益 | | | | | | | | | | | |
|--|----------------|--|--------------------|-----------------------------|----------------------------------|----------------------------|------------------------|---------------------------------|------------------------------------|---------------------|---|---|-----------------|
| | | Issued capital | Treasury shares | Share premium account | Capital redemption reserve | Share option reserve | Contributed surplus | Statutory surplus reserve | Exchange fluctuation reserve | Retained profits | Total equity of the parent 母公司 權益總額 | Non- controlling interests 非控股 權益總額 | Total equity |
| Notes | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | 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 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 32) | (note 33) | | | (note 34) | (note 35) | (note 35) | (note 35) | (note 35) | | | |
| | | (附註32) | (附註33) | | | (附註34) | (附註35) | (附註35) | (附註35) | (附註35) | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 82,867 | (161) | - | 5,684 | 41,124 | 100,175 | 319,504 | 431 | 1,476,012 | 2,025,636 | 676 | 2,026,312 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | - | 268,130 | 268,130 | (3,337) | 264,793 |
| Other comprehensive loss for the year: | 本年度其他全面虧損： | | | | | | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - | (3,976) | - | (3,976) | - | (3,976) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | - | - | - | (3,976) | 268,130 | 264,154 | (3,337) | 260,817 |
| Contribution from non-controlling shareholders | 非控股股東之注資 | - | - | - | - | - | - | - | - | - | - | 15,750 | 15,750 |
| Final 2019 dividend declared | 宣派二零一九年末期股息 | 12 | - | - | - | - | - | - | - | (61,358) | (61,358) | - | (61,358) |
| Shares repurchased in previous years and cancelled this year | 往年已購回並於本年註銷的股份 | | (161) | 161 | - | - | - | - | - | - | - | - | - |
| Shares repurchased and cancelled | 已購回並註銷之股份 | | (1,634) | - | 1,634 | - | - | - | - | (33,239) | (33,239) | - | (33,239) |
| Shares repurchased and subsequently cancelled | 已購回並在期後註銷之股份 | | - | (430) | 430 | - | - | - | - | (12,545) | (12,545) | - | (12,545) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | 34 | - | - | - | 8,109 | - | - | - | - | 8,109 | - | 8,109 |
| Lapse of share options | 失效之購股權 | | - | - | - | (4,176) | - | - | - | 4,176 | - | - | - |
| Interim 2020 dividend | 二零二零年中期股息 | 12 | - | - | - | - | - | - | - | (20,254) | (20,254) | - | (20,254) |
| Transfer from retained profits | 自保留溢利中轉撥 | | - | - | - | - | - | 33,606 | - | (33,606) | - | - | - |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 81,072 | (430) | -* | 7,748* | 45,057* | 100,175* | 353,110* | (3,545)* | 1,587,316* | 2,170,503 | 13,089 | 2,183,592 |

* These reserve accounts comprise the consolidated reserves of RMB2,089,861,000 (2019: RMB1,942,930,000) in the consolidated statement of financial position.

* 此等儲備共人民幣2,089,861,000元(二零一九年：人民幣1,942,930,000元)構成綜合財務狀況表上的儲備金額。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | Notes 附註 | 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 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動的現金流量 | | |
| Profit before tax | 除稅前溢利 | 439,323 | 331,298 |
| Adjustments for: | 就下列調整： | | |
| Finance costs | 財務費用 | 6 | 4,828 |
| Share of losses of an associate | 應佔一間聯營公司之虧損 | 19 | 18,771 |
| Bank interest income | 銀行利息收入 | 4 | (17,078) |
| Loan interest income | 貸款利息收入 | 4 | - |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產的股息收入 | 4 | (382) |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的虧損 | 7 | 460 |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19相關租金優惠 | 15 | (5) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 14 | 50,182 |
| Amortisation of intangible assets | 無形資產攤銷 | 18 | 6,060 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 15 | 3,342 |
| Fair value gain on financial assets at fair value through profit or loss, net | 以公允值計量且其變動計入損益之財務資產的公允值收益，淨額 | 4 | (11,741) |
| Gain on disposal of a subsidiary | 出售一間附屬公司之收益 | 4 | - |
| Equity-settled share option expense | 以股權支付的購股權開支 | 7 | 8,109 |
| (Reversal)/write-down of inventory provision | 存貨撥備(沖回)/撇減 | 7 | 349 |
| Impairment of intangible assets | 無形資產減值 | 18 | 2,088 |
| | | 453,051 | 396,281 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 39,453 | (65,618) |
| (Increase)/decrease in trade and notes receivables | 應收貿易及票據款項(增加)/減少 | (27,073) | 40,247 |
| (Increase)/decrease in prepayments and other assets | 預付款及其他資產(增加)/減少 | (5,750) | 5,905 |
| (Increase)/decrease in deposits and other receivables | 按金及其他應收款項(增加)/減少 | (4,437) | 6,681 |
| (Decrease)/increase in trade and notes payables | 應付貿易及票據款項(減少)/增加 | (12,110) | 849 |
| Increase/(decrease) in other payables and accruals | 其他應付款項及預提費用增加/(減少) | 15,463 | (13,480) |
| Decrease in government grants | 政府撥款減少 | (300) | (300) |
| Income tax paid | 已付所得稅 | (65,158) | (67,662) |
| Net cash flows from operating activities | 經營活動產生的現金流量淨額 | 393,139 | 302,903 |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Notes 附註 | 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 |
|---|-------------------------------|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動的現金流量 | | | |
| Bank interest received | 已收銀行利息 | | 7,735 | 10,870 |
| Loan interest received | 已收貸款利息 | | 527 | - |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益 之財務資產的股息收入 | 4 | 414 | 382 |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目 所得款項 | | 1,597 | 732 |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售以公允值計量且其變動計入 損益之財務資產所得款項 | | 28,699 | 76,928 |
| Decrease in restricted deposits | 受限存款減少 | | - | 2,840 |
| Decrease/(increase) in time deposits with maturity over three months | 到期日超過三個月之定期存款 減少/(增加) | | 132,500 | (262,500) |
| Purchase of wealth management products | 購買理財產品 | | (547,000) | (1,121,000) |
| Redemption of wealth management products | 贖回理財產品 | | 524,569 | 1,568,708 |
| Purchases of items of property, plant and equipment and construction in progress | 購置物業、廠房及設備項目 及在建工程 | | (313,067) | (139,100) |
| Net cash inflow from the disposal of a subsidiary | 出售一間附屬公司之收益現金 流入淨額 | | 73,769 | - |
| Purchases of intangible assets | 購置無形資產 | | (89,961) | (65,201) |
| Purchase of right-of-use assets | 購置使用權資產 | 15 | - | (23,150) |
| Purchases of financial assets at fair value through profit or loss | 購置以公允值計量且其變動 計入損益之財務資產 | | (39,072) | (68,419) |
| Loans to an associate | 貸款予一間聯營公司 | | (84,000) | - |
| Repayment of a loan from an associate | 由一間聯營公司償還一筆貸款 | | 35,000 | - |
| Prepayment for a market authorisation fee | 上市許可證費用預付款 | 23 | (6,792) | (20,000) |
| Investment to an associate | 對一間聯營公司之投資 | 19 | (35,000) | (40,000) |
| Proceeds of relocation compensation | 已收政府拆遷賠償款 | 31 | 25,880 | 105,357 |
| Net cash flows (used in)/from investing activities | 投資活動(使用)/產生的 現金流量淨額 | | (284,202) | 26,447 |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | Notes 附註 | 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 |
|---|-------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動的現金流量 | | |
| Proceeds from exercise of share options | 行使購股權的所得款項 | 2,190 | — |
| Repurchase of shares | 購回公司股份 | (15,531) | (40,277) |
| New bank loan | 新銀行貸款 | 21,013 | — |
| Repayment of bank loans | 償還銀行貸款所支付的現金 | — | (216,776) |
| Interest paid | 已付利息 | (540) | (4,722) |
| Payment for lease liabilities | 租賃負債付款 | (1,044) | (59) |
| Contribution from non-controlling shareholders | 非控股股東之注資 | 8,070 | 15,750 |
| Dividends paid | 已付股息 | (143,912) | (81,612) |
| Net cash flows used in financing activities | 融資活動使用的現金流量淨額 | (129,754) | (327,696) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物(減少)/ 增加淨額 | (20,817) | 1,654 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 258,486 | 258,621 |
| Effect of foreign exchange rate changes, net | 匯率變動之影響，淨額 | 75 | (1,789) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年終現金及現金等價物 | 237,744 | 258,486 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物結餘分析 | | |
| Cash and bank balances | 現金及銀行結存 | 159,299 | 144,994 |
| Short-term deposits | 短期銀行存款 | 78,445 | 113,492 |
| | | 237,744 | 258,486 |

財務報表附註

31 December 2021 於二零二一年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

During the year, the Group was principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceuticals, bulk medicines and finished drugs. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

1. 公司及本集團資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點之地址則是香港灣仔軒尼詩道338號北海中心30樓3001-02室。

通過集團重組優化本公司及其附屬公司(統稱「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本公司股份於二零零三年七月十一日於聯交所主板上市。

本集團於年內主要從事非專利藥物開發、製造及銷售，包括中間體、原料藥及成藥。董事認為，於英屬維爾京群島註冊成立的公司Fortune United Group Limited，是本公司的最終控股公司。

1. CORPORATE AND GROUP INFORMATION (Cont'd)

INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2021 are as follows:

1. 公司及本集團資料(續)

附屬公司資料

本公司於二零二一年十二月三十一日之附屬公司詳情如下：

| Name | Place of incorporation/ registration and operations | Issued share/ paid-up capital | Legal form | Percentage of equity attributable to the Company | Principal activities |
|--|---|----------------------------------|--|---|--|
| 公司名稱 | 註冊成立/註冊及 營業地點 | 已發行/ 已繳足股本 | 法定形式 | 本公司應佔 股權百分比 | 主要業務 |
| Directly held | | | | | |
| 直接持有 | | | | | |
| Dawnrays International Co., Ltd. | British Virgin Islands | US\$100 | Limited liability | 100% | Investment holding |
| 東瑞國際有限公司 | 英屬維爾京群島 | 100美元 | 有限公司 | | 投資控股 |
| Dawnrays Biotechnology Capital (Asia) Limited | Hong Kong | HK\$100 | Limited liability | 100% | Investment holding |
| 東瑞生物投資發展(亞洲) 有限公司 | 香港 | 港幣100元 | 有限公司 | | 投資控股 |
| Indirectly held | | | | | |
| 間接持有 | | | | | |
| Dawnrays International Company Limited | Hong Kong | HK\$500,000 | Limited liability | 100% | Investment holding and sale of pharmaceutical products |
| 東瑞國際股份有限公司 | 香港 | 港幣500,000元 | 有限公司 | | 投資控股及銷售醫藥產品 |
| Suzhou Dawnrays Pharmaceutical Co., Ltd.# | Mainland China | US\$62,500,000 | Foreign investment enterprise with limited liability | 100% | Manufacture and sale of pharmaceutical products |
| 蘇州東瑞製藥有限公司# | 中國大陸 | 62,500,000美元 | 外商投資有限公司 | | 製造及銷售醫藥產品 |
| Dawnrays Pharma (Hong Kong) Limited | Hong Kong | HK\$500,000 | Limited liability | 100% | Sale of pharmaceutical products |
| 東瑞藥業(香港)有限公司 | 香港 | 港幣500,000元 | 有限公司 | | 銷售醫藥產品 |

Notes to Financial Statements

財務報表附註

31 December 2021 於二零二一年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Cont'd) INFORMATION ABOUT SUBSIDIARIES (Cont'd)

1. 公司及本集團資料(續) 附屬公司資料(續)

| Name | Place of incorporation/ registration and operations 註冊成立/註冊及 營業地點 | Issued share/ paid-up capital 已發行/ 已繳足股本 | Legal form 法定形式 | Percentage of equity attributable to the Company 本公司應佔 股權百分比 | Principal activities 主要業務 |
|--|---|---|--|---|--|
| Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. [#] 東瑞(南通)醫藥科技有限公司 [#] | Mainland China 中國大陸 | US\$15,000,000 15,000,000美元 | Foreign investment enterprise with limited liability 外商投資有限公司 | 100% | Manufacture and sale of pharmaceutical intermediates 製造及銷售醫藥中間體 |
| Fujian Dawnrays Pharmaceutical Co., Ltd. [#] 福建東瑞製藥有限公司 [#] | Mainland China 中國大陸 | US\$12,000,000 12,000,000美元 | Foreign investment enterprise with limited liability 外商投資有限公司 | 100% | Manufacture and sale of pharmaceutical products 製造及銷售醫藥產品 |
| Nanjing PharmaRays Science and Technology Co., Ltd. [#] 南京福美瑞信科技有限公司 [#] | Mainland China 中國大陸 | RMB49,000,000 人民幣49,000,000元 | Limited liability 有限公司 | 65% | Research and development of pharmaceutical products 研究及開發醫藥產品 |
| Guangzhou PharmaRays Science and Technology Co., Ltd. [#] 廣州福美瑞信科技有限公司 [#] | Mainland China 中國大陸 | RMB3,000,000 人民幣3,000,000元 | Limited liability 有限公司 | 65% | Research and development of pharmaceutical products 研究及開發醫藥產品 |
| Lanzhou Dawnrays Pharmaceutical Co., Ltd. ^{#^} 蘭州東瑞製藥有限公司 ^{#^} | Mainland China 中國大陸 | US\$30,001,816 30,001,816美元 | Foreign investment enterprise with limited liability 外商投資有限公司 | 95% | Manufacture and sale of pharmaceutical products 製造及銷售醫藥產品 |

[#] These subsidiaries were registered under PRC law.

[#] 該等附屬公司按中國法律註冊。

^{*} Cinmed (Hong Kong) Investment Limited and Cinmed Medical Equipment (Putian) Co., Ltd. were dissolved in February 2021. The Group disposed of its 65% equity interest of Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd. ("Su Zhou Dawnrays Pharma Sci-Tech") in July 2021 and the remaining 35% equity interest in January 2022.

^{*} 興安(香港)投資有限公司及興安醫療器械(莆田)有限公司於二零二一年二月解散。本集團分別於二零二一年七月及二零二二年一月出售其持有蘇州東瑞醫藥科技有限公司(「蘇州東瑞醫藥科技」)65%股權及後剩餘的35%股權。

[^] The non-controlling shareholders injected RMB8,069,000 to subscribe a 5% equity interest of Lanzhou Dawnrays Pharmaceutical Co., Ltd. during the current year. The ownership percentage of the Company has changed from 100% to 95%.

[^] 本年內，非控股股東注資人民幣8,069,000元入蘭州東瑞製藥有限公司以認購5%股權，本公司的擁有權百分比由100%變為95%。

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income that have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準

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」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)及香港《公司條例》披露要求而編製。除以公允值計量且其變動計入損益之財務資產及以公允值計量且其變動計入其他全面收益之財務資產以公允值計量外，財務報表按歷史成本原則編製，並以人民幣(「人民幣」)列示，除另有指明外，所有金額均四捨五入至最接近千位。

合併基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度的財務報表。附屬公司乃指本公司直接或間接控制的實體(包括一個結構性實體)。獲得控制權是當集團擁有權力從被投資方獲得變量回報或通過對投資方的控制權(如：既存權力賦予集團指揮被投資方相關活動的現實能力)影響其回報。

當並未直接或間接擁有被投資方大多數投票權或類似的權力時，本集團會考慮所有相關因素或外部環境以評估其是否對被投資方具有控制權，包括：

- (a) 與其他投票權持有者之間的契約式協定；
- (b) 從其他契約式協定中獲取的權力；及
- (c) 本集團的投票權和潛在投票權。

編製附屬公司財務報表的報告期間與本公司相同，會計政策亦貫徹一致。附屬公司業績由本集團取得控制權當日起全面合併入賬，並一直合併入賬直至控制權終止日為止。

2.1 BASIS OF PREPARATION (Cont'd)

BASIS OF CONSOLIDATION (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

| | |
|--|---|
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | <i>Interest Rate Benchmark Reform – Phase 2</i> |
|--|---|

| | |
|----------------------|--|
| Amendment to IFRS 16 | <i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i> |
|----------------------|--|

2.1 編製基準(續)

合併基準(續)

損益及其他全面收益各組成部分歸屬至本集團母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。本集團內公司間的資產與負債、股權、收入、開支及與本集團成員公司間交易相關的現金流已於合併賬目時全數抵銷。

當事實及情況表明上述所列之控制權的三個元素中的一個或多個有變時，本集團重新評估是否控制投資對象。於附屬公司擁有權權益發生變動，如不會導致對其失去控制權，將作為權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計折算差額；及確認(i)所收代價的公允值、(ii)所保留任何投資的公允值及(iii)損益賬中任何因此產生的收益或虧損。先前於其他全面收益內確認的本集團應佔部份以如同本集團已直接出售相關資產或負債的相同基準要求，重新分類為損益或保留溢利(視何者屬適當)。

2.2 會計政策及披露的變動

本集團已於本年度財務報表中首次採納以下經修訂的國際財務報告準則。

| | |
|--|-------------------------|
| 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) | <i>利率基準改革 – 第二期</i> |
|--|-------------------------|

| | |
|-----------------------|--|
| 國際財務報告準則 第16號(修訂本) | <i>Covid-19 二零二一年 六月三十日後 相關租金優惠 (提早採納)</i> |
|-----------------------|--|

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendments did not have any impact on the financial position and performance of the Group.

2.2 會計政策及披露的變動(續)

經修訂國際財務報告準則的性質及影響載列如下：

- (a) 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)解決先前修訂中關於現有利率基準被替代無風險利率替換時未涉及但影響財務報告的問題。修訂本提供實際權宜方法，於入賬釐定金融資產及負債合約現金流的基準變動時，倘變動因利率基準改革直接引致，且釐定合約現金流量的新基準經濟上相當於緊接變動前的先前基準，在不調整賬面值的情況下更新實際利率。此外，該等修訂本允許利率基準改革要求就對沖名稱及對沖文件作出的變動，而不中斷對沖關係。過渡期間可能產生的任何損益均透過國際財務報告準則第9號的正常要求進行處理，以衡量及確認對沖無效性。當無風險利率被指定為風險組成部分時，該等修訂本亦暫時寬免實體須符合可單獨識別的規定。寬免允許實體於指定對沖時假設符合可單獨識別的規定，前提是實體合理預期無風險利率風險成分於未來24個月內將可單獨識別。此外，該等修訂本亦要求實體披露其他資料，以使財務報表的使用者能夠了解利率基準改革對實體金融工具及風險管理策略的影響。該修訂並未對本集團財務狀況及表現造成任何影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the year ended 31 December 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic. A reduction in the lease payments arising from the rent concessions of RMB10,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2021. There was no impact on the opening balance of equity as at 1 January 2021.

2.2 會計政策及披露的變動(續)

- (b) 二零二一年三月發佈的國際財務報告準則第16號(修訂本)為承租人提供一個實際權宜方法，允許承租人選擇就2019冠狀病毒病疫情的直接後果產生的租金寬減不應用租賃修改會計處理的有效期延長12個月。因此，該實際權宜方法適用於租賃付款的任何減幅僅影響二零二二年六月三十日或之前初始到期的付款的租金寬減，惟須滿足應用實際權宜方法的其他條件。該修訂本於二零二一年四月一日或之後開始的年度期間追溯有效，初步應用該修訂本的任何累積影響被確認為對當前會計期間開始時保留溢利期初結餘的調整。允許提早應用。

本集團已於二零二一年一月一日提前採納該修訂本，且於截至二零二一年十二月三十一日止年度，對出租人因新型冠狀病毒疫情直接後果而給予的所有租金寬減採用該實際權宜方法，該等租金寬減僅影響原先於二零二二年六月三十日或之前到期的款項。租金寬減導致租賃付款減少人民幣10,000元，已計入可變租賃付款，方式為終止確認部分租賃負債並計入截至二零二一年十二月三十一日止年度的損益。截至二零二一年一月一日，期初權益結餘並無受到影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|---|---|
| Amendments to IFRS 3 | <i>Reference to the Conceptual Framework</i> ¹ |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| IFRS 17 | <i>Insurance Contracts</i> ² |
| Amendments to IFRS 17 | <i>Insurance Contracts</i> ^{2,4} |
| Amendment to IFRS 17 | <i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information</i> ⁵ |
| Amendments to IAS 1 | <i>Classification of Liabilities as Current or Non-current</i> ² |
| Amendments to IAS 1 and IFRS Practice Statement 2 | <i>Disclosure of Accounting Policies</i> ² |
| Amendments to IAS 8 | <i>Definition of Accounting Estimates</i> ² |
| Amendments to IAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ² |
| Amendments to IAS 16 | <i>Property, Plant and Equipment: Proceeds before Intended Use</i> ¹ |
| Amendments to IAS 37 | <i>Onerous Contracts — Cost of Fulfilling a Contract</i> ¹ |
| Annual Improvements to IFRS Standards 2018–2020 | Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ¹ |

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

⁵ The IASB amends IFRS 17 to permit a classification overlay for financial assets presented in comparative periods on initial application of IFRS 17

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

| | |
|--------------------------------|---|
| 國際財務報告準則第3號(修訂本) | 概念框架之提述 ¹ |
| 國際財務報告準則第10號及國際會計準則第28號(修訂本) | 投資者與其聯營或合營企業之間的資產出售或注資 ³ |
| 國際財務報告準則第17號 | 保險合約 ² |
| 國際財務報告準則第17號(修訂本) | 保險合約 ^{2,4} |
| 國際財務報告準則第17號(修訂本) | 初始應用國際財務報告準則第9號及國際財務報告準則第17號 — 重列比較資料 ⁵ |
| 國際會計準則第1號(修訂本) | 流動或非流動負債之分類 ² |
| 國際會計準則第1號(修訂本)及國際財務報告準則實務公告第2號 | 會計政策之披露 ² |
| 國際會計準則第8號(修訂本) | 會計估計之定義 ² |
| 國際會計準則第12號(修訂本) | 與單筆交易產生的資產及負債相關的遞延稅項 ² |
| 國際會計準則第16號(修訂本) | 物業、廠房及設備：擬定用途前的所得款項 ¹ |
| 國際會計準則第37號(修訂本) | 虧損合約 — 履行合約的成本 ¹ |
| 二零一八年至二零二零年國際財務報告準則之年度改進 | 對國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附之範例及國際會計準則第41號之修訂 ¹ |

¹ 於二零二二年一月一日或之後開始的年度期間生效

² 於二零二三年一月一日或之後開始的年度期間生效

³ 並無釐定強制生效日期惟可供採納

⁴ 由於二零二零年六月刊發國際財務報告準則第17號(修訂本)，國際財務報告準則第4號已修訂以延長臨時豁免，允許保險人於二零二三年一月一日前開始的年度期間採用國際會計準則第39號而非國際財務報告準則第9號

⁵ 國際會計準則委員會修訂國際財務報告準則第17號以允許在首次應用國際財務報告準則第17號時在比較期間呈列的財務資產進行分類疊加

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Further information about those IFRSs that are expected to be applicable to the Group is described below:

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

預期適用於本集團之有關該等國際財務報告準則的其他資料如下：

國際財務報告準則第3號(修訂本)旨在以二零一八年三月發佈的財務報告概念框架的提述取代先前的編製及呈列財務報表框架提述，而無對其要求重大改變。該等修訂本亦為國際財務報告準則第3號增加確認原則的例外，實體可參考概念框架釐定資產或負債的構成要素。該例外情況規定，對於單獨而非於業務合併中承擔且屬於國際會計準則第37號或國際財務報告解釋公告第21號詮釋的負債及或然負債，採用國際財務報告準則第3號的實體應分別提述國際會計準則第37號或國際財務報告解釋公告第21號詮釋，而非概念框架。此外，該等修訂本澄清或然資產於收購日期不符合確認資格。本集團預期自二零二二年一月一日起應用有關修訂。由於該等修訂本可能對收購日期為首次採納日期或之後的業務合併前瞻性採納，本集團於過渡日期將不會受到該等修訂本的影響。

國際財務報告準則第10號及國際會計準則第28號之修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間的資產出售或投入規定的不一致性。該等修訂本要求於投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認下游交易產生的全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關聯的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本將於未來期間應用。國際會計準則委員會已於二零一五年十二月剔除了國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂本可於現時採納。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際會計準則第1號(修訂本)流動或非流動負債的分類澄清劃分負債為流動或非流動的規定。該等修訂本載明，倘實體推遲清償負債的權利受限於該實體須符合特定條件，則倘該實體於報告期末符合該等條件，其有權於報告期末推遲清償負債。負債的分類不受實體行使其權利延遲清償負債的可能性的影響。該等修訂本亦澄清被認為清償負債的情況。該等修訂本自二零二三年一月一日或之後開始的年度期間生效，並將追溯應用。允許提早採納。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

國際會計準則第1號修訂本會計政策披露要求實體披露其重要的會計政策資料，而非其重要的會計政策。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可合理預期會影響一般用途財務報表之主要使用者基於該等財務報表作出之決定，則該等資料屬重大。國際財務報告準則實務報告第2號修訂本就如何將重要性概念應用於會計政策披露提供非強制性指引。國際會計準則第1號修訂本於二零二三年一月一日或之後開始之年度期間生效，並允許提早應用。由於國際財務報告準則實務報告第2號修訂本提供的指引並非強制性，因此該修訂本無須設定生效日期。本集團現正評估該等修訂本對本集團會計政策披露之影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際會計準則第8號(修訂本)澄清會計估計變更及會計政策變更的區別。會計估計被定義為財務報表中存在計量不確定性的貨幣金額。該等修訂亦澄清實體使用計量方法及輸入以發展會計估計。該等修訂本自二零二三年一月一日起或之後開始的年度報告期生效，及應用於發生在該時期開始時或之後之會計政策變更及會計估計變更。允許提早採納。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

國際會計準則第12號修訂本縮小初始確認例外情況的範圍，使其不再適用於產生相等應課稅及可扣減暫時性差異的交易，如租賃及停用責任。因此，實體須就該等交易產生的暫時性差異確認遞延稅項資產及遞延稅項負債。該修訂本於二零二三年一月一日或之後開始的年度報告期間生效，並將適用於最早呈列的比較期間期初與租賃及停用責任相關的交易，任何累計影響確認為對保留溢利期初餘額的調整或於該日的權益其他組成部分(倘適用)。此外，該修訂本應採用未來適用法應用於除租賃及停用責任以外的交易。允許提早應用。該修訂本預期不會對本集團之財務報表產生任何重大影響。

國際會計準則第16號(修訂本)禁止實體從物業、廠房及設備成本中扣除資產達到管理層預定的可使用狀態(包括位置與條件)過程中產生的全部出售所得。相反，實體須將出售任何有關項目的所得款項及成本計入損益。該等修訂本自二零二二年一月一日或之後開始的年度期間生效，並僅對實體首次應用有關修訂本的財務報表呈列的最早期間開始時或之後可供使用的物業、廠房及設備項目追溯應用。允許提早採納。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Standards 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際會計準則第37號(修訂本)澄清，就根據國際會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊開支以及合約管理與監督成本)。一般及行政費用與合約並無直接關係，除非合約明確向對手方收費，否則將其排除在外。該等修訂本自二零二二年一月一日起或之後開始的年度期間生效，並適用於實體首次應用有關修訂本的年度報告期間開始時實體尚未履行其全部責任的合約。允許提早採納。初步應用修訂的任何累積影響應於初始應用日期確認為期初權益的調整，且毋須重列比較資料。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

國際財務報告準則二零一八年至二零二零年年度改進載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附之範例及國際會計準則第41號之修訂。預計適用於本集團的該等修訂詳情如下：

- 國際財務報告準則第9號金融工具：澄清於實體評估是否新訂或經修改金融負債的條款與原金融負債的條款存在實質差異時所包含的費用。該等費用僅包括借款人與貸款人之間已支付或收取的費用，包括借款人或貸款人代表其他方支付或收取的費用。實體將有關修訂應用於實體首次應用有關修訂的年度報告期開始或之後修改或交換的金融負債。該等修訂自二零二二年一月一日起或之後開始的年度期間生效。允許提早採納。預期該等修訂本不會對本集團的財務報表產生重大影響。
- 國際財務報告準則第16號租賃：刪除國際財務報告準則第16號隨附之範例13中有關租賃物業裝修的出租人付款說明。此舉消除於採用國際財務報告準則第16號有關租賃激勵措施處理方面的潛在困惑。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 重大會計政策概要

於聯營公司的投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力是指參與投資對象的財務及經營決策的權力，但並非控制或共同控制該等決策的權力。

本集團於聯營公司及合營企業的投資乃按權益會計法以本集團應佔淨資產減任何減值虧損於綜合財務狀況表列賬。已就可能存在的任何不同會計政策作出調整。本集團應佔聯營公司及合營企業的收購後業績及其他全面收益乃分別計入綜合損益及其他全面收益表。此外，當聯營公司或合營企業的權益內直接確認一項變動，則本集團在適當情況下會在綜合權益變動表確認其應佔的任何變動金額。本集團與其聯營公司或合營企業交易的未變現盈利及虧損乃按本集團應佔該聯營公司或合營企業的投資撤銷，惟當未變現虧損提供所轉讓資產減值的憑證時則除外。收購聯營公司或合營企業所產生的商譽列為本集團於聯營公司或合營企業投資之一部分。

倘於聯營公司的投資成為於合營企業的投資抑或於合營企業的投資成為於聯營公司的投資，保留權益不予重新計量。相反，投資繼續按權益法列賬。在所有其他情況下，失去對聯營公司之重大影響力或對合營企業之共同控制權後，本集團按其公允值計量及確認任何剩餘投資。聯營公司或合營企業於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允值之間的任何差額乃於損益賬內確認。

當於聯營公司或合營企業的投資歸類為持有待售時，則按國際財務報告準則第5號持有待售及已終止營運的非流動資產入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 重大會計政策概要(續)

業務合併及商譽

業務合併採用收購法列賬。轉讓的代價乃以收購日的公允值計算，該公允值為本集團轉讓的資產、本集團向被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益於收購日的公允值的總和。於各業務合併中，本集團對於現時持有的權益及賦予其持有人於清盤時按比例分享資產淨值的權益的被收購方非控股權益，可選擇以公允值抑或被收購方可識別淨資產的應佔比例計算。所有其他非控股權益部份乃按公允值計量。收購成本於產生時列為開支。

本集團釐定已收購業務當本集團收購一組活動及資產時包括一項投入及一個共同對創造產出的能力作出重大貢獻的實質性過程。

當本集團購入一項業務時，會根據合約條款、於收購日的經濟環境及相關條件，評估將承接的財務資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，收購方先前持有的被收購方股權應按收購日的公允值重新計量，而任何收益或虧損於損益中確認。

收購方將予轉讓的任何或有對價將於收購日按公允值確認。分類為一項資產或負債的或有對價按公允值計量，且公允值的變動計入損益。分類為權益的或有對價並無重新計量，而後續結算於權益中入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BUSINESS COMBINATIONS AND GOODWILL (Cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要(續)

業務合併及商譽(續)

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前持有的被收購方股權的公允值總額，超逾與所收購可識別資產及所承擔負債的差額。如總代價及其他項目低於所收購子公司資產淨值的公允值，評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累積減值虧損列賬。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，自收購日起業務合併產生之商譽將分配至預計將受益於合併之協同效應之本集團各個現金產生單位或各個現金產生單位組別，而毋須慮及本集團有否將其他資產或負債分配至該等單位或該等單位組別。

減值乃通過評估商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。倘現金產生單位(或現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不得於其後期間撥回。

倘商譽已分配予現金產生單位(或現金產生單位組別)而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 重大會計政策概要(續)

公允值計量

本集團於每一報告期末以公允值計量金融工具。公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公允值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非財務資產的公允值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允值的估值方法，以儘量使用相關可觀察輸入值及儘量減少使用不可觀察輸入值。

所有於本財務報表計量或披露的資產及負債乃基於對公允值計量整體而言屬重大的最低級輸入值按以下公允值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 基於對公允值計量而言屬重大的可觀察(直接或間接)最低級輸入值的估值方法
- 第三級 — 基於對公允值計量而言屬重大的不可觀察最低級輸入值的估值方法

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FAIR VALUE MEASUREMENT (Cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

FOREIGN CURRENCIES

These financial statements are presented in RMB, which is different from the Company's functional currency, Hong Kong dollar. As the major revenues and assets of the Group are derived from operations in Mainland China, RMB is chosen as the presentation currency to present the financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 重大會計政策概要(續)

公允值計量(續)

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期間結束時重新評估分類(基於對公允值計量整體而言屬重大的最低級輸入值)確定是否發生不同等級轉移。

外幣

該等財務報表以人民幣呈列，不同於本公司之功能貨幣 – 港幣。人民幣是本集團內大多數公司的功能貨幣。由於本集團的主要收入及資產源自中國大陸的業務，因此選擇人民幣作為財務報表之呈列貨幣。本集團各實體釐定其本身的功能貨幣，而各實體財務報表載列的項目以該功能貨幣計量。

本集團實體記錄的外幣交易最初以交易當日各功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的適用功能貨幣現貨匯率換算。所有由貨幣性項目結算或折算產生的匯兌差額計入損益表。

以外幣列值及按歷史成本計算的非貨幣項目，乃按首次交易當日的匯率換算。

在釐定於初始確認與預付代價有關的非貨幣資產或非貨幣負債終止確認而產生的有關資產、開支或收入所用的匯率時，初次交易的日期為本集團因預付代價而初始確認非貨幣性資產或非貨幣性負債之日。倘存在多筆預付款或預收款，本集團會就每筆預付代價付款或收款釐定交易日期。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOREIGN CURRENCIES (Cont'd)

The functional currency of the Company, Dawnrays International Co., Ltd. (“Dawnrays (BVI)”), Dawnrays Biotechnology Capital (Asia) Limited (“Dawnrays Biotechnology”), Dawnrays International Company Limited (“Dawnrays International”) and Dawnrays Pharma (Hong Kong) Limited (“Dawnrays Pharma”) (collectively the “Overseas Companies”) is the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these companies are translated into RMB at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Overseas Companies are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Overseas Companies which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

2.4 重大會計政策概要(續)

外幣(續)

本公司、東瑞國際有限公司(「東瑞(BVI)」)、東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)、東瑞國際股份有限公司(「東瑞國際股份」)及東瑞藥業(香港)有限公司(「東瑞藥業」)(統稱「海外公司」)的功能貨幣為港幣。於報告期末，該等公司的資產與負債按報告期末的匯率換算為人民幣，而損益表則按接近交易日期之通行匯率換算為人民幣。因此而產生的匯兌差額在其他全面收益中予以確認並記入匯兌波動儲備中。於出售國外業務時，就該特定境外業務在其他全面收益中的部分將於損益表確認。

因收購一間境外業務而產生的任何商譽以及因收購而產生的資產和負債的賬面值的任何公允價值調整均視為該境外業務的資產和負債，並按收市匯率折算。

就綜合現金流量表而言，海外公司的現金流量按現金流量日期適用的匯率換算為人民幣。海外公司在年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 重大會計政策概要(續)

收入確認

來自客戶合約之收入

來自客戶合約之收入於貨品或服務的控制權轉移於客戶時予以確認，而該金額反映本集團預期就提供該等貨品或服務有權獲得之代價。

當合約中的代價包含可變金額時，本集團會估計向客戶轉讓貨品或服務將有權獲得的代價金額。可變代價於合約開始時估計並受其約束，直至當與可變代價相關之不明朗因素於其後消除時已確認的累計收入金額極有可能不會出現重大收入撥回為止。

當合約就貨品或服務轉讓予客戶而為客戶提供超過一年的重大利益的融資成分時，收入按應收款項的現值計量，並使用本集團與客戶在合約開始時的單獨融資交易中反映的貼現率貼現。當合約中包含為本集團提供一年以上的重大財務利益的融資成分時，合約項下確認的收入包括按實際利率法計算的合約負債所產生的利息開支。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中可行權宜之計，不對重大融資部分的影響作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION (Cont'd)

Revenue from contracts with customers (Cont'd)

(a) Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical products.

Some contracts for the sale of pharmaceutical products provide customers with rights of volume rebates. The rights of volume rebates give rise to variable consideration.

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Rendering of pilot test services

Revenue from the rendering of pilot test services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.

2.4 重大會計政策概要(續)

收入確認(續)

來自客戶合約之收入(續)

(a) 銷售醫藥產品

來自銷售醫藥產品的收入於資產控制權轉移至客戶時確認，一般為交付醫藥產品時。

部份醫藥產品銷售合約為客戶提供批量折扣權利。批量折扣權利產生可變代價。

倘某些客戶在規定期間購買產品數量超過合約所規定數量，本集團可向該等客戶提供可回溯批量折扣。該折扣可用於抵銷客戶的應付金額。單一批量限額合約採用「最可能金額方法」，以估計預期未來折扣的可變代價。本集團應用可變代價估計限制規定，並就預期未來折扣的退款責任進行確認。

(b) 提供試驗測試服務

來自提供試驗測試服務的收入在一段時間確認，原因為客戶同時收取及消耗本集團所提供的利益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION (Cont'd)

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

CONTRACT LIABILITIES

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries where the Group operates.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重大會計政策概要(續)

收入確認(續)

其他收入

租金收入乃根據租賃年期以時間比例作基準確認。依賴於一個指數或比率之可變動租賃付款在其發生的會計期間確認為收入。

利息收入按實際利率法以累計基準計算，實際利率即將於金融工具估計可用年期或更短期間(視情況而定)所收取估計日後現金流量準確折算至該財務資產賬面淨值的利率。

股息收入會在股東收取款項的權利被確立、與股息相關的經濟利益可能流入本集團，且股息金額能可靠計量時確認。

合約負債

倘本集團將有關貨品或服務轉讓予客戶前，收到付款或付款到期時(以較早者為準)將確認合約負債。合約負債於本集團履行合約時確認為收入(把有關貨品或服務之控制權轉讓予客戶)。

稅項

所得稅包括當期及遞延稅項。有關損益外確認項目的所得稅在損益表外確認，即在其他全面收益中確認或直接在權益中確認。

當期所得稅資產及負債按預期可收回或支付予稅務機構的金額計量，該等金額乃基於考慮本集團營運的國家現有詮釋及慣例在報告期末已立例制定或大致上已立例制定的稅率(及稅務法例)計算。

在報告期末資產及負債的稅基與其就財務報告而言的賬面值之間的所有時間性差異，須按負債法計提遞延稅項。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重大會計政策概要(續)

稅項(續)

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於初始確認商譽或在一宗非屬業務合併的交易中初始確認的資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，以及暫時性差異不甚可能在可見將來撥回。

對於所有可扣減暫時性差異、結轉的未用稅項抵扣及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、及結轉的未用稅項抵扣及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各點除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的可扣減暫時性差異而言，只有在時間性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 重大會計政策概要(續)

稅項(續)

遞延稅項資產的賬面值，在每個報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵消相關稅項資產的全部或部份，則扣減遞延稅項資產賬面值。未被確認遞延稅項資產於各報告期末進行重新評估，並當可能有足夠應課稅溢利讓全部或部份遞延稅項資產被動用時確認。

遞延稅項資產和負債仍按資產變現或負債清償的期間預期適用的稅率計算，並以報告期末已經生效或大致上已經生效的稅率(及稅法)為基準。

僅於本集團擁有依法執行權利，可抵銷本期稅項資產、本期稅項負債與遞延稅項資產及遞延稅項負債，而有關所得稅由同一稅務機關就同一稅務實體或不同稅務實體徵收，且該不同稅務實體計劃在日後每個預計有大額遞延稅項負債需清償或有大額遞延稅項資產可以收回的期間內，按淨額基準結算本期稅項負債及資產，或同時變現資產及清償負債時，遞延稅項資產及遞延稅項負債予以對銷。

政府撥款

政府撥款於可合理地保證將會獲得撥款，以及將遵守所有附帶條件時以公允值予以確認。倘撥款與一項費用有關，即按其擬補貼成本於支出之期間內有系統地確認為收入。

倘撥款與一項資產有關，即將其公允值撥入遞延收入，並於有關資產的預計可使用年期內以等額年金撥往損益表或扣減資產賬面值，以減少折舊形式撥往損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

EMPLOYEE BENEFITS

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China (the “Mainland China Subsidiaries”) are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

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

Accommodation benefits

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to the statement of profit or loss as incurred.

2.4 重大會計政策概要(續)

僱員福利

退休福利計劃

本集團根據強制性公積金計劃條例為合資格參加強制性公積金計劃的僱員設立一個定額供款強制性公積金計劃(「強積金計劃」)。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期支付時自損益表中扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。本集團的僱主供款於向強積金計劃供款時全數歸僱員所有；惟根據強積金計劃的規則，本集團的僱主自願供款，在僱員未能享有全數供款前離職的情況下，可退回本集團。

本集團於中國大陸營運的附屬公司(「中國大陸附屬公司」)的員工均須參與由當地政府運作的中央退休計劃。供款根據中央退休計劃的規則於到期支付時自損益表中扣除。

離職福利

離職福利於本集團不再能夠撤回該等福利的要約或於本集團確認重組成本並涉及支付離職福利的較早日期予以確認。

住房福利

有關對由中國大陸公積金管理中心管理的住房公積金的供款，乃於產生時自損益表扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, an appropriate capitalisation rate shall be applied to the expenditure on the individual assets.

SHARE-BASED PAYMENTS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (the Company's directors, employees of the Group and other eligible participants) of the Group receive remuneration in the form of share-based payments, whereby eligible participants render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes-Merton valuation model, further details of which are given in note 34 to the financial statements.

2.4 重大會計政策概要(續)

借貸成本

直接歸屬於收購、建造或生產符合條件的資產(即需要經過相當長時間才能達到預定可使用或可銷售狀態的資產)的借貸成本,經資本化後計入該等資產的成本。當該等資產基本達到預定可使用或可銷售狀態後,借貸成本停止資本化。專項借款作臨時投資所賺取的投資收入,在該借款撥作符合條件的資產的開支之前,從資本化借貸成本中扣除。所有其他借款成本在其發生的當期確認為開支。借貸成本由利息及企業就借款所產生的其他成本所組成。

當已為取得合資格資產借入一般借款時,個別資產之開支按適當資本化比率資本化。

股份支付

本公司設立一項購股權計劃作為給予為本集團業務成功作出貢獻的合資格參與者的激勵及獎勵。本集團的合資格參與者(本公司董事、本集團僱員及其他合資格參與者)按以股份支付的方式收取酬金,合資格參與者則提供服務以作為收取權益工具的代價(「權益結算交易」)。

與合資格參與者進行權益結算交易的成本,乃參考授出權益當日的公允值計算。公允值乃按柏力克-舒爾斯估值模式釐定,有關詳情載於財務報表附註34。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SHARE-BASED PAYMENTS (Cont'd)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the participants as measured at the date of modification.

2.4 重大會計政策概要(續)

股份支付(續)

權益結算交易的成本於達到績效及／或服務條件的期間內連同權益相應增加部份確認於僱員福利開支。由每個結算日直至歸屬日就權益結算交易確認的累積支出，反映歸屬期屆滿部份以及本集團對最終將會歸屬的權益工具數目的最佳估計。在某一期間損益表內的扣除或進賬，乃反映累計開支於期初與期終確認時的變動。

釐定報酬之授出日公允值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允值。附帶於報酬中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。非歸屬條件之報酬以公允值反映並即時確認為開支。除非該報酬當中也包含服務及／或表現條件。

因未能達至非市場表現及／或服務條件，而最終並無歸屬之報酬並不會確認開支，倘報酬包含一項市場或非歸屬條件，則無論市場或非歸屬條件是否達成，交易會被視為已歸屬，惟需達成所有其他表現及／或服務條件。

當權益結算報酬的條款修訂時，倘符合原始報酬條款，以如同條款並無修訂情況下的最少支出確認支出。因修訂而導致股份支付的總公允值有所增加，或對參與者帶來利益，均會按修訂當日的計算確認額外支出。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SHARE-BASED PAYMENTS (Cont'd)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" above.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 重大會計政策概要(續)

股份支付(續)

當權益結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。該報酬包括當非歸屬條件在實體或僱員的控制下未能得到滿足時的報酬。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。

未行使購股權的攤薄影響會入賬為計算每股攤薄盈利時的額外股份攤薄。

投資及其他財務資產

初始確認及計量

財務資產於初始確認時分類為其後按攤銷成本計量、按公允值計量且其變動計入其他全面收益及按公允值計量且其變動計入損益的財務資產。

於初始確認時，財務資產分類取決於財務資產的合約現金流量特點及本集團管理該等財務資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法並無調整重大融資成分影響的應收貿易及票據款項外，本集團按公允值加上(倘財務資產並非按公允值計量且其變動計入損益)交易成本計量財務資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易及票據款項根據上文「收入確認」所載的政策按國際財務報告準則第15號釐定的交易價格計量。

為使財務資產按攤銷成本或按公允值計量且其變動計入其他全面收益進行分類及計量，其產生的現金流量應純粹為支付本金及以未償付本金金額為基礎的利息(「純粹支付本金及利息」)。不論業務模式如何，財務資產產生的現金流量並非純粹支付本金及利息的，則按公允值計量且其變動計入損益分類及計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

Initial recognition and measurement (Cont'd)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

2.4 重大會計政策概要(續)

投資及其他財務資產(續)

初始確認及計量(續)

本集團管理財務資產的業務模式指其如何管理其財務資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售財務資產，或兩者兼有。當業務模式目的是持有財務資產以收取合同現金流量，財務資產則按攤銷成本分類及計量。當業務模式目的是持有以收取合同現金流量和出售，財務資產按以公允價值計量且其變動計入其他全面收益分類及計量。當財務資產並非按以上業務模式持有，則按以公允價值計量且其變動計入損益分類及計量。

所有一般買賣之財務資產概於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

後續計量

財務資產的後續計量取決於其分類，如下：

按攤銷成本計量之財務資產(債務工具)

按攤銷成本計量之財務資產使用實際利率法後續計量，並可能作出減值。當資產終止確認、變更或減值時，收益及虧損於損益表中確認。

按公允價值計量且其變動計入其他全面收益之財務資產(債務工具)

就按公允價值計量且其變動計入其他全面收益之債務工具而言，利息收入、外匯重估及減值虧損或撥回於損益表中確認，並按與按攤銷成本計量之財務資產相同的方式計算。其餘公允價值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允價值變動將重新計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 重大會計政策概要(續)

投資及其他財務資產(續)

後續計量(續)

按公允值計量且其變動計入其他全面收益之財務資產(股權投資)

於初始確認時，本集團可選擇於股權投資符合國際會計準則第32號金融工具：呈報項下的股權定義且並非持作買賣時，將其不可撤回地分類為指定按公允值計量且其變動計入其他全面收益之股權投資。分類乃按個別工具基準釐定。

該等財務資產的收益及虧損概不會重新計入損益表。在支付權已經確立、與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時，股息於損益表中確認為其他收入，惟當本集團於作為收回財務資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定為按公允值計量且其變動計入其他全面收益之股權投資不需作出減值評估。

以公允值計量且其變動計入損益之財務資產

以公允值計量且其變動計入損益之財務資產於財務狀況表按公允值入賬，公允值變動淨額於損益表確認。

該類別包括本集團並無不可撤回地選擇按公允值計量且其變動計入其他全面收益進行分類的衍生工具及股權投資。在支付權已經確立、與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時，分類為以公允值計量且其變動計入損益的財務資產的股權投資股息亦在損益表中確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss (Cont'd)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策概要(續)

投資及其他財務資產(續)

後續計量(續)

以公允值計量且其變動計入損益之財務資產(續)

當嵌入混合合約(包含財務負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險;具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義;且混合合約並非按公允值計量且其變動計入損益,則該衍生工具與主體分開並作為單獨衍生工具列賬。該等嵌入式衍生工具以公允值計量,而公允值變動於損益表確認。僅當合約條款發生變更,致使合約相關的現金流量發生重大變化時或財務資產重分類為非以公允值計量且其變動計入損益類別時,該嵌入式衍生工具才須進行重估。

嵌入混合合約(包含財務資產主體)的衍生工具不得單獨列賬。財務資產主體連同嵌入式衍生工具須整體分類為按公允值計量且其變動計入損益之財務資產。

取消確認財務資產

在下列情況下,將基本取消確認(即於本集團綜合財務狀況表移除)財務資產(或(如適當)一項財務資產的一部份或一組同類財務資產的一部份):

- 可獲取資產所得現金流量的權利期滿;或
- 本集團已轉讓其可獲取資產所得現金流量的權利或已承擔根據交付協議須無重大延誤地按「轉移」協議向第三方悉數支付所得現金流量,及(a)本集團轉讓資產絕大部份的風險及回報,或(b)本集團既無轉讓亦無保留資產絕大部份的風險及回報,但已轉讓資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

DERECOGNITION OF FINANCIAL ASSETS (Cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 重大會計政策概要(續)

取消確認財務資產(續)

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立一項轉移協議，會評估是否及何種程度上保留該資產的風險及回報。當並無轉讓或保留該項資產的絕大部份風險及回報，亦並無轉讓該項資產的控制權，則本集團將繼續確認該轉讓資產，條件為本集團須持續涉及該項資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

財務資產減值

本集團就並非按公允值計量且其變動計入損益的所有債務工具確認預期信貸虧損撥備(「預期信貸虧損」)。預期信貸虧損乃基於以原實際利率的近似值貼現的根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施。

一般方法

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損按未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計量。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(存續期預期信貸虧損)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

General approach (Cont'd)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 重大會計政策概要(續)

財務資產減值(續)

一般方法(續)

本集團於各報告日評估相關金融工具的信貸風險自初始確認後是否已顯著增加。在進行有關評估時，本集團會就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較及考慮合理可靠且毋須付出不必要的成本或努力即可獲得的資料，包括過往資料及前瞻性資料。

對於以公允值計量且其變動計入其他全面收益之債務投資，本集團採用低信貸風險簡化處理。於各報告日期，本集團利用所有合理且可靠、毋須付出不必要的成本或努力即可獲得的資料評估債務投資是否被認為具有低信貸風險。進行有關評估時，本集團重新評估債務投資的外部信貸評級。此外，本集團認為當合約付款逾期超過30天時，信貸風險顯著增加。

本集團認為，倘合約付款逾期90天，則發生財務資產違約事件。然而，在若干情況下，倘內部或外部資料顯示本集團在計及任何本集團持有的信用增級前不可能悉數收取未收取合約金額，則本集團亦可認為發生財務資產違約事件。倘無法合理預期能收回合約現金流量，則撇銷財務資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

General approach (Cont'd)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and notes receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 重大會計政策概要(續)

財務資產減值(續)

一般方法(續)

除應收貿易款項及合約資產採用下述簡化方法外，按公允值計量且其變動計入其他全面收益之債務投資及按攤銷成本計量之財務資產按一般方法進行減值，並按下列預期信貸虧損計量階段分類。

- 階段1 — 信貸風險自初始確認後並無顯著增加的金融工具，虧損撥備按等同12個月預期信貸虧損的金額計量
- 階段2 — 信貸風險自初始確認後顯著增加但無信貸減值的金融工具，虧損撥備按等同存續期預期信貸虧損的金額計量
- 階段3 — 於報告日期為信貸減值的財務資產(但於購買或發起時並無信貸減值)，虧損撥備按等同存續期預期信貸虧損的金額計量

簡化方法

對於不包含重大融資成分的應收貿易及票據款項，或當本集團採用不調整重大融資成分影響的可行權宜方式時，本集團計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據存續期預期信貸虧損確認減值撥備。本集團已根據其以往信貸虧損經驗，建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, other payables, lease liabilities and loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

財務負債

初始確認及計量

財務負債於初始確認時乃視情況分類為貸款及借款及應付款。

所有財務負債初始按公允值確認，惟貸款及借款及應付款則扣除直接應佔交易成本。

本集團的財務負債包括應付貿易及票據款項、其他應付款項、租賃負債、貸款及借款。

後續計量

財務負債的後續計量取決於其分類，如下：

以攤銷成本計量之財務負債(貸款及借款)

於初始確認後，計息貸款及借款其後會使用實際利率法按攤銷成本計量，若折現沒有重大影響，則按成本值列賬。當負債被取消確認或透過實際利率法進行攤銷時，盈虧於損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

取消確認財務負債

債務被解除或取消或到期時，取消確認財務負債。

倘現有財務負債由同一貸方授予條款迥異的其他債項取代，或現有財務負債的條款經重大修訂，則該等變更或修訂視作取消確認原負債及確認新負債，各賬面值的差額於損益表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as follows:

| | |
|-------------------------------|----------------|
| Leasehold improvements | 3 to 5 years |
| Buildings | 20 to 25 years |
| Machinery and other equipment | 5 to 10 years |
| Office equipment | 3 to 25 years |
| Motor vehicles | 4 years |

2.4 重大會計政策概要(續)

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則財務資產及負債均可予抵銷，並將淨金額列入綜合財務狀況表內。

物業、廠房、設備與折舊

除在建工程以外之物業、廠房及設備乃按成本值減去累計折舊及任何減值虧損列賬。當一項物業、廠房及設備分類為待售或當其為分類為待售之出售組別的一部分時，則其不予折舊並根據國際財務報告準則第5號入賬(如「待售之非流動資產及出售組別」之會計政策進一步解釋)。物業、廠房及設備項目之成本包括其購入價及將資產達至運作狀況及運抵有關位置作擬定用途之任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的開支，例如維修和保養開支，一般於產生期間自損益表扣除。於符合確認條件的情況下，主要檢修的開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備的重要部分須分階段更換，本集團將此組成部份作為一項單獨資產，分別確定其使用壽命並相應計提折舊。

折舊以直線基準於資產的估計可使用年內計算如下：

| | |
|----------|---------|
| 租賃資產改良工程 | 3年至5年 |
| 樓宇 | 20年至25年 |
| 機器及其他設備 | 5年至10年 |
| 辦公設備 | 3年至25年 |
| 汽車 | 4年 |

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Cont'd)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for use.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 重大會計政策概要(續)

物業、廠房、設備與折舊(續)

如物業、廠房及設備的某項目部分具有不同可使用年期，則該項目的成本按合理基準分配在各部分中，而每一部分個別計算折舊。殘值、可使用年期和折舊方法至少於每個會計年度末復核，並在合適的情況下調整。

當一項物業、廠房及設備包含初始確認的任何重大部分被處置或其使用或出售估計並無未來經濟效益時，則取消確認。於取消確認該資產時產生的任何收益或虧損(以處置所得款項淨額與該項目的賬面值的差額計算)乃計入該資產取消確認時的損益表內。

在建工程指興建中的物業、廠房及設備，並以成本扣除減值虧損入賬及不予折舊。成本包括直接興建成本及於建築期間相關的借貸資金產生的資本化借貸成本。當在建工程完工並可使用時，即會轉撥為適當類別的物業、廠房及設備。

待售之非流動資產

倘非流動資產之賬面值主要透過出售交易而非持續使用收回，則其分類為待售。若要出現此情況，資產或出售組別須為可於現況下即時出售，僅受出售該等資產或出售組別之一般慣常條款規限，且出售之可能性極高。無論本集團是否於出售後保留於前附屬公司之非控股權益，則分類為出售組別之附屬公司全部資產及負債均重新分類為待售。

分類為待售之非流動資產(投資物業及金融資產除外)以其賬面值與公允值減出售成本之較低者計量。分類為待售之物業、廠房及設備以及無形資產不予折舊或攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 重大會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產初始確認時按成本計算。於企業合併中購入的無形資產的成本為收購當日的公允值。無形資產的可使用年期可分為有限或無限。年期有限的無形資產其後於可使用經濟年內攤銷。並當有跡象顯示無形資產可能減值時，管理層將評估其減值金額。可使用年期有限的無形資產的攤銷期間及方法，最少會於每個財政年度末檢查。

可使用年期無限的無形資產每年按個別或按視作現金產出單位進行減值測試。該無形資產不予攤銷。可使用年期無限的無形資產的可使用年期每年進行檢查，以確定是否仍然可以支持年期無限的評估。如不支持，將按未來適用法將可使用年期評估由無限改為有限的變化記錄入賬。

研發成本

所有研究費用於產生時自損益表扣除。

開發新產品的項目所產生的支出僅在本集團可以證實以下情況時予以資本化和遞延：使無形資產完成並可使用或銷售在技術上可行；有完成的意向且有使用或出售資產；資產如何產生未來經濟效益；具備完成項目的資源；及能夠可靠地計量開發期間的支出。不符合上述標準的產品開發支出在發生時記作費用。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INTANGIBLE ASSETS (OTHER THAN GOODWILL) (Cont'd)

Research and development costs (Cont'd)

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production. The estimated residual value is zero.

| Category | 類別 | Estimated useful life 估計可使用年期 | Annual amortisation rate 每年攤銷比率 |
|----------------------------|--------|----------------------------------|------------------------------------|
| Patent and licence | 專利及許可 | 10 years 十年 | 10% |
| Software | 軟件 | 10 years 十年 | 10% |
| Deferred development costs | 遞延開發成本 | 10 years 十年 | 10% |
| Customer relationship | 客戶關係 | 10 years 十年 | 10% |

LEASES

The Group assesses at contract inception whether a 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重大會計政策概要(續)

無形資產(商譽除外)(續)

研發成本(續)

遞延開發成本乃按成本值減任何減值虧損列賬，並以直線法由有關產品開始商業生產之日起按相關產品之商業期限攤銷。估計殘值為零。

| Category | 類別 | Estimated useful life 估計可使用年期 | Annual amortisation rate 每年攤銷比率 |
|----------------------------|--------|----------------------------------|------------------------------------|
| Patent and licence | 專利及許可 | 10 years 十年 | 10% |
| Software | 軟件 | 10 years 十年 | 10% |
| Deferred development costs | 遞延開發成本 | 10 years 十年 | 10% |
| Customer relationship | 客戶關係 | 10 years 十年 | 10% |

租賃

本集團在合同開始時評估合同是否為租賃或包含租賃。倘一份合約在一段時間內為換取對價而讓渡一項可識別資產使用之控制權，則該合約為一項租賃或包含一項租賃。

集團成為承租人

本集團就所有租賃應用單一之方法確認及計量，短期租賃及低價值資產租賃除外。本集團確認租賃負債以付租金及確認使用權資產代表使用相關資產的權利。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASES (Cont'd)

Group as a lessee (Cont'd)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|----------------|----------------------|
| Leasehold land | Over the lease terms |
| Property | 3 to 5 years |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 重大會計政策概要(續)

租賃(續)

集團成為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日確認(即標的資產可用日期)。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、產生的初始直接成本以及於開始日或之前支付之租賃付款金額減已收取之任何租賃激勵。使用權資產在租期及估計使用年期(以較短者為準)內按直線法折舊如下:

| | |
|------|-------|
| 租賃土地 | 租賃年期 |
| 物業 | 三年至五年 |

如果租賃資產的擁有權在租賃期屆滿時轉移至本集團或成本反映了購買選擇權的行使,則使用資產的估計使用壽命計算折舊。

(b) 租賃負債

於租賃開始日按租賃期內應付的租賃付款金額之現值確認租賃負債。租賃付款金額包括固定付款額(含實質固定付款額)減任何租賃激勵應收款項、取決於一項指數或利率的可變租賃付款額以及根據剩餘價值擔保預期應付的金額。租賃付款金額亦包括本集團合理確定行使的購買選擇權的行使價及倘租期反映本集團行使終止選擇權時,有關終止租賃的罰款。對於並非取決於指數或利率的可變租賃付款額,在出現觸發付款的事件或條件的期間內確認為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASES (Cont'd)

Group as a lessee (Cont'd)

(b) Lease liabilities (Cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 重大會計政策概要(續)

租賃(續)

集團成為承租人(續)

(b) 租賃負債(續)

於計算租賃付款金額的現值時，因租賃內含利率無法確定，本集團應用租賃開始日的增量借款利率計算。於開始日後，租賃負債金額的增加反映了利息的增加，其減少則關乎所作出的租賃付款。此外，倘存在修改、租期變動、租賃付款額變動(例如：由指數或利率變動引起的未來租賃付款額變動)或購買標的資產的評估變動，則重新計量租賃負債的賬面值。

(c) 短期租賃及低價值資產租賃

本集團對其機械設備的短期租賃採用短期租賃確認豁免(自開始日起租賃期為12個月或更短而且不包含購買選擇權)。亦將低價值資產租賃的確認豁免適用於被認為具有低價值的辦公室設備和筆記本電腦的租賃。

短期租賃及低價值資產租賃之租賃付款額在租賃期內按直線法確認為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASES (Cont'd)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, deferred tax assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

2.4 重大會計政策概要(續)

租賃(續)

集團作為出租人

當本集團作為出租人時，在租賃開始時(或發生租賃變更時)將其每個租賃分類為經營租賃或融資租賃。

凡本集團不將附帶於擁有資產之絕大部分收益及風險轉讓之租賃均分類為經營租賃。就包含租賃及非租賃組成部分的合約而言，本集團根據相對獨立銷售價格基準將合約代價分配至各項租賃組成部分。租金收入在租賃期內按直線法入賬，由於其經營性質，計入當期損益表收入。協商和安排經營租賃所發生的初始直接費用被加到租賃資產的賬面價值中，並在租賃期內以與租金收入相同的基礎確認。或有租金在賺取期間確認為收入。

凡將附帶於擁有資產之絕大部分風險及收益撥歸承租人之租賃均列為融資租賃。

非財務資產減值

如有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、財務資產、遞延稅項資產及非流動資產除外)，則會估計該項資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值或其公允值減出售成本的較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產的現金流入則除外，於此情況下，就該項資產所屬的現金產生單位釐定可收回金額。於對現金產生單位進行減值測試時，倘可以合理及一致之基準進行分配，則公司資產(如總部大樓)之一部分賬面值會分配予個別現金產生單位，否則分配予最小之現金產生單位組別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

TREASURY SHARES

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.4 重大會計政策概要(續)

非財務資產減值(續)

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值及該項資產的特定風險的估計的稅前折現率折減至現值。減值虧損於產生期間自損益表與被減值資產功能一致的開支類別扣除。

於各報告期末，均會評估是否有跡象顯示過往已確認的減值虧損不再存在或可能減少。如出現該跡象，則會估計可收回金額。過往確認的資產減值虧損(商譽除外)僅於用於釐定該項資產的可收回金額所採用的估計出現變化時撥回。但撥回之數額不應高於資產於以往年度未確認減值虧損時原將確定之賬面值(扣除任何折舊／攤銷)。該項減值虧損的撥回於發生時撥入損益表。

庫存股份

本公司或本集團購回及持有之自身的權益工具(庫存股份)按成本直接於權益中確認。本集團購買、出售、發行或註銷自身的權益工具所得損益並無於損益表中確認。

財務報表附註

31 December 2021 於二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVENTORIES

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

| | |
|-------------------------------------|--|
| Raw materials | Purchase cost on a weighted-average basis |
| Finished goods and work in progress | Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs |

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including time deposits, and assets similar in nature to cash, which are not restricted or pledged as to use.

2.4 重大會計政策概要(續)

存貨

存貨按成本及可變現淨值兩者的較低者列賬。

將產品運至現址和變成現狀的成本的會計處理方法如下：

| | |
|---------|---|
| 原材料 | 採購成本(按加權平均法釐定) |
| 製成品及在製品 | 直接材料、直接人工成本，以及根據正常運作能力按適當比例分配的製造費用比例，但不包括借貸成本 |

可變現淨值則按估計售價減完成及出售時產生的任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物是指手頭現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金的短期高變現能力但價值改變風險不大的投資，減按要求償還且組成本集團現金管理的不可或缺部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，包括定期存款，以及性質類似現金的資產，其用途不受限制或已抵押。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

2.4 重大會計政策概要(續)

撥備

倘本集團因過往事件須承擔現時的責任(法定或推定)，而承擔該責任可能導致將來資源外流，且該責任所涉及金額能夠可靠地估計時，則確認撥備。

如折現影響重大，則就撥備而確認的金額為預期清償債務所需的未來開支於報告期末的現值。因時間流逝而引致的折現現值的增加計入損益表內的財務費用。

於業務合併時確認的或然負債在起始以公允值計量。隨後，會以以下較高者計量(i)根據上述撥備指引確認的金額；(ii)起始時確認較少的金額，當合適時，按收入確認指引確認收入金額。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重大會計政策概要(續)

關聯方

倘符合下列條件，則被視為本集團的關聯方：

- (a) 關聯方可為下述人士或下述人士關係親切的家庭成員
 - (i) 對本集團有控制權或聯合控制權；
 - (ii) 對本集團可施加重大影響；或
 - (iii) 為本集團或其母公司的重要管理層人員的成員；

或

- (b) 如相關實體滿足下列條件之一，則視為關聯方：
 - (i) 該實體與本集團屬於同一集團的成員；
 - (ii) 該實體為另一實體的聯營方或合營方(或為另一實體的母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 其中一方為第三方之合營企業，而另一方為第三方之聯營公司；
 - (v) 該實體為本集團或與本集團有關實體為僱員福利設立的退休福利計劃；
 - (vi) 該實體受上述(a)項中所述人士所控制或共同控制；
 - (vii) 上述(a)(i)項中所述人士對該實體具有重大影響或為該實體(或該實體的母公司)的主要管理層人員的成員；及
 - (viii) 該實體或該實體所屬集團的任何成員公司，為本集團或本集團的母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends and special dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

Development costs

Development costs are capitalised in accordance with the accounting policy in note 2.4 to the financial statements. Initial capitalisation of costs is based on management's judgements that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

2.4 重大會計政策概要(續)

股息

末期股息於股東週年大會獲股東批准後確認為負債。擬派發末期股息及特別股息於財務報表附註披露。

由於本公司組織章程大綱及公司組織章程細則賦予董事宣派中期股息的權力，本公司可同時建議及宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

2.5 主要會計判斷、估計及假設

管理層對本集團財務報表的編製需要作出會影響所呈報收入、支出、資產與負債之金額及各自之披露，以及或有負債之披露的判斷、估計及假設。然而，該等假設及估計之不確定性可能導致未來對受影響資產或負債之賬面值作出重大調整。

判斷

於應用本集團之會計政策時，管理層已作出如下判斷，對財務報表確認之金額具有最重大影響：

開發成本

開發成本乃根據財務報表附註2.4內的會計政策予以資本化。成本初始資本化乃通常當一個產品開發項目達到一個界定里程碑時根據管理層對確定技術與經濟可行性作出之判斷。

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of pharmaceutical products with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will likely be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group updates its assessment of expected volume rebates monthly and the refund liabilities are adjusted accordingly. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future. As at 31 December 2021, the amount recognised as refund liabilities was RMB12,133,000 (2020: RMB15,587,000) for volume rebates which is set out in note 27 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and ageing).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the finished drugs sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2.5 主要會計判斷、估計及假設(續)

估計不確定性

於報告期末會對日後及其他估計不確定性的主要來源作出重大假設，很大機會導致下一財政年度的資產及負債的賬面值須作出重大調整的假設討論如下。

批量折扣的可變代價

本集團會估計將予納入銷售給予批量折扣藥品的交易價格中的可變代價。

本集團的預期批量折扣乃就設有單一批量限額的合約按每個客戶進行分析。釐定客戶是否可能獲得折扣取決於客戶的歷史折扣的獲得情況及迄今為止的累計採購額。

本集團每月更新其對預期批量折扣的評估，並相應地調整退款負債。批量折扣的估計對情況變化相當敏感，而本集團過往有關折扣支付情況的經驗可能無法代表客戶未來的實際折扣的獲得情況。於二零二一年十二月三十一日，批量折扣中確認為退款負債的金額為載於附註27的人民幣12,133,000元(二零二零年：人民幣15,587,000元)。

應收貿易款項之預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易及票據款項之預期信貸虧損撥備。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組(即按客戶類別及賬齡)而逾期的日數計算。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即本地生產總值)預期將於未來一年惡化，導致成藥分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並對前瞻性估計變動進行分析。

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

ESTIMATION UNCERTAINTY (Cont'd)

Provision for expected credit losses on trade receivables (Cont'd)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 22 to the financial statements.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. Management reassesses these estimates at each reporting date.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2021 was RMB241,158,000 (2020: RMB241,158,000). Further details are given in note 17.

2.5 主要會計判斷、估計及假設(續)

估計不確定性(續)

應收貿易款項之預期信貸虧損撥備(續)

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團應收貿易及票據款項之預期信貸虧損的資料已於財務報表附註22披露。

存貨的可變現淨值

存貨的可變現淨值是在日常業務過程中減去估計的銷售費用的估計售價。這些估計是基於對當前市場狀況及銷售近似性質的產品的歷史經驗。它會因顧客口味的變化或競爭對手的行動而產生顯著的改變。管理層在每個報告日重新評估該等估計。

非財務資產之減值(商譽除外)

本集團於各報告期末評估全部非財務資產是否存在任何減值跡象(包括使用權資產)。無限使用年期的無形資產每年均會及於有減值跡象出現的其他時間進行減值測試。其他非財務資產於出現其賬面值可能不可收回之跡象時進行減值測試。

商譽減值

本集團至少每年一次確定商譽是否減值。此需要評估商譽分配之現金產生單位的使用價值來計算。估算使用價值需要集團估計來自現金產生單位的預期未來現金流量，並選擇合適的折現率以計算這些現金流量的現值。於二零二一年十二月三十一日，商譽的賬面值為人民幣241,158,000元(二零二零年：人民幣241,158,000元)。附註17載有更多詳情。

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

ESTIMATION UNCERTAINTY (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 30 to the financial statements.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable segments as follows:

- a) Manufacture and sale of intermediates and bulk medicines (the “intermediates and bulk medicines” segment)
- b) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the “finished drugs” segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, non-lease-related finance costs, government grants, dividend income, fair value gains from the Group’s financial instruments, share of losses of an associate, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank balances, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2.5 主要會計判斷、估計及假設(續)

估計不確定性(續)

遞延稅項資產

對於所有未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等虧損的，則遞延稅項資產一律確認入賬。根據未來應課稅利潤的可能時間和水平以及未來的稅務籌劃策略，確定可確認的遞延稅項資產的金額需要主要管理層判斷。財務報表附註30載有更多詳情。

3. 分類資料

為方便管理，本集團將業務單位按其產品劃分並由下列兩個可報告分類組成：

- (a) 製造及銷售中間體及原料藥(「中間體及原料藥」分類)
- (b) 製造及銷售成藥(包括抗生素製劑藥及非抗生素製劑藥)(「成藥」分類)

管理層監察經營分類之經營業績，以作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利(其為經調整除稅前溢利的計量)予以評估。經調整除稅前溢利乃貫徹以本集團的除稅前溢利計量，惟利息收入、非租賃有關的財務費用、政府撥款、股息收入、來自本集團金融工具的公允值收益、應佔一間聯營公司之虧損、以及總部及企業行政費用不包含於該計量。

分類資產不包括遞延稅項資產、現金及銀行存款、以公允值計量且其變動計入損益之財務資產及其他未分配總部及企業資產，乃由於該等資產以集團為基準管理。

分類負債不包括計息銀行及其他貸款、應付稅項、遞延稅項負債及其他未分配總部及企業負債，乃由於該等負債以集團為基準管理。

分類間的銷售與轉讓乃按當時參照市場價格用作向第三者出售的售價進行。

3. SEGMENT INFORMATION (Cont'd)

3. 分類資料(續)

| Year ended 31 December 2021 | | Intermediates and bulk medicines | Finished drugs | Elimination of intersegment sales | Total |
|--|---------------|----------------------------------|------------------|-----------------------------------|------------------|
| 截至二零二一年十二月三十一日止年度 | | 中間體及原料藥 | 成藥 | 抵銷分類間銷售 | 總數 |
| | | 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 |
| Segment revenue | 分類收入： | | | | |
| Sales to external customers | 對外銷售 | 156,003 | 1,009,152 | - | 1,165,155 |
| Intersegment sales | 分類間銷售 | 59,560 | 1,855 | (61,415) | - |
| | | 215,563 | 1,011,007 | (61,415) | 1,165,155 |
| Segment results | 分類業績 | (2,296) | 546,252 | - | 543,956 |
| <i>Reconciliation:</i> | <i>調整：</i> | | | | |
| Unallocated gains | 未分配收益 | | | | 107,175 |
| Corporate and other unallocated expenses | 企業及其他未分配支出 | | | | (211,268) |
| Finance costs (other than interest on lease liabilities) | 財務費用(非租賃負債利息) | | | | (540) |
| Profit before tax | 除稅前溢利 | | | | 439,323 |
| Year ended 31 December 2020 | | Intermediates and bulk medicines | Finished drugs | Elimination of intersegment sales | Total |
| 截至二零二零年十二月三十一日止年度 | | 中間體及原料藥 | 成藥 | 抵銷分類間銷售 | 總數 |
| | | 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 |
| Segment revenue | 分類收入： | | | | |
| Sales to external customers | 對外銷售 | 200,214 | 824,056 | - | 1,024,270 |
| Intersegment sales | 分類間銷售 | 54,797 | - | (54,797) | - |
| | | 255,011 | 824,056 | (54,797) | 1,024,270 |
| Segment results | 分類業績 | 2,608 | 473,286 | - | 475,894 |
| <i>Reconciliation:</i> | <i>調整：</i> | | | | |
| Unallocated gains | 未分配收益 | | | | 34,237 |
| Corporate and other unallocated expenses | 企業及其他未分配支出 | | | | (174,111) |
| Finance costs (other than interest on lease liabilities) | 財務費用(非租賃負債利息) | | | | (4,722) |
| Profit before tax | 除稅前溢利 | | | | 331,298 |

Notes to Financial Statements

財務報表附註

31 December 2021 於二零二一年十二月三十一日

3. SEGMENT INFORMATION (Cont'd)

3. 分類資料(續)

As at 31 December 2021 於二零二一年十二月三十一日

| | |
|---|------------|
| Segment assets | 分類資產： |
| <i>Reconciliation:</i> | <i>調整：</i> |
| Assets held for sale | 待出售之資產 |
| Corporate and other unallocated assets | 企業及其他未分配資產 |
| Total assets | 總資產 |
| Segment liabilities | 分類負債： |
| <i>Reconciliation:</i> | <i>調整：</i> |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 |
| Total liabilities | 總負債 |

| Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元 | Finished drugs 成藥 RMB'000 人民幣千元 | Total 總數 RMB'000 人民幣千元 |
|---|---|---------------------------------|
| 1,141,107 | 924,331 | 2,065,438 |
| 94,263 | - | 94,263 |
| | | <u>1,179,857</u> |
| | | <u>3,339,558</u> |
| 362,776 | 143,851 | 506,627 |
| | | <u>435,070</u> |
| | | <u>941,697</u> |

As at 31 December 2020 於二零二零年十二月三十一日

| | |
|---|------------|
| Segment assets | 分類資產： |
| <i>Reconciliation:</i> | <i>調整：</i> |
| Corporate and other unallocated assets | 企業及其他未分配資產 |
| Total assets | 總資產 |
| Segment liabilities | 分類負債： |
| <i>Reconciliation:</i> | <i>調整：</i> |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 |
| Total liabilities | 總負債 |

| Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元 | Finished drugs 成藥 RMB'000 人民幣千元 | Total 總數 RMB'000 人民幣千元 |
|---|---|---------------------------------|
| 571,157 | 851,658 | 1,422,815 |
| | | <u>1,480,920</u> |
| | | <u>2,903,735</u> |
| 152,797 | 126,857 | 279,654 |
| | | <u>440,489</u> |
| | | <u>720,143</u> |

3. SEGMENT INFORMATION (Cont'd)

3. 分類資料(續)

| Year ended 31 December 2021 | 截至二零二一年 十二月三十一日止年度 | Intermediates | Finished | Others | Total |
|---|-------------------------------|--|---------------------------------|----------|----------|
| | | and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元 | drugs 成藥 RMB'000 人民幣千元 | | |
| Other segment information | 其他分類資料 | | | | |
| Share of profits and losses of associate | 應佔聯營公司之收益及虧損 | - | - | (46,418) | (46,418) |
| Impairment losses recognised/ (reversed) in the statement of profit or loss | 於損益表確認/(沖回)之減值虧損 | 405 | (709) | - | (304) |
| Depreciation and amortisation | 折舊及攤銷 | 10,590 | 46,955 | - | 57,545 |
| Investments in associates | 於聯營公司之投資 | - | - | 87,250 | 87,250 |
| Capital expenditure | 資本開支 | 294,831 | 292,228 | - | 587,059 |
| Asset held for sale | 待出售之資產 | 94,263 | - | - | 94,263 |
| Year ended 31 December 2020 | 截至二零二零年 十二月三十一日止年度 | | | | |
| Other segment information | 其他分類資料 | | | | |
| Share of profits and losses of associate | 應佔聯營公司之收益及虧損 | - | - | (18,771) | (18,771) |
| Impairment losses recognised/ (reversed) in the statement of profit or loss | 於損益表確認/(沖回)之減值虧損 | (271) | 2,708 | - | 2,437 |
| Depreciation and amortisation | 折舊及攤銷 | 17,572 | 42,012 | - | 59,584 |
| Investments in associates | 於聯營公司之投資 | - | - | 98,669 | 98,669 |
| Capital expenditure | 資本開支 | 158,029 | 150,526 | - | 308,555 |

Notes to Financial Statements

財務報表附註

31 December 2021 於二零二一年十二月三十一日

3. SEGMENT INFORMATION (Cont'd)

GEOGRAPHICAL INFORMATION

(a) Revenue from external customers

| | |
|-----------------|------|
| Mainland China | 中國大陸 |
| Other countries | 其他國家 |

The revenue information above is based on the locations of the customers.

(b) Non-current assets

The Group's operations are substantially based in Mainland China and 98% of the non-current assets, excluding deferred tax assets and an investment in an associate, of the Group are located in Mainland China. Therefore, no further analysis of geographical information is presented.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

| | |
|---------------------------------------|-----------|
| Revenue from contracts with customers | 來自客戶合約之收入 |
|---------------------------------------|-----------|

3. 分類資料(續)

地區分類

(a) 來自外部客戶的收入

| 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 |
|-----------------------------------|-----------------------------------|
| 1,102,806 | 929,093 |
| 62,349 | 95,177 |
| 1,165,155 | 1,024,270 |

上述收入資料是根據客戶所在地釐定。

(b) 非流動資產

本集團的營運主要集中在中國大陸，本集團98%的非流動資產(不包括遞延稅項資產及於一間聯營公司之投資)集中在中國大陸，故非流動資產的地區資料進一步分析並未呈報。

4. 收入、其他收入及收益

本集團收入的分析如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 1,165,155 | 1,024,270 |

4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregated revenue information

For the year ended 31 December 2021

4. 收入、其他收入及收益(續)

來自客戶合約之收入

(i) 分拆收入資料

截至二零二一年十二月三十一日止年度

| Segments | 分類 | Intermediates | Finished | Total |
|---|----------------|---|---------------------------------|-----------|
| | | and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元 | drugs 成藥 RMB'000 人民幣千元 | |
| | | | | |
| Types of goods or services | 商品或服務類型 | | | |
| Sale of pharmaceutical products | 醫藥產品銷售 | 152,509 | 1,007,171 | 1,159,680 |
| Rendering of pilot test services | 提供試驗測試服務 | 3,494 | 1,981 | 5,475 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 156,003 | 1,009,152 | 1,165,155 |
| Geographical markets | 地區市場 | | | |
| Mainland China | 中國大陸 | 100,107 | 1,002,699 | 1,102,806 |
| Other countries | 其他國家 | 55,896 | 6,453 | 62,349 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 156,003 | 1,009,152 | 1,165,155 |
| Timing of revenue recognition | 收入確認時間 | | | |
| Goods transferred at a point in time | 於一個時間點轉讓貨物 | 152,509 | 1,007,171 | 1,159,680 |
| Services transferred over time | 於一段時間提供服務 | 3,494 | 1,981 | 5,475 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 156,003 | 1,009,152 | 1,165,155 |

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4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(i) *Disaggregated revenue information (Cont'd)*

For the year ended 31 December 2020

4. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

(i) 分拆收入資料(續)

截至二零二零年十二月三十一日止年度

| Segments | 分類 | Intermediates and bulk medicines 中間體 及原料藥 | | Finished drugs 成藥 | Total 總數 |
|--|----------------|---|------------------|-------------------------|-------------|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | | |
| Types of goods or services | 商品或服務類型 | | | | |
| Sale of pharmaceutical products | 醫藥產品銷售 | 195,630 | 824,056 | | 1,019,686 |
| Rendering of pilot test services | 提供試驗測試服務 | 4,584 | – | | 4,584 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 200,214 | 824,056 | | 1,024,270 |
| Geographical markets | 地區市場 | | | | |
| Mainland China | 中國大陸 | 107,518 | 821,575 | | 929,093 |
| Other countries | 其他國家 | 92,696 | 2,481 | | 95,177 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 200,214 | 824,056 | | 1,024,270 |
| Timing of revenue recognition | 收入確認時間 | | | | |
| Goods transferred at a point in time | 於一個時間點轉讓貨物 | 195,630 | 824,056 | | 1,019,686 |
| Services transferred over time | 於一段時間提供服務 | 4,584 | – | | 4,584 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 200,214 | 824,056 | | 1,024,270 |

4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)(i) *Disaggregated revenue information (Cont'd)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | |
|--|-------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | 報告期初計入合同負債的已確認收益： |
| Sale of pharmaceutical products | 醫藥產品銷售 |

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

4. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

(i) 分拆收入資料(續)

下表列示於本報告期間確認且於報告期初計入合同負債並從過往期間已履行履約責任確認的收益金額：

| 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 |
|-----------------------------------|-----------------------------------|
| 8,469 | 15,463 |

(ii) 履約責任

有關本集團履約責任的資料概述如下：

醫藥產品銷售

履約責任在交付醫藥產品時完成，付款通常在交貨後90天內到期，新客戶除外，新客戶通常需要預付款項。部分合約給予客戶批量折扣，因而產生了受限制的可變代價。

財務報表附註

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4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(ii) Performance obligations (Cont'd)

Rendering of pilot test services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Pilot test service contracts are for periods of one year or less, or are billed based on the time incurred.

The amounts of transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

| | |
|--|----------------|
| Amounts expected to be recognised as revenue: | 預計將會被確認為收入的金額： |
| Within one year | 一年以內 |

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

4. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

(ii) 履約責任(續)

提供試驗測試服務

完成履約責任是在一段時間提供服務，並且在提供服務之前通常需要短期預付款。試驗測試服務合約為一年期或較短期間，或根據產生的時間收費。

於十二月三十一日，分配給未完成履約責任(未完成或部分未完成)的交易價格金額如下：

| 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 |
| 14,451 | 8,469 |

所有未完的履約責任的交易價格金額將在一年內得到確認。上面披露的金額不包括受限制的可變代價。

4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

4. 收入、其他收入及收益(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 |
| Other income | 其他收入 | | |
| Bank interest income | 銀行利息收入 | 18,077 | 17,078 |
| Government grants | 政府撥款 | 7,597 | 6,885 |
| Loan interest income | 貸款利息收入 | 1,735 | - |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之 財務資產的股息收入 | 414 | 382 |
| Rental income | 租金收入 | 281 | 124 |
| Others | 其他 | 600 | 1,823 |
| | | 28,704 | 26,292 |
| Gains | 收益 | | |
| Gain on disposal of a subsidiary (note 40) | 出售一間附屬公司的收益(附註40) | 99,069 | - |
| Fair value gain on financial assets at fair value through profit or loss, net | 以公允值計量且其變動計入損益之 財務資產公允值收益，淨額 | 5,560 | 11,741 |
| Gain on sales of scrapped materials | 出售廢品的收益 | 1,245 | 393 |
| Foreign exchange gains, net | 匯兌收益，淨額 | 997 | - |
| Reversal of inventory provision | 沖回存貨撥備 | 304 | - |
| | | 107,175 | 12,134 |
| | | 135,879 | 38,426 |

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5. OTHER EXPENSES

5. 其他費用

| | | 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 |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之虧損 | 29,956 | 460 |
| Write-off of obsolete stocks | 撇銷過時存貨 | 6,202 | 4,744 |
| Donations | 捐款 | 364 | 2,086 |
| Impairment of intangible assets | 無形資產減值 | - | 2,088 |
| Foreign exchange losses, net | 匯兌虧損，淨額 | - | 1,476 |
| Write-down of inventory provision | 存貨撥備撇減 | - | 349 |
| Others | 其他 | 770 | 1,231 |
| | | 37,292 | 12,434 |

6. FINANCE COSTS

6. 財務費用

| | | 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 |
| Interest on bank loans wholly repayable within five years | 須於五年內悉數償還的銀行貸款之利息 | - | 4,474 |
| Interest on lease liabilities | 租賃負債之利息 | 101 | 106 |
| Interest on discounted notes receivable | 應收票據貼現之利息 | 540 | 248 |
| | | 641 | 4,828 |

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利乃經扣除／(計入)下列各項後釐定：

| | | | 2021 | 2020 |
|--|-------------------------|-------|----------------|---------|
| | | Notes | 二零二一年 | 二零二零年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| Cost of inventories sold* | 已售存貨成本* | | 483,893 | 473,625 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 14 | 44,645 | 50,182 |
| Depreciation of right-of-use assets** | 使用權資產折舊** | 15 | 3,236 | 3,342 |
| Research and development costs: | 研究及開發成本： | | | |
| Amortisation of intangible assets*** | 無形資產攤銷*** | 18 | 3,396 | 2,484 |
| Current year expenditure | 本年度支出 | | 63,632 | 55,460 |
| | | | 67,028 | 57,944 |
| Lease payments not included in the measurement of lease liabilities | 不包括租賃負債計量之租金 | | 1,020 | 958 |
| Auditors' remuneration: | 核數師酬金： | | | |
| Statutory audit service | 法定的核數服務 | | 2,204 | 2,200 |
| Employee benefit expense (including directors' and chief executive officer's remuneration (note 8)): | 僱員福利開支(包括董事及總裁酬金(附註8))： | | | |
| Wages and salaries | 工資及薪金 | | 133,239 | 123,683 |
| Equity-settled share option expense | 以股權支付的購股權開支 | | 4,328 | 8,109 |
| Retirement benefits | 退休福利 | | 9,404 | 1,073 |
| Accommodation benefits | 住房福利 | | 5,320 | 5,066 |
| Other benefits | 其他福利 | | 19,732 | 18,382 |
| | | | 172,023 | 156,313 |

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7. PROFIT BEFORE TAX (Cont'd)

The Group's profit before tax is arrived at after charging/(crediting):
(Cont'd)

7. 除稅前溢利(續)

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：(續)

| | | | 2021 | 2020 |
|---|-----------------------------|-------|-----------------|----------|
| | | Notes | 二零二一年 | 二零二零年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| Foreign exchange differences, net | 匯兌差額，淨額 | 4, 5 | (997) | 1,476 |
| Impairment of intangible assets | 無形資產之減值 | 18 | - | 2,088 |
| (Reversal)/write-down of inventory provision | 存貨撥備(沖回)/撇減 | 4, 5 | (304) | 349 |
| Fair value gain on financial assets at fair value through profit or loss, net | 以公允值計量且其變動計入損益之財務資產公允值收益，淨額 | 4 | (5,560) | (11,741) |
| Bank interest income | 銀行利息收入 | 4 | (18,077) | (17,078) |
| Gain on disposal of a subsidiary | 出售一間附屬公司之收益 | | 99,069 | - |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備等項目的虧損 | 5 | 29,956 | 460 |

* The depreciation of RMB32,359,000 for the year (2020: RMB38,293,000) is included in "Cost of sales".

* 本年度折舊其中人民幣32,359,000元(二零二零年：人民幣38,293,000元)已計入「銷售成本」。

** The depreciation of right-of-use assets for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

** 年內的使用權資產折舊計入綜合損益表的「行政費用」。

*** The amortisation of intangible assets amounted to RMB3,396,000 (2020: RMB2,428,000) for the year is included in "Cost of sales" on the face of the consolidated statement of profit or loss.

*** 本年度無形資產攤銷其中人民幣3,396,000元(二零二零年：人民幣2,428,000元)已計入綜合損益表的「銷售成本」。

8. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | |
|---|-------------|
| Fees | 袍金 |
| Other emoluments: | 其他薪酬： |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 |
| Bonuses | 獎金 |
| Equity-settled share option expense | 以股權支付的購股權開支 |
| Pension scheme contributions | 退休金計劃供款 |

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

| | |
|------------------------|-----------------------|
| Mr. Lo Tung Sing, Tony | 勞同聲先生 |
| Mr. EDE, Ronald Hao Xi | EDE, Ronald Hao Xi 先生 |
| Ms. Lam Ming Yee, Joan | 林明儀女士 |

There were no other emoluments payable to the independent non-executive directors during the year (2020: Nil).

8. 董事及總裁酬金

根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)節及公司條例第二部(董事利益資料披露)所披露年內的董事及總裁酬金如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 1,226 | 1,316 |
| 2,956 | 3,173 |
| 4,011 | 2,016 |
| 1,418 | 4,297 |
| 56 | 59 |
| 8,441 | 9,545 |
| 9,667 | 10,861 |

(A) 獨立非執行董事

本年度獨立非執行董事的袍金如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 299 | 321 |
| 299 | 321 |
| 299 | 321 |
| 897 | 963 |

本年度並無應付獨立非執行董事的其他酬金(二零二零年：無)。

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8. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

8. 董事及總裁酬金(續)

(B) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

(B) 執行董事、非執行董事及總裁

| | | Salaries, allowances and benefits | Bonuses | Equity- settled share option expense | Pension scheme contributions | Total remuneration |
|--|------------|---|--------------|---|------------------------------------|-----------------------|
| | Fees | in kind | | | | |
| | 袍金 | 薪金、津貼 及實物福利 | 獎金 | 以股權支付 的購股權開支 | 退休金 計劃供款 | 酬金總額 |
| | 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 |
| 2021 | | 二零二一年 | | | | |
| Executive directors: | | 執行董事： | | | | |
| Ms. Li Kei Ling | 40 | 李其玲女士 | - | - | 19 | 965 |
| Mr. Hung Yung Lai | 40 | 熊融禮先生 | - | - | 19 | 616 |
| Mr. Chen Shaojun (the chief executive officer)* | - | 陳紹軍先生(總裁)* | 4,011 | 1,418 | 18 | 6,940 |
| | 80 | 2,956 | 4,011 | 1,418 | 56 | 8,521 |
| Non-executive director: | | 非執行董事： | | | | |
| Mr. Leung Hong Man | 249 | 梁康民先生 | - | - | - | 249 |
| | 329 | 2,956 | 4,011 | 1,418 | 56 | 8,770 |
| 2020 | | 二零二零年 | | | | |
| Executive directors: | | 執行董事： | | | | |
| Ms. Li Kei Ling | 43 | 李其玲女士 | - | - | 20 | 1,035 |
| Mr. Hung Yung Lai | 43 | 熊融禮先生 | - | - | 20 | 661 |
| Mr. Chen Shaojun (the chief executive officer) | - | 陳紹軍先生(總裁) | 2,016 | 4,297 | 19 | 7,935 |
| | 86 | 3,173 | 2,016 | 4,297 | 59 | 9,631 |
| Non-executive director: | | 非執行董事： | | | | |
| Mr. Leung Hong Man | 267 | 梁康民先生 | - | - | - | 267 |
| | 353 | 3,173 | 2,016 | 4,297 | 59 | 9,898 |

* In February 2022, Mr. Chen Shaojun has resigned from his position as an executive director and the chief executive officer of the Company as well as other directorships and general manager at the subsidiary or associated company level of the Company.

* 於二零二二年二月，陳紹軍先生辭任本公司執行董事兼總裁及其於本公司之附屬公司及聯營公司層面的其他董事及總經理之職務。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事放棄或同意放棄任何酬金的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included the chief executive officer and a director, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2020: three) non-director and non-chief executive highest paid employees for the year are as follows:

| | |
|---|-------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 |
| Equity-settled share option expense | 以股權支付的購股權開支 |
| Pension scheme contributions | 退休金計劃供款 |

The number of non-director and non-chief executive, highest paid employees whose remuneration fell within the following bands is as follows:

| | |
|--------------------------------|-------------------------------|
| Nil to HK\$1,000,000 | 零至港幣 1,000,000 元 |
| HK\$1,000,001 to HK\$1,500,000 | 港幣 1,000,001 元至港幣 1,500,000 元 |
| HK\$1,500,001 to HK\$2,000,000 | 港幣 1,500,001 元至港幣 2,000,000 元 |

During the year, no share option was granted to the three non-director and non-chief executive highest paid employees in respect of their services to the Group.

9. 五位最高薪酬僱員

年內五位最高薪酬僱員包括總裁及一位董事，彼等之酬金詳情載於上文附註8。餘下三位（二零二零年：三位）非董事及非總裁最高薪酬僱員於年內的薪酬如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 3,130 | 3,175 |
| 154 | 279 |
| 34 | 36 |
| 3,318 | 3,490 |

酬金金額介乎下列組別的非董事及非總裁最高薪酬僱員的人數如下：

| Number of employees 僱員人數 | |
|-----------------------------|---------------|
| 2021 二零二一年 | 2020 二零二零年 |
| – | – |
| 2 | 3 |
| 1 | – |
| 3 | 3 |

年內，三名非董事及非總裁最高薪酬僱員並無因彼等為本集團服務而獲授予購股權。

10. RETIREMENT BENEFITS AND ACCOMMODATION BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”), the Company, Dawnrays International Company Limited, Dawnrays Pharma (Hong Kong) Limited, Dawnrays Biotechnology Capital (Asia) Limited and Cinmed (Hong Kong) Investment Limited have participated in the MPF Scheme, a defined contribution scheme managed by an independent trustee, to provide retirement benefits to their respective Hong Kong employees. Contributions to the MPF Scheme are made in accordance with the statutory limits prescribed by the MPF Ordinance.

As stipulated by the People’s Republic of China (the “PRC”) state regulations, the Mainland China Subsidiaries participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount of the geographical area of their last employment at their retirement dates. The Mainland China Subsidiaries are required to make contributions to the local social security bureau at 16% (2020: 16%) of the previous year’s average basic salary amount of the geographical area where the employees are employed by the Mainland China Subsidiaries.

The Group has no further obligation for the payment of pension benefits beyond the annual contributions as set out above.

According to relevant rules and regulations of the PRC, the Mainland China Subsidiaries and their employees are each required to make contributions to an accommodation fund 8% to 10% (2020: 8% to 10%) of the salaries and wages of the employees which is administered by the Public Accumulation Funds Administration Centre. There is no further obligation on the part of the Group except for such contributions to the accommodation fund.

As at 31 December 2021, the Group had no significant obligations apart from the contributions as stated above.

10. 退休福利及住房福利

遵照《強制性公積金計劃條例》(「強積金條例」)的規定，本公司、東瑞國際股份有限公司、東瑞藥業(香港)有限公司、東瑞生物投資發展(亞洲)有限公司及興安(香港)投資有限公司已加入一項強積金計劃(由獨立信託人管理之定額供款計劃)，為香港僱員提供退休福利。向強積金計劃作出的供款乃按照強積金條例所訂明的規定限額為定。

據中國國家法規規定，中國大陸附屬公司須參與養老保險計劃。所有僱員於其退休日均有權享按彼等最後受聘地的平均基本薪金的固定比例計算的年度退休金。中國大陸附屬公司須向當地社會保障局供款，供款按僱員受僱於中國大陸附屬公司地區去年的平均基本薪金的16% (二零二零年：16%)計算。

除上述的年度供款外，本集團並無義務支付其他退休福利。

根據中國的有關規則及法規，中國大陸附屬公司及彼等僱員各自須按僱員的薪金及工資的8%至10% (二零二零年：8%至10%)向一項由公積金管理中心管理的住房基金供款。除該項向有關住房基金的供款外，本集團並無其他責任。

於二零二一年十二月三十一日，除上述供款外，本集團並無其他重大責任。

11. INCOME TAX

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

| | |
|-------------------------------|------------|
| Current income tax | 當期所得稅 |
| Charge for the year | 本年度支出 |
| Overprovision in prior years | 過往年度超額撥備 |
| Deferred income tax (note 30) | 遞延稅項(附註30) |
| Total tax charge for the year | 本年度稅項支出總額 |

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations. The undertaking for the Company is for a period of 20 years from 8 October 2002. Accordingly, the Company is not subject to tax.

The subsidiaries incorporated in the British Virgin Islands (the "BVI") are not subject to income tax, as these subsidiaries do not have a place of business (other than a registered office only) or carry out any business in the BVI.

11. 所得稅

截至二零二一年及二零二零年十二月三十一日止年度所得稅支出的主要組成部分如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 78,704 | 69,980 |
| 520 | 1,170 |
| 5,936 | (4,645) |
| 85,160 | 66,505 |

根據開曼群島稅務豁免法(一九九九年修訂本)第6條，本公司已獲得總督會同行政局保證：開曼群島並無法律對本公司或其業務的所得溢利、收入、收益或增值徵稅。對本公司的承諾將由二零二零年十月八日起有效二十年。因此，本公司毋須納稅。

於英屬維爾京群島註冊成立的附屬公司無須繳納所得稅，因該附屬公司於英屬維爾京群島並無營業地點(惟註冊辦事處除外)或經營任何業務。

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11. INCOME TAX (Cont'd)

The Hong Kong subsidiaries are subject to tax at a statutory profit tax rate of 16.5% (2020: 16.5%) under the income tax rules and regulations of Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in its respective Hong Kong subsidiaries during the year (2020: Nil).

According to the PRC Enterprise Income Tax Law effective from 1 January 2008, the Mainland China Subsidiaries are all subject to income tax at the rate of 25% on their respective taxable income.

On 21 October 2008, Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical") was qualified as a High-New Technology Enterprise ("HNTE") of Jiangsu Province. As a result, Suzhou Dawnrays Pharmaceutical had been entitled to a concessionary rate of income tax at 15% for three years commencing on 1 January 2008 and would apply for renewal of the qualification every three years.

On 2 December 2019, Fujian Dawnrays Pharmaceuticals Co., Ltd. ("Fujian Dawnrays") was qualified as a HNTE of Fujian Province. As a result, Fujian Dawnrays has been entitled to a concessionary rate of income tax at 15% for three years commencing on 1 January 2019 and would apply for renewal of the qualification every three years.

All other subsidiaries in Mainland China were subject to corporate income tax at a rate of 25% in 2021.

11. 所得稅(續)

根據香港的所得稅規則與規例，香港附屬公司須按法定利得稅率16.5%（二零二零年：16.5%）繳稅。由於本集團於本年度在香港的各附屬公司並無產生應課稅溢利，故並無就香港利得稅作出撥備（二零二零年：無）。

根據於二零零八年一月一日起生效的中國企業所得稅法，中國大陸附屬公司須按其各自應課稅收入的25%所得稅率繳稅。

於二零零八年十月二十一日，蘇州東瑞製藥有限公司（「蘇州東瑞製藥」）獲取江蘇省高新技術企業（「高新技術企業」）資格。因此，蘇州東瑞製藥有權自二零零八年一月一日起的三年內享受15%的優惠所得稅率並每三年申請資格續期。

於二零一九年十二月二日，福建東瑞製藥有限公司（「福建東瑞」）獲取福建省高新技術企業資格。因此，福建東瑞有權自二零一九年一月一日起的三年內享受15%的優惠所得稅率並每三年申請資格續期。

中國大陸的所有其他附屬公司於二零二一年須按25%稅率繳納企業所得稅。

11. INCOME TAX (Cont'd)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country or jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

11. 所得稅(續)

適用於除稅前溢利並以本公司及其大部份附屬公司註冊國家／司法權區法定稅率計算之稅項支出與以實際稅率計算之稅項支出對賬，以及適用稅率與實際稅率之對賬如下：

| | | 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 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 稅前溢利 | 439,323 | 331,298 |
| At the PRC's statutory rate | 按中國法定稅率 | 109,831 | 82,825 |
| Tax effect of profits entitled to tax concession or lower tax rate enacted by local authorities | 可享稅項優惠溢利或當地機關實行較低稅率之稅務影響 | (63,253) | (36,023) |
| Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries | 本集團中國附屬公司之可分配利潤之5%預扣稅影響 | 17,745 | 15,126 |
| Adjustments in respect of current income tax of previous periods | 有關過往期間當期所得稅之調整 | 520 | 1,170 |
| Expenses not deductible for tax | 不可扣稅之開支 | 8,617 | 5,231 |
| Tax credit for qualified research and development costs | 符合加計扣除條件的研發成本抵免所得稅 | (8,801) | (6,179) |
| Tax losses not recognised | 未確認稅項虧損 | 20,629 | 5,652 |
| Tax losses utilised from previous periods | 利用以前年度可抵扣稅項虧損 | (128) | (1,297) |
| Tax charge at the Group's effective rate | 按本集團實際稅率稅項支出 | 85,160 | 66,505 |

12. DIVIDENDS

12. 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 |
| Interim — HK\$0.015 (2020: HK\$0.015) per ordinary share | 中期股息：每股普通股港幣0.015元 (二零二零年：港幣0.015元) | 18,600 | 20,254 |
| Proposed final — HK\$0.065 (2020: HK\$0.05) per ordinary share | 擬派末期股息：每股普通股 港幣0.065元(二零二零年： 港幣0.05元) | 79,355 | 62,655 |
| Proposed special — Nil (2020: HK\$0.05) per ordinary share | 擬派特別股息：每股普通股：無 (二零二零年：港幣0.05元) | - | 62,655 |
| | | 97,955 | 145,564 |

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派發的末期股息需待本公司股東於股東週年大會通過。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 1,497,543,000 shares (2020: 1,544,589,000 shares) in issue during the year.

13. 母公司普通股權益持有人應佔每股盈利

每股基本盈利是按母公司普通股權益持有人應佔本年度溢利及年內已發行1,497,543,000股之加權平均股數(二零二零年：1,544,589,000股)計算。

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

用作計算攤薄後每股盈利乃基於母公司普通股權益持有人應佔本年度溢利。用作計算之普通股股份之加權平均股數是指年內已發行普通股股數，如同用作計算每股基本盈利，加上可能因行使或轉換具攤薄作用的普通股而假設將會無償發行的普通股之加權平均股數。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Cont'd)

The calculations of basic and diluted earnings per share are based on:

13. 母公司普通股權益持有人應佔每股盈利 (續)

下列為用作計算每股基本盈利及攤薄後每股盈利的數據：

| | | 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 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Earnings | 盈利 | | |
| Profit attributable to ordinary equity holders of the parent | 母公司普通股權益持有人應佔溢利 | 358,175 | 268,130 |
| Number of shares 股份數量 | | | |
| | | 2021 二零二一年 Thousands 千位 | 2020 二零二零年 Thousands 千位 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation | 計算每股基本盈利所採用年內已發行普通股加權平均數 | 1,497,543 | 1,544,589 |
| Effect of dilution — weighted average number of ordinary shares: | 具攤薄影響 — 加權平均普通股股數： | | |
| Share options | 購股權 | 10,337 | 946 |
| | | 1,507,880 | 1,545,535 |

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Leasehold improvements 租賃資產改良工程 RMB'000 人民幣千元 | Buildings 樓宇 RMB'000 人民幣千元 | Machinery and other equipment 機器及其他設備 RMB'000 人民幣千元 | Office equipment 辦公室設備 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
|---|----------------------|--|-------------------------------------|--|---|--|---------------------------------|
| Cost: | 成本： | | | | | | |
| As at 1 January 2020 | 於二零二零年一月一日 | 108 | 309,562 | 688,802 | 15,077 | 19,933 | 1,033,482 |
| Additions | 添置 | - | - | 5,826 | 773 | 267 | 6,866 |
| Transferred from construction in progress (note 16) | 在建工程轉撥(附註16) | 5,868 | 99 | 27,989 | 485 | 75 | 34,516 |
| Disposals | 出售 | - | (126) | (6,155) | (511) | (2,667) | (9,459) |
| Exchange realignment | 匯兌調整 | - | (288) | 1 | (96) | (35) | (418) |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 5,976 | 309,247 | 716,463 | 15,728 | 17,573 | 1,064,987 |
| As at 1 January 2021 | 於二零二一年一月一日 | 5,976 | 309,247 | 716,463 | 15,728 | 17,573 | 1,064,987 |
| Additions | 添置 | 629 | 7,166 | 7,051 | 1,268 | 928 | 17,042 |
| Transferred from construction in progress (note 16) | 在建工程轉撥(附註16) | - | - | 8,480 | 246 | - | 8,726 |
| Disposal of a subsidiary | 出售一間附屬公司 | - | (25,883) | (53,153) | (2,025) | (1,108) | (82,169) |
| Disposals | 出售 | - | (3,029) | (67,037) | (344) | (2,859) | (73,269) |
| Held for sale | 待出售 | - | (43,976) | (16,026) | (816) | (180) | (60,998) |
| Exchange realignment | 匯兌調整 | (18) | (109) | (6) | (12) | (13) | (158) |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | 6,587 | 243,416 | 595,772 | 14,045 | 14,341 | 874,161 |
| Accumulated depreciation and impairment: | 累計折舊及減值： | | | | | | |
| As at 1 January 2020 | 於二零二零年一月一日 | - | 137,334 | 405,935 | 11,028 | 16,353 | 570,650 |
| Depreciation provided for the year | 年內折舊撥備 | 591 | 13,566 | 33,815 | 1,056 | 1,154 | 50,182 |
| Disposals | 出售 | - | - | (5,414) | (453) | (2,400) | (8,267) |
| Exchange realignment | 匯兌調整 | - | (84) | - | (58) | (29) | (171) |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 591 | 150,816 | 434,336 | 11,573 | 15,078 | 612,394 |
| As at 1 January 2021 | 於二零二一年一月一日 | 591 | 150,816 | 434,336 | 11,573 | 15,078 | 612,394 |
| Depreciation provided for the year | 年內折舊撥備 | 2,981 | 9,937 | 30,333 | 1,002 | 392 | 44,645 |
| Disposal of a subsidiary | 出售一間附屬公司 | - | (19,129) | (46,133) | (1,748) | (997) | (68,007) |
| Disposals | 出售 | - | (1,376) | (38,059) | (287) | (2,424) | (42,146) |
| Held for sale | 待出售 | - | (19,215) | (9,645) | (583) | (142) | (29,585) |
| Exchange realignment | 匯兌調整 | (6) | (36) | (5) | (12) | (11) | (70) |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | 3,566 | 120,997 | 370,827 | 9,945 | 11,896 | 517,231 |
| Net book value: | 賬面淨值： | | | | | | |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | 3,021 | 122,419 | 224,945 | 4,100 | 2,445 | 356,930 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 5,385 | 158,431 | 282,127 | 4,155 | 2,495 | 452,593 |

15. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of property and office equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 40 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office buildings generally have lease terms between 3 and 5 years. Office equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | |
|--|-----------------------------|
| As at 1 January 2020 | 於二零二零年一月一日 |
| Additions | 添置 |
| Depreciation charge | 折舊扣除 |
| Exchange realignment | 匯兌調整 |
| As 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 |
| Additions | 添置 |
| Held for sale | 待出售 |
| Disposal of a subsidiary | 出售一間附屬公司 |
| Depreciation charge | 折舊扣除 |
| Exchange realignment | 匯兌調整 |
| As at 31 December 2021 | 於二零二一年十二月三十一日 |

15. 租賃

本集團作為承租人

本集團擁有在經營中使用的各項物業及辦公室設備的租賃合約。已提前作出一次性付款以向擁有人收購租賃期為40至50年的租賃土地，並且根據這些土地租賃的條款不會有後續付款。辦公樓的租賃期通常為3至5年。辦公室設備的租賃期通常為12個月或更短及／或個別價值較低。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) 使用權資產

年內本集團之使用權資產賬面值及變動如下：

| Leasehold land 租賃土地 RMB'000 人民幣千元 | Office buildings 辦公樓 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
|---|--|---------------------------------|
| 103,809 | 2,714 | 106,523 |
| 23,150 | - | 23,150 |
| (2,699) | (643) | (3,342) |
| (1,778) | - | (1,778) |
| 122,482 | 2,071 | 124,553 |
| - | 502 | 502 |
| (6,968) | - | (6,968) |
| (3,423) | - | (3,423) |
| (2,535) | (701) | (3,236) |
| (673) | - | (673) |
| 108,883 | 1,872 | 110,755 |

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15. LEASES (Cont'd)

THE GROUP AS A LESSEE (Cont'd)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

| | |
|--|----------------------|
| Carrying amount at 1 January | 於一月一日之賬面值 |
| New leases | 新租賃 |
| Accretion of interest recognised during the year | 年內應計利息確認 |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19相關租金優惠 |
| Payments | 付款 |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 |
| Analysed into: | 分析為： |
| Current portion | 流動部分 |
| Non-current portion | 非流動部分 |

The maturity analysis of lease liabilities is disclosed in note 38 to the financial statements.

The Group has applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain office buildings during the year.

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內本集團之租賃負債賬面值及變動如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 2,949 | 2,907 |
| 502 | – |
| 101 | 106 |
| (1) | (5) |
| (1,044) | (59) |
| 2,507 | 2,949 |
| 980 | 924 |
| 1,527 | 2,025 |

租賃負債的到期日分析於財務報表附註38披露。

本集團已對出租人於年內給若干租賃辦公樓給予所有合資格的租金優惠運用實際權宜方法。

15. LEASES (Cont'd)

THE GROUP AS A LESSEE (Cont'd)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

| | |
|---|----------------------|
| Interest on lease liabilities | 租賃負債利息 |
| Depreciation charge of right of-use assets | 使用權資產折舊開支 |
| Expense relating to leases of short-term leases | 與短期租賃有關的開支 |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19相關租金優惠 |
| Total amount recognised in profit or loss | 損益中確認款項總額 |

15. 租賃(續)

本集團作為承租人(續)

(c) 於損益中確認的租賃相關款項如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 101 | 106 |
| 3,236 | 3,342 |
| 1,020 | 958 |
| (1) | (5) |
| 4,356 | 4,401 |

16. CONSTRUCTION IN PROGRESS

| | |
|--|------------------|
| As at 1 January | 於一月一日 |
| Additions | 添置 |
| Transferred to property, plant and equipment (note 14) | 轉往物業、廠房及設備(附註14) |
| Disposals | 出售 |
| As at 31 December | 於十二月三十一日 |

16. 在建工程

| 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 |
|-----------------------------------|-----------------------------------|
| 204,803 | 26,945 |
| 479,554 | 213,338 |
| (8,726) | (34,516) |
| (430) | (964) |
| 675,201 | 204,803 |

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17. GOODWILL

17. 商譽

RMB'000
人民幣千元

| | | |
|---|------------------------------|----------------|
| At 1 January 2020 and 31 December 2020: | 於二零二零年一月一日及 二零二零年十二月三十一日： | |
| Cost | 成本 | 241,158 |
| Accumulated impairment | 累計減值 | — |
| Net carrying amount | 賬面淨值 | <u>241,158</u> |
| Cost at 1 January 2021, net of accumulated impairment | 於二零二一年一月一日之成本， 扣減累計減值的淨值 | <u>241,158</u> |
| Cost and net carrying amount at 31 December 2021 | 於二零二一年十二月三十一日 之成本及賬面淨值 | <u>241,158</u> |
| At 31 December 2021: | 於二零二一年十二月三十一日： | |
| Cost | 成本 | 241,158 |
| Accumulated impairment | 累計減值 | — |
| Net carrying amount | 賬面淨值 | <u>241,158</u> |

IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations is allocated to the Fujian Dawnrays unit as the cash-generating unit for impairment testing.

The recoverable amount of the Fujian Dawnrays unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 17% (2020: 17%) and the cash flows beyond the five-year period were extrapolated using a terminal growth rate of 3% (2020: 3%), which was the same as the long term average growth rate of the pharmaceutical industry.

商譽減值測試

通過業務合併獲得的商譽分配至福建東瑞單位作現金產生單位進行減值測試。

福建東瑞單位的可收回金額是根據使用價值計算法釐定，該計算法是基於高級管理層所批准涵蓋五年期的財務預算案採用現金流量預測計算，應用於現金流量預測的貼現率為17%（二零二零年：17%），而五年期以後的現金流量使用3%（二零二零年：3%）的永久增長率推斷，該增長率與製藥行業的長期平均增長率相同。

17. GOODWILL (Cont'd)

IMPAIRMENT TESTING OF GOODWILL (Cont'd)

Assumptions were used in the value in use calculation of the Fujian Dawnrays unit for 31 December 2021. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue — The basis used to determine the budgeted revenue is based on the management's expectation of the future sales of drugs. The compound growth rate of revenue was estimated based on information available at the time of assessment, disregarding information that became available after the assessment. Such information includes current industry overview and estimated market development.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the three years immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development of finished drugs and discount rates are consistent with external information sources.

The management of the Group assessed that any reasonably possible change in any of these assumptions would not cause the carrying amount of the Fujian Dawnrays unit to exceed its respective recoverable amount as at 31 December 2021.

17. 商譽(續)

商譽減值測試(續)

在二零二一年十二月三十一日的福建東瑞單位的使用價值計算中使用了假設。以下描述了管理層基於其現金流量預測進行商譽減值測試的每個關鍵假設：

收入 — 用於確定預算收入的基礎是管理層對未來藥品銷售的預期。收入的複合增長率是根據評估時可獲得的信息估計，不考慮評估後可獲得的信息。這些信息包括當前的行業概況和估計的市場發展。

預算毛利率 — 預算毛利率是基於緊接預算年度之前的三年的平均毛利率，而且因預期效率改善和預期市場發展而有所提高。

貼現率 — 使用的貼現率是稅前的，並且反映了與相關單位有關的特定風險。

成藥市場發展及貼現率的關鍵假設所用數值與外部資料來源一致。

本集團管理層評估，任何該等假設的任何合理可能變動均不會導致福建東瑞單位於二零二一年十二月三十一日的賬面值高於其可回收金額。

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18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

| | | 2021 二零二一年 | | | | | 2020 二零二零年 | | | |
|---|-----------------|-----------------------------|--------------------|---------------|-----------------------|----------------|----------------------------|---------------|-----------------------|----------------|
| | | Deferred development costs* | Patent and licence | Software | Customer relationship | Total | Deferred development costs | Software | Customer relationship | Total |
| | | 遞延開發成本* | 專利和許可 | 軟件 | 客戶關係 | 總額 | 遞延開發成本 | 軟件 | 客戶關係 | 總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Cost: | 成本: | | | | | | | | | |
| As at 1 January | 於一月一日 | 208,713 | - | 18,173 | 24,173 | 251,059 | 158,776 | 2,975 | 24,173 | 185,924 |
| Additions | 添置 | 49,804 | 40,000 | 157 | - | 89,961 | 49,937 | 15,264 | - | 65,201 |
| Disposals | 出售 | - | - | - | - | - | - | (66) | - | (66) |
| Held for sale | 待出售 | - | - | (231) | - | (231) | - | - | - | - |
| As at 31 December | 於十二月三十一日 | 258,517 | 40,000 | 18,099 | 24,173 | 340,789 | 208,713 | 18,173 | 24,173 | 251,059 |
| Accumulated amortisation and impairment: | 累計攤銷及減值: | | | | | | | | | |
| As at 1 January | 於一月一日 | 38,178 | - | 2,136 | 4,029 | 44,343 | 33,606 | 1,043 | 1,612 | 36,261 |
| Amortisation provided during the year | 年內攤銷 | 3,396 | 2,667 | 1,184 | 2,417 | 9,664 | 2,484 | 1,159 | 2,417 | 6,060 |
| Impairment during the year | 年內減值 | - | - | - | - | - | 2,088 | - | - | 2,088 |
| Disposals | 出售 | - | - | - | - | - | - | (66) | - | (66) |
| Held for sale | 待出售 | - | - | (231) | - | (231) | - | - | - | - |
| As at 31 December | 於十二月三十一日 | 41,574 | 2,667 | 3,089 | 6,446 | 53,776 | 38,178 | 2,136 | 4,029 | 44,343 |
| Net book value: | 賬面淨值: | | | | | | | | | |
| As at 31 December | 於十二月三十一日 | 216,943 | 37,333 | 15,010 | 17,727 | 287,013 | 170,535 | 16,037 | 20,144 | 206,716 |
| As at 1 January | 於一月一日 | 170,535 | - | 16,037 | 20,144 | 206,716 | 125,170 | 1,932 | 22,561 | 149,663 |

The deferred development costs amounting to RMB189,026,000 has not been yet available for use as at 31 December 2021 (2020: RMB150,331,000).

於二零二一年十二月三十一日，遞延開發成本人民幣189,026,000元尚未可供使用(二零二零年：人民幣150,331,000元)。

19. INVESTMENT IN AN ASSOCIATE

19. 於一間聯營公司之投資

Share of net assets 應佔淨資產
Goodwill on acquisition 收購時的商譽

| 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 |
|-----------------------------------|-----------------------------------|
| 23,046 | 34,465 |
| 64,204 | 64,204 |
| 87,250 | 98,669 |

Dawnrays Biotechnology, a wholly-owned subsidiary of the Group, and Zhongshan KF entered into an agreement to establish a joint venture, AD Pharmaceuticals Co., Ltd. ("AD Pharmaceuticals") to co-develop innovative therapies. The total investment amount injected to AD Pharmaceuticals was RMB343,470,000, RMB185,000,000 of which shall be subscribed by Dawnrays Biotechnology. Dawnrays Biotechnology injected RMB150,000,000 capital from 2017 to 2020, and RMB35,000,000 in 2021.

本集團全資附屬公司東瑞生物及中山康方訂立合資協議及成立合營公司康融東方(廣東)醫藥有限公司(「康融東方」)以共同開發創新療法。注資康融東方的總投資額為人民幣343,470,000元，當中人民幣185,000,000元將會由東瑞生物認購。東瑞生物於二零一七年至二零二零年投入資本人民幣150,000,000元及於二零二一年投入資本人民幣35,000,000元。

Particulars of the material associate as at 31 December 2021 are as follows:

於二零二一年十二月三十一日主要聯營公司之詳情如下：

| Name 名稱 | Place of incorporation/ registration and business 註冊／登記及經營地點 | Percentage of ownership interest attributable to the Group 本集團應佔擁有權 權益百分比 | Principal activities 主要業務 |
|------------------------------|---|---|---|
| AD Pharmaceuticals Co., Ltd. | Mainland China | 35 | Research and development of biotechnology and bio-pharmaceutical products |
| 康融東方(廣東)醫藥有限公司 | 中國大陸 | | 生物技術及生物醫藥產品研發 |

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19. INVESTMENT IN AN ASSOCIATE (Cont'd)

The following table illustrates the summarised financial information in respect of AD Pharmaceuticals Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

| | |
|-------------------------|-------|
| Current assets | 流動資產 |
| Non-current assets | 非流動資產 |
| Current liabilities | 流動負債 |
| Non-current liabilities | 非流動負債 |

Net assets 淨資產

Reconciliation to the Group's interest in the associate: 與本集團於該聯營公司的權益對賬：

| | |
|--|---------------------|
| Proportion of the Group's ownership | 本集團擁有權比例 |
| Group's share of net assets of the associate, excluding goodwill | 集團應佔聯營公司淨資產 (不包括商譽) |
| Goodwill on acquisition | 收購時的商譽 |

Carrying amount of the investment 投資賬面值

| | |
|-------------------|-------|
| Revenue | 收入 |
| Loss for the year | 本年度虧損 |

19. 於一間聯營公司之投資 (續)

下表列示就會計政策任何差異作出調整並與財務報表內賬面值對賬的康融東方(廣東)醫藥有限公司的財務資料概要：

| 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 |
|-----------------------------------|-----------------------------------|
| 173,298 | 15,092 |
| 226,060 | 124,573 |
| (90,591) | (41,105) |
| (242,920) | (90) |
| 65,847 | 98,470 |
| 35% | 35% |
| 23,046 | 34,465 |
| 64,204 | 64,204 |
| 87,250 | 98,669 |
| - | - |
| (132,623) | (53,631) |

20. LOAN TO AN ASSOCIATE

Loan to an associate 貸款予一間聯營公司

In April and May 2021, Dawnrays Biotechnology provided an unsecured interest-bearing loan to AD Pharmaceuticals for a total of RMB84,000,000 with an interest rate of 3.5% per annum for a term of five years in order to finance the business operation and clinical development of AD Pharmaceuticals. RMB35,000,000 of the loan has been repaid in October 2021. The carrying amount of the loan also includes accrued interests due from AD Pharmaceuticals. As at 31 December 2021, the loss allowance was assessed to be minimal.

21. INVENTORIES

| | |
|------------------|-------|
| Raw materials | 原材料 |
| Work in progress | 在製品 |
| Finished goods | 製成品 |
| Less: Provision | 減少：撥備 |

20. 貸款予一間聯營公司

| 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 |
|-----------------------------------|-----------------------------------|
| 50,110 | — |

於二零二一年四月及五月，東瑞生物為了向康融東方的業務運營及臨床開發提供資金，向康融東方提供一筆無抵押有息貸款共人民幣84,000,000元，年利率為3.5%，貸款期五年。人民幣35,000,000元貸款已於二零二一年十月償還。貸款的賬面值亦包括康融東方所欠的預提利息。於二零二一年十二月三十一日，計提虧損撥備被評估為極低。

21. 存貨

| 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 |
|-----------------------------------|-----------------------------------|
| 79,242 | 74,454 |
| 55,184 | 42,080 |
| 73,071 | 135,655 |
| 207,497 | 252,189 |
| (4,021) | (6,161) |
| 203,476 | 246,028 |

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22. TRADE AND NOTES RECEIVABLES

| | |
|-------------------|--------|
| Trade receivables | 應收貿易款項 |
| Notes receivable | 應收票據款項 |
| Impairment | 減值 |

Notes:

- (i) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months for major customers. Each customer has a credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to manage credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and notes receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | |
|---------------------------------|-------------|
| Trade receivables | 應收貿易款項 |
| Outstanding balances with ages: | 按賬齡劃分的尚欠餘額： |
| Within 90 days | 90日內 |
| Between 91 and 180 days | 91至180日 |
| Between 181 and 270 days | 181至270日 |
| Between 271 and 360 days | 271至360日 |
| Over one year | 一年以上 |

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

22. 應收貿易及票據款項

| Notes 附註 | 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 |
|-------------|-----------------------------------|-----------------------------------|
| (i) | 180,017 | 176,391 |
| (ii) | 166,761 | 154,356 |
| | 346,778 | 330,747 |
| | - | - |
| | 346,778 | 330,747 |

附註：

- (i) 除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為三個月。每位客戶均設有信貸限額。本集團嚴謹監察其未償還應收款項，並設有信貸監控部門管理信貸風險。高級管理層更會定期檢討逾期欠款。鑒於以上所述及目前本集團的應收貿易款項涉及大量不同客戶，因此並無高度集中的信貸風險。應收貿易及票據款項不計利息。

扣除撥備後和根據發票日期，於報告期末的應收貿易款項的賬齡分析如下：

| | 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 |
|--|-----------------------------------|-----------------------------------|
| | 162,417 | 162,178 |
| | 11,717 | 10,600 |
| | 3,368 | 2,498 |
| | 1,388 | 392 |
| | 1,127 | 723 |
| | 180,017 | 176,391 |

未逾期及並無減值的應收款項乃與大量近期並無違約歷史的大量不同客戶有關。

22. TRADE AND NOTES RECEIVABLES (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

From 1 January 2018, the Group has applied the simplified approach to provide impairment for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward-looking information. The impairment is determined as follows:

| | |
|---------------------------------|--------------|
| Expected credit loss rate | 預期信貸損失率 |
| Gross carrying amount (RMB'000) | 總賬面金額(人民幣千元) |
| Impairment (RMB'000) | 減值(人民幣千元) |

(ii) Notes receivable are held with a business model with the objective of both holding to collect contractual cash flows and selling as the Group sometimes endorses notes receivable to suppliers prior to their expiry date. These are classified and measured as debt instruments at fair value through other comprehensive income. Notes receivable are subject to impairment under the general approach. The Group estimated that the expected credit loss rate for notes receivable was minimal.

Financial assets that are not derecognised in their entirety

As at 31 December 2021, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB45,670,000 (2020: RMB45,320,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amounts of the trade payables and other payables settled by the Endorsed Notes during the year to which the suppliers have recourse were RMB711,000 (2020: RMB11,156,000) and RMB44,959,000 (2020: RMB34,164,000) as at 31 December 2021, respectively.

As at 31 December 2021, the Group discounted certain notes receivable accepted by banks in the PRC (the "Discounted Notes") with a carrying amount of RMB21,013,000 (2020:nil). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Discounted Notes and the associated short-term borrowings. Subsequent to the discounting, the Group does not retain any rights on the use of the Discounted Notes, including sale, transfer or pledge of the Discounted Notes to any other third parties. The aggregate carrying amount of short-term borrowings arising from the Discounted Notes was RMB21,013,000 as at 31 December 2021.

22. 應收貿易及票據款項(續)

附註:(續)

(i) (續)

自二零一八年一月一日起，本集團已採用簡化方法為國際財務報告準則第9號規定的預期信貸虧損計提減值，允許按照所有應收貿易款項的整個存續期內的預期損失金額計量損失準備。為計量預期信貸虧損，應收貿易款項已根據組合信用風險特徵和逾期天數進行分組。以下預期信貸虧損還包含前瞻性信息。減值情況如下：

| | |
|-----------------|---------|
| 2021 | 2020 |
| 二零二一年 | 二零二零年 |
| <0.1% | <0.1% |
| 180,017 | 176,391 |
| - | - |

(ii) 應收票據由於本集團有時會在到期日前將其背書給供應商，管理該等應收票據的業務模式既以收取合約現金流量為目標又以出售為目標。該等項目按透過其他全面收益以公允價列賬之債務工具進行分類及計量。應收票據按一般方式減值。本集團估計應收票據的預期信貸損失率極低。

未全部終止確認之財務資產

於二零二一年十二月三十一日，於中國的銀行接納本集團背書若干面值人民幣45,670,000元(二零二零年：人民幣45,320,000元)之應收票據(「背書票據」)予其若干供應商，以支付結欠該等供應商之應付貿易款(「背書」)。董事認為，本集團實質上仍保留風險及回報，當中包括相關背書票據之違約風險，因此，本集團持續確認背書票據之全額賬面值及結付相關應付貿易款。背書後，本集團並無保留任何使用背書票據之任何權利，包括出售、轉讓或抵押背書票據予任何其他第三方。年內，透過背書票據支付之供應商有追索權之應付貿易款及其他應付款項於二零二一年十二月三十一日之總賬面值分別為人民幣711,000元(二零二零年：人民幣11,156,000元)和人民幣44,959,000元(二零二零年：人民幣34,164,000元)。

於二零二一年十二月三十一日，於中國的銀行接納本集團貼現若干面值人民幣21,013,000元(二零二零年：無)之應收票據(「貼現票據」)。董事認為，本集團實質上仍保留風險及回報，當中包括相關貼現票據之違約風險，因此，本集團持續確認貼現票據之全額賬面值及相關短期借貸。貼現後，本集團並無保留任何使用貼現票據之任何權利，包括出售、轉讓或抵押貼現票據予任何其他第三方。由貼現票據產生之短期借貸總賬面值於二零二一年十二月三十一日為人民幣21,013,000元。

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Cont'd)

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2021 and 2020, the loss allowance was assessed to be minimal.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | |
|---|--------------|
| Listed equity investments, at fair value | 上市股權投資，按公允值 |
| Listed debt investments, at fair value | 上市債權投資，按公允值 |
| Other unlisted investments, at fair value | 其他非上市投資，按公允值 |
| Foreign exchange forward contracts, at fair value | 外匯遠期合約，按公允值 |

Notes:

(i) Listed equity investments represented the Group's investments in public listed companies, which are quoted in an active market. The fair value of the listed equity investments is based on their quoted prices as of 31 December 2021 in an active market.

Listed debt investments represented the Group's investments in financial bonds issued by China Development Bank, which are quoted in an active market. The fair value of the listed debt investments is based on their quoted prices as of 31 December 2021 in an active market.

The above listed equity investments and listed debt investments at 31 December 2021 were classified as financial assets at fair value through profit or loss as they were held for trading.

(ii) The above unlisted investments at 31 December 2021 were floating interest rate principal-preservation type of wealth management products. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The fair value of the wealth management products is based on the bank's quoted expected returns.

23. 預付款、其他應收款項及其他資產(續)

上述資產未有逾期及並無減值。上述結餘包括之財務資產與近期並無違約歷史及逾期款項的應收款項有關。於二零二一年和二零二零年十二月三十一日，虧損撥備被評估為極低。

24. 以公允值計量且其變動計入損益之財務資產

| Notes 附註 | 2021 | 2020 |
|-------------|---------------------------|---------------------------|
| | 二零二一年 RMB'000 人民幣千元 | 二零二零年 RMB'000 人民幣千元 |
| (i) | 6,933 | 5,962 |
| (i) | 40,463 | 30,174 |
| (ii) | 160,788 | 164,985 |
| | - | 71 |
| | 208,184 | 201,192 |

附註：

(i) 上市股權投資指本集團於公眾上市公司的投資，其擁有活躍市場報價。上市股權投資之公允值乃根據截至二零二一年十二月三十一日之活躍市場報價而定。

上市債權投資指本集團對國家開發銀行發行的金融債券的投資，其擁有活躍市場報價。上市債權投資的公允值乃根據截至二零二一年十二月三十一日之活躍市場報價而定。

由於持作買賣，故上述於二零二一年十二月三十一日的上市股權投資及上市債權投資被分類為以公允值計量且其變動計入損益之財務資產。

(ii) 上述於二零二一年十二月三十一日的非上市投資為保本浮動利率類型理財產品。因其合約現金流量並非僅是本金及利息付款，該等理財產品被強制分類為按公允值計量且其變動計入損益之財務資產。理財產品的公允值乃根據銀行報價的預期回報而定。

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25. CASH AND BANK BALANCES

25. 現金及銀行存款

| | | 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 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Cash and cash in banks | 現金及銀行存款 | 159,299 | 144,994 |
| Short-term deposits | 短期存款 | 418,445 | 585,992 |
| | | 577,744 | 730,986 |
| Less: Time deposit with maturity over three months | 減：到期日超過三個月的 定期存款 | 340,000 | 472,500 |
| | | 340,000 | 472,500 |
| Cash and cash equivalents | 現金及現金等價物 | 237,744 | 258,486 |

As at 31 December 2021, the cash and bank balances and short-term deposits of the Group denominated in RMB amounted to RMB539,031,000 (2020: RMB697,897,000) in Mainland China. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks (including the restricted bank deposits and time deposits with maturity over three months) earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

於二零二一年十二月三十一日，本集團於中國大陸有原幣為人民幣的現金及銀行存款與短期存款總值人民幣539,031,000元(二零二零年：人民幣697,897,000元)。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制法規及結匯、售匯與付匯管理法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款(包括受限制銀行存款及到期日超過三個月的定期存款)的利息基於每日銀行存款利率的浮動利率賺取。短期定期存款期限界乎一日至三個月不等，視乎本集團的現金需求而定，並以相應的短期定期存款利率賺取利息。銀行結餘已存入近期沒有不良拖欠、信譽良好的銀行中。現金和現金等價物的賬面值接近其公允值。

26. TRADE AND NOTES PAYABLES

An ageing analysis of the trade payables and notes payable as at the end of the reporting period is as follows:

| | |
|---------------------------------|-------------|
| Outstanding balances with ages: | 按賬齡劃分的尚欠餘額： |
| Within 90 days | 90日內 |
| Between 91 and 180 days | 91至180日 |
| Between 181 and 270 days | 181至270日 |
| Between 271 and 360 days | 271至360日 |
| Over one year | 一年以上 |

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB711,000 as at 31 December 2021 (note 22).

26. 應付貿易及票據款項

於報告期末的應付貿易及應付票據款項賬齡分析如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 65,220 | 116,043 |
| 77,231 | 40,857 |
| 215 | 227 |
| 236 | 50 |
| 310 | 436 |
| 143,212 | 157,613 |

應付貿易款項乃不計利息及一般按九十日除賬期繳付。於二零二一年十二月三十一日，透過背書票據支付之供應商有追索權之應付貿易款之總賬面值為人民幣711,000元(附註22)。

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27. OTHER PAYABLES AND ACCRUALS

27. 其他應付款及預提費用

| | | Notes 附註 | 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 |
|---|---------------|-------------|-----------------------------------|-----------------------------------|
| Contract liabilities | 合約負債 | (i) | 14,451 | 8,469 |
| Refund liabilities | 退款負債 | | 12,133 | 15,587 |
| Accruals | 預提費用 | | 145,542 | 112,370 |
| Taxes other than corporate income tax | 除企業所得稅外的稅項 | | 11,400 | 13,422 |
| Payable for repurchase of shares | 回購股票的應付款 | | - | 5,905 |
| Payable for purchases of machinery and construction of buildings | 新增機器及樓宇建築的應付款 | | 265,773 | 94,680 |
| Other payables | 其他應付款 | (ii) | 41,222 | 61,641 |
| | | | 490,521 | 312,074 |

Notes:

(i) Details of contract liabilities are as follows:

| Short-term advances received from customers | 從客戶收到的短期預付款 | |
|---|-------------|--------|
| Sales of goods | 商品銷售 | 14,451 |
| Rendering of pilot test services | 提供試驗測試服務 | - |
| Total contract liabilities | 合約負債總額 | 14,451 |

Contract liabilities include short-term advances received to deliver pharmaceutical products and render pilot test services.

(ii) Other payables are non-interest-bearing and have an average settlement term of six months. The aggregate carrying amount of other payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB44,959,000 as at 31 December 2021 (note 22).

附註：

(i) 合約負債詳情如下：

| | 31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元 | 31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 |
|---|---|---|
| Short-term advances received from customers | | |
| Sales of goods | 14,451 | 7,719 |
| Rendering of pilot test services | - | 750 |
| Total contract liabilities | 14,451 | 8,469 |

合約負債包括提供藥品及提供試驗測試服務的短期預付款。

(ii) 其他應付款乃不計利息及平均結算期為六個月。於二零二一年十二月三十一日，透過背書票據支付之供應商有追索權之其他應付款之總賬面值為人民幣44,959,000元(附註22)。

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

28. 計息銀行及其他借貸

| | | 2021 二零二一年 | | |
|---------------------|----------|---|-----------------|--------------------------------------|
| Current | 短期 | Effective interest rate (%) 實際利率 (%) | Maturity 到期日 | Equivalent 等值 RMB'000 人民幣千元 |
| Bank loan — secured | 已抵押的銀行貸款 | 1.6%-2.46% | 2022 | 21,013 |
| | | | | 21,013 |

^(a) The bank loan arose from the Discounted Notes (note 22) and was secured by the notes receivable accepted by the banks.

^(a) 該筆銀行貸款來自貼現票據(附註22)，並由銀行接受的應收票據作抵押。

As at 31 December 2021, the Group had aggregate bank facilities of approximately RMB1,100,000,000 (as at 31 December 2020: RMB1,300,000,000), of which RMB144,652,232 of the bank facilities (31 December 2020: RMB107,150,541) had been utilised as at the end of the reporting period.

於二零二一年十二月三十一日，本集團的銀行信貸總額約人民幣1,100,000,000元(於二零二零年十二月三十一日：人民幣1,300,000,000元)，其中人民幣144,652,232(於二零二零年十二月三十一日：人民幣107,150,541)銀行信貸額度於報告期末已被使用。

29. GOVERNMENT GRANTS

29. 政府撥款

| | | 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 |
|--|----------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 900 | 1,200 |
| Released to the consolidated statement of profit or loss | 計入綜合損益表 | (300) | (300) |
| At 31 December | 於十二月三十一日 | 600 | 900 |

Government grants include subsidies from the PRC government which are specifically for the capital expenditure incurred for plant and machinery, which is recognised as income over the useful life of the related assets. There are no unfulfilled conditions or contingencies relating to these grants.

政府撥款包括來自中國政府專門用於廠房和機器產生的資本開支補助，於相關資產可使用年內確認為收入。沒有與這些撥款相關的未滿足條件或有事項。

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30. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

DEFERRED TAX ASSETS

| | | Accrued expenses | Government grants | Provisions | Total |
|---|----------------------------|------------------|-------------------|------------|---------|
| | | 預提費用 | 政府撥款 | 撥備 | 總數 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2020 | 於二零二零年一月一日 | 1,509 | 90 | 5,044 | 6,643 |
| Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表計入/(扣除)之遞延稅項(附註11) | 829 | (22) | (921) | (114) |
| 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 | 2,338 | 68 | 4,123 | 6,529 |
| Deferred tax charged to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表扣除之遞延稅項(附註11) | (518) | (23) | (239) | (780) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,820 | 45 | 3,884 | 5,749 |

The Group has tax losses arising in Mainland China of RMB57,160,000 (2020: RMB15,431,000) that will expire in one to five years and tax losses arising from the Company and its Hong Kong subsidiaries of RMB182,230,000 (2020: RMB120,431,000) for offsetting against future taxable profits for which no deferred tax assets have been recognised, as they have arisen in subsidiaries that have been loss-making for some time and it is uncertain that taxable profits will be available against which the tax losses can be utilised.

30. 遞延稅項

年內遞延稅項資產及負債之變動如下：

遞延稅項資產

| | | Accrued expenses | Government grants | Provisions | Total |
|---|----------------------------|------------------|-------------------|------------|---------|
| | | 預提費用 | 政府撥款 | 撥備 | 總數 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2020 | 於二零二零年一月一日 | 1,509 | 90 | 5,044 | 6,643 |
| Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表計入/(扣除)之遞延稅項(附註11) | 829 | (22) | (921) | (114) |
| 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 | 2,338 | 68 | 4,123 | 6,529 |
| Deferred tax charged to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表扣除之遞延稅項(附註11) | (518) | (23) | (239) | (780) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,820 | 45 | 3,884 | 5,749 |

本集團於中國大陸錄得稅項虧損人民幣57,160,000元(二零二零年：人民幣15,431,000元)，可用作抵銷將於一至五年內到期的未來應課稅溢利，及本公司及其香港附屬公司錄得稅項虧損人民幣182,230,000元(二零二零年：人民幣120,431,000元)可用作抵銷未來應課稅溢利，與該等虧損有關的遞延稅項資產尚未確認，因其出現於產生虧損已有一段時間的附屬公司，不確定是否會有應課稅溢利可用於抵銷該等稅項虧損。

30. DEFERRED TAX (Cont'd)

DEFERRED TAX LIABILITIES

30. 遞延稅項(續)

遞延稅項負債

| | | Fair value adjustments arising from acquisition of subsidiaries | Fair value adjustments of financial assets at fair value through profit or loss 以公允價值 計量且其變動 計入損益之 財務資產的 公允價值調整 | Depreciation allowance in excess of related depreciation 折舊免稅額 超過相關折舊 | Withholding taxes 預扣稅 | Total 總額 |
|--|------------------------------------|---|---|---|-----------------------------|------------------|
| | | 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 |
| At 1 January 2020 | 於二零二零年一月一日 | 15,316 | 435 | 1,338 | 49,385 | 66,474 |
| Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表 (計入)/扣除之 遞延稅項(附註11) | (2,512) | (410) | 2,633 | (4,470) | (4,759) |
| 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 | 12,804 | 25 | 3,971 | 44,915 | 61,715 |
| Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 11) | 年內於綜合損益表 (計入)/扣除之 遞延稅項(附註11) | (840) | 4,293 | (3,967) | 5,670 | 5,156 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 11,964 | 4,318 | 4 | 50,585 | 66,871 |

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

根據中國企業所得稅法，於中國大陸成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為5%。因此，自二零零八年一月一日起，本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。

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31. OTHER LIABILITIES

Government relocation compensation received 政府拆遷補償款

The government relocation compensation consisted of (i) RMB175,595,000 received under the relocation compensation agreement entered into between the People's Government of Wuzhong Economic Development District, Suzhou City and Suzhou Dawnrays Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group and (ii) RMB25,880,000 being part of the compensation received under the relocation compensation agreement entered into between the People's Government of NanTong Economic Development District, Nantong City and Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., a wholly-owned subsidiary of the Group.

32. SHARE CAPITAL

SHARES

Authorised:
20,000,000,000 (2020: 20,000,000,000)
ordinary shares of HK\$0.05
(2020: HK\$0.05) each

Issued and fully paid:
1,498,337,000 (2020: 1,515,077,000)
ordinary shares of HK\$0.05
(2020: HK\$0.05) each

Equivalent to RMB'000

法定：
20,000,000,000股(二零二零年：
20,000,000,000股)每股面值
港幣0.05元(二零二零年：
港幣0.05元)的普通股

已發行及繳足：
1,498,337,000股(二零二零年：
1,515,077,000股)每股面值
港幣0.05元(二零二零年：
港幣0.05元)的普通股

等值人民幣千元

31. 其他負債

| 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 |
|-----------------------------------|-----------------------------------|
| 201,475 | 175,595 |

政府拆遷補償款包括(i)根據蘇州市吳中經濟開發區人民政府與本集團全資附屬公司蘇州東瑞製藥有限公司協定之拆遷補償協議收到的人民幣175,595,000元及(ii)根據南通市南通經濟開發區人民政府與本集團全資附屬公司東瑞(南通)醫藥科技有限公司協定之拆遷補償協議收到的部份拆遷補償款人民幣25,880,000元。

32. 股本

股份

| 2021 二零二一年 HK\$'000 港幣千元 | 2020 二零二零年 HK\$'000 港幣千元 |
|-----------------------------------|-----------------------------------|
| 1,000,000 | 1,000,000 |
| 74,918 | 75,754 |
| 80,370 | 81,072 |

32. SHARE CAPITAL (Cont'd)**SHARES (Cont'd)**

A summary of movements in the Company's share capital is as follows:

| | | Number of shares in issue | Issued capital | Total |
|---|---------------------------------|--------------------------------------|---------------------------|------------------------|
| | | 已發行股份數目 | 已發行股本 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| 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 | 1,515,077,000 | 75,754 | 75,754 |
| Shares repurchased in 2020 and cancelled in 2021 (note 33) | 於二零二零年已購回的股份及 於二零二一年註銷(附註33) | (10,208,000) | (510) | (510) |
| Shares repurchased and cancelled in 2021 (note 33) | 已購回的股份及 於二零二一年註銷(附註33) | (8,608,000) | (430) | (430) |
| Share options exercised | 已行使的購股權 | 2,076,000 | 104 | 104 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,498,337,000 | 74,918 | 74,918 |

33. TREASURY SHARES

10,208,000 of the Company's ordinary shares with the nominal value of HK\$510,000 (equivalent to RMB430,000) were repurchased during 2020 and cancelled on 14 January 2021.

During the year, the Company repurchased 8,608,000 of its ordinary shares on the Hong Kong Stock Exchange at a total consideration of HK\$11,442,400 before expenses. The repurchased shares were cancelled during the year. The nominal value of the cancelled shares of HK\$430,400 (equivalent to RMB358,000) was transferred to the capital redemption reserve, and the premium on repurchase and the related costs incurred for the share repurchase of HK\$11,544,000 (equivalent to RMB9,626,000), were charged against the retained profits of the Company.

32. 股本(續)**股份(續)**

本公司股本的變動綜合如下：

| | | Number of shares in issue | Issued capital | Total |
|---|---------------------------------|--------------------------------------|---------------------------|------------------------|
| | | 已發行股份數目 | 已發行股本 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| 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 | 1,515,077,000 | 75,754 | 75,754 |
| Shares repurchased in 2020 and cancelled in 2021 (note 33) | 於二零二零年已購回的股份及 於二零二一年註銷(附註33) | (10,208,000) | (510) | (510) |
| Shares repurchased and cancelled in 2021 (note 33) | 已購回的股份及 於二零二一年註銷(附註33) | (8,608,000) | (430) | (430) |
| Share options exercised | 已行使的購股權 | 2,076,000 | 104 | 104 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,498,337,000 | 74,918 | 74,918 |

33. 庫存股票

10,208,000 股本公司普通股(面值港幣 510,000 元(相等於人民幣 430,000 元))於二零二零年被購回並於二零二一年被註銷。

年內，本公司在聯交所購回 8,608,000 股本公司普通股份，不含費用之總代價為港幣 11,442,400 元，購回的股份於年內註銷。與註銷股份面值相等之數額港幣 430,400 元(相等於人民幣 358,000 元)已撥往資本購回儲備，而股份購回所付之溢價及相關費用共港幣 11,544,000 元(相等於人民幣 9,626,000 元)已記入本公司之保留溢利。

34. SHARE OPTION SCHEME

The Company adopted a share option scheme in 2013 (the "Scheme") for the purpose of providing incentives and rewards to eligible persons (including the Company's directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the Scheme) who contribute to the success of the Group's operations. The Scheme became effective on 21 June 2013 and remained in force for 10 years from that date until 20 June 2023.

The maximum number of shares issuable under share options to each eligible person in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 by each grantee with no other consideration being payable by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed 10 years from the date of grant.

34. 購股權計劃

本公司於二零一三年採納的購股權計劃(「該計劃」)，旨在為對本集團業務成就作出貢獻的合資格人士(包括本公司董事、獨立非執行董事、本集團員工及該計劃界定的其他合資格參與者)提供鼓勵及獎勵。該計劃於二零一三年六月二十一日生效並於該日起計十年內持續有效至二零二三年六月二十日。

在任何12個月期間內授予該計劃的每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限。凡進一步授出超逾此限額的購股權，須在股東大會上獲股東批准。

授予本公司董事、總裁或主要股東或彼等任何關聯方購股權須事先取得獨立非執行董事批准。此外，如於任何12個月期間授予本公司主要股東或獨立非執行董事或彼等任何關聯方的任何購股權超逾本公司於任何時間的已發行股份的0.1%，或有關購股權的總值(根據本公司股份於購股權授出日期的收市價格計算)超逾港幣5百萬元，則須事先在股東大會上取得股東批准。

授予購股權的建議應於建議日期起計21日內獲接納，承授人接納購股權時無須支付其他代價，惟須支付港幣10元的象徵式代價。由董事會在授出購股權之日或其後所釐定的日期起至董事會在授出購股權時釐定的日期的營業時間結束時止，可隨時(無論如何不得超過由授出日期起計十年)根據該計劃的條款行使購股權。

34. SHARE OPTION SCHEME (Cont'd)

The exercise price of share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer, provided that the exercise price shall not be less than the nominal value of the ordinary shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

34. 購股權計劃(續)

購股權的行權價由董事釐定，惟不得低於以下各項的較高者：(i)本公司股份於授出購股權當日在聯交所所報的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所所報的平均收市價，惟行權價不得少於本公司普通股的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

以下為該計劃於年內未行使的購股權：

| | | 2021 二零二一年 | | 2020 二零二零年 | |
|----------------------------------|----------|---|---------------------------------------|---|---------------------------------------|
| | | Weighted average exercise price 加權平均 行權價 HK\$ per share 港幣每股 | Number of options 購股權數目 '000 | Weighted average exercise price 加權平均 行權價 HK\$ per share 港幣每股 | Number of options 購股權數目 '000 |
| At 1 January | 於一月一日 | 1.778 | 136,300 | 1.855 | 138,500 |
| Granted during the year | 年內已授出 | 1.470 | 3,000 | 0.900 | 16,000 |
| Exercised during the year | 年內已行使 | 1.269 | (2,076) | - | - |
| Lapsed/forfeited during the year | 年內已失效/沒收 | 2.422 | (45,400) | 1.590 | (18,200) |
| At 31 December | 於十二月三十一日 | 1.461 | 91,824 | 1.778 | 136,300 |

Notes to Financial Statements

財務報表附註

31 December 2021 於二零二一年十二月三十一日

34. SHARE OPTION SCHEME (Cont'd)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2021

| Number of options 購股權數目 '000 | Exercise price* 行權價* HK\$ per share 港幣每股 | Exercise period 行使期間 |
|------------------------------------|---|---|
| 3,000 | 3.170 | 11-05-2017 to 至 10-05-2022 |
| 10,100 | 2.125 | 29-11-2018 to 至 28-11-2023 [^] |
| 13,652 | 1.500 | 09-01-2020 to 至 08-01-2025 |
| 14,740 | 1.380 | 28-08-2020 to 至 27-08-2025 |
| 32,000 | 1.380 | 01-05-2022 to 至 30-04-2024 |
| 15,332 | 0.900 | 26-08-2021 to 至 25-08-2026 |
| 3,000 | 1.470 | 31-03-2022 to 至 30-03-2027 |
| 91,824 | | |

二零二一年

34. 購股權計劃(續)

於報告期末，未行使的購股權行權價及行使期間如下：

2020

| Number of options 購股權數目 '000 | Exercise price* 行權價* HK\$ per share 港幣每股 | Exercise period 行使期間 |
|------------------------------------|---|---|
| 11,800 | 2.575 | 08-01-2016 to 至 07-01-2021 [#] |
| 6,000 | 2.635 | 18-03-2016 to 至 17-03-2021 [#] |
| 10,200 | 3.670 | 16-04-2016 to 至 15-04-2021 [#] |
| 1,200 | 3.190 | 23-11-2016 to 至 22-11-2021 [#] |
| 3,000 | 3.170 | 11-05-2017 to 至 10-05-2022 |
| 10,300 | 2.125 | 29-11-2018 to 至 28-11-2023 |
| 14,400 | 1.500 | 09-01-2020 to 至 08-01-2025 |
| 15,400 | 1.380 | 28-08-2020 to 至 27-08-2025 |
| 16,000 | 1.380 | 31-12-2019 to 至 31-12-2020 [#] |
| 32,000 | 1.380 | 01-05-2022 to 至 30-04-2024 |
| 16,000 | 0.900 | 26-08-2021 to 至 25-08-2026 |
| 136,300 | | |

二零二零年

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

[#] 45,200,000 share options expired and lapsed in 2021.

[^] 200,000 share options were forfeited and lapsed in 2021.

* 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行權價須予以調整。

[#] 45,200,000 購股權於二零二一年到期及失效。

[^] 200,000 購股權於二零二一年沒收及失效。

34. SHARE OPTION SCHEME (Cont'd)

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using the Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. This value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model:

| | | |
|--|----------------|-------|
| Dividend yield (%) | 股息率 (%) | 6.57 |
| Expected volatility (%) | 預期波幅 (%) | 41 |
| Historical volatility (%) | 過往波幅 (%) | 41 |
| Risk-free interest rate (%) | 無風險折現率 (%) | 0.957 |
| Expected life of options (year) | 購股權預計年期 (年) | 6 |
| Fair value at the date of grant (HK\$) | 於授出日期的公允值 (港幣) | 0.28 |

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2021, the Company had 91,824,000 share options outstanding under the Scheme, which represented approximately 6.13% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 91,824,000 additional ordinary shares of the Company, additional share capital of HK\$4,591,200 and share premium of HK\$129,569,300 (before share issue expenses).

34. 購股權計劃 (續)

年內授予以權益結算的購股權的公允值乃於授予購股權當日以柏力克 - 舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值：

**31 March
2021**
二零二一年
三月三十一日

6.57
41
41
0.957
6
0.28

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的因素列入公允值的計算當中。

於二零二一年十二月三十一日，本公司根據該計劃擁有91,824,000份購股權尚未獲行使，相當於當日本公司已發行股份約6.13%。根據本公司現時的資本架構，悉數行使餘下購股權將引致本公司發行91,824,000股額外普通股，增加港幣4,591,200元的股本以及股份溢價港幣129,569,300元(不含股份發行開支)。

35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(I) CONTRIBUTED SURPLUS

The contributed surplus of the Group represents the difference between the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation as set out in note 1, and the nominal value of the Company's shares issued in exchange therefor.

(II) STATUTORY SURPLUS RESERVE (THE "SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, each of the Mainland China Subsidiaries is required to allocate 10% of its profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until this reserve reaches 50% of its registered capital. Part of the SSR may be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(III) EXCHANGE FLUCTUATION RESERVE

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

35. 儲備

本集團儲備於本年度及過往年度的金額及變動已載於綜合權益變動表內。

(I) 繳入盈餘

本集團的繳入盈餘指根據附註1所載的集團重組所收購附屬公司當時的綜合資產淨值與本公司為換取有關資產而發行的本公司股份面值的差額。

(II) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到其註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

(III) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外國附屬公司的財務報表所產生的匯兌差額。

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

| Financial assets | 財務資產 | 2021 二零二一年 | | | | 2020 二零二零年 | | | |
|--|------------------------|---|--|---|---------------------------------|---|--|---|---------------------------------|
| | | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益之財務資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本計量之財務資產 RMB'000 人民幣千元 | Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他全面收益之財務資產 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益之財務資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本計量之財務資產 RMB'000 人民幣千元 | Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他全面收益之財務資產 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
| Trade and notes receivables | 應收貿易及票據款項 | - | 180,017 | 166,761 | 346,778 | - | 176,391 | 154,356 | 330,747 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款、其他應收款項及其他資產之財務資產 | - | 65,096 | - | 65,096 | - | 30,016 | - | 30,016 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入損益之財務資產 | 208,184 | - | - | 208,184 | 201,192 | - | - | 201,192 |
| Loan to an associate | 貸款予一間聯營公司 | - | 50,110 | - | 50,110 | - | - | - | - |
| Cash and bank balances | 現金及銀行存款 | - | 577,744 | - | 577,744 | - | 730,986 | - | 730,986 |
| | | 208,184 | 872,967 | 166,761 | 1,247,912 | 201,192 | 937,393 | 154,356 | 1,292,941 |

Financial liabilities

財務負債

| | | 2021 二零二一年 | | 2020 二零二零年 | |
|---|-------------------|---|---|---|---|
| | | Financial liabilities at amortised cost 按攤銷成本計量之財務負債 RMB'000 人民幣千元 |
| Trade and notes payables | 應付貿易及票據款項 | 143,212 | 157,613 | 143,212 | 157,613 |
| Financial liabilities included in other payables and accruals | 計入其他應付款及預提費用之財務負債 | 452,537 | 259,246 | 452,537 | 259,246 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 21,013 | - | 21,013 | - |
| Lease liabilities | 租賃負債 | 2,507 | 2,949 | 2,507 | 2,949 |
| | | 619,269 | 419,808 | 619,269 | 419,808 |

36. 按類別劃分之金融工具

截至報告期末，各類金融工具的賬面值如下：

37. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets, loans to an associate, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

The fair values of listed equity investments are based on quoted market prices.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

37. 金融工具之公允價值層級

管理層已評估現金及現金等價物、應收貿易及票據款項、應付貿易及票據款項、包括在預付款項中的財務資產、其他應收款和其他資產、貸款予一間聯營公司、包括在其他應付款項和預提費用中的財務負債，以及計息銀行和其他借款的公允價值與其賬面價值相近，主要是由於這些工具的期限較短。

財務資產和負債的公允價值按自願方之間的當前交易(強製或清算出售除外)可交換工具的金額計入。公允價值的估計方法和假設如下：

本集團財務部由首席財務官領導，負責確定金融工具公允價值計量的政策和程序。財務部直接向首席財務官報告。在每個報告日，財務部門分析金融工具價值的變動並確定估值中應用的主要輸入值。估值由首席財務官審閱及批准。估值過程及結果會定期與本公司董事討論以作財務報告。

上市股權投資的公允價值以市場報價為基礎。

財務資產和負債的公允價值按自願方之間的當前交易(強製或清算出售除外)可交換工具的金額計入。公允價值的估計方法和假設如下：

未在活躍市場中交易的金融工具的公允價值採用估值技術確定。這些估值技術最大限度地利用可獲得的可觀察市場數據，並儘可能少地依賴實體特定估計。如果一項工具的公允價值所需的所有重要輸入值都是可觀察的，則該工具包含在第2級。如果一項或多項重要輸入不是基於可觀察的市場數據，則該工具包含在第3級。

37. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 31 December 2021:

Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益之財務資產

Assets measured at fair value as at 31 December 2020:

Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益之財務資產

37. 金融工具之公允價值層級 (續)

本集團投資於非上市投資，代表中國內地銀行發行的理財產品。本集團根據具有類似條款和風險的工具的市場利率，採用折現現金流估值模型估計這些非上市投資的公允價值。

下表列明本集團金融工具的公允價值計量層級：

於二零二一年十二月三十一日按公允價值計量的資產：

| Fair value measurement using 使用以下各項進行公允價值計量 | | | |
|--|--|---|---------------------------------|
| Quoted prices in active markets (Level 1) 於活躍市場的報價 第一級 RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察輸入值 第二級 RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察輸入值 第三級 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| 47,396 | 160,788 | - | 208,184 |

於二零二零年十二月三十一日按公允價值計量的資產：

| Fair value measurement using 使用以下各項進行公允價值計量 | | | |
|--|--|---|---------------------------------|
| Quoted prices in active markets (Level 1) 於活躍市場的報價 第一級 RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察輸入值 第二級 RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察輸入值 第三級 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| 36,136 | 165,056 | - | 201,192 |

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37. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

During the years ended 31 December 2021 and 31 December 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The carrying amounts of cash and bank balances, trade and notes receivables, amounts due from related parties, trade and notes payables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank and other borrowings, lease liabilities and financial liabilities included in other payables and accruals approximate to their fair values.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

FOREIGN CURRENCY RISK

The Group does not have any significant investment outside of Mainland China. However, the Group has transactional currency exposures. These exposures arise from sales of the Group's subsidiaries denominated in currencies other than the subsidiaries' functional currencies. Approximately 5.35% of the Group's sales for the year ended 31 December 2021 (2020: 9.29%) were denominated in currencies other than the functional currencies of the subsidiaries. Upon receipt of currencies other than the functional currency, the subsidiaries sell them to banks at a suitable time.

37. 金融工具之公允值層級(續)

截至二零二一年十二月三十一日止年度及二零二零年十二月三十一日止年度，第一級與第二級間並無公允值計量轉移，亦無轉入或移出第三級。

現金及銀行存款、應收貿易及票據款項、應收關聯方款項、應付貿易及票據款項、計入預付款、其他應收款項及其他資產之財務資產、計息銀行及其他借貸、租賃負債、計入其他應付款及預提費用之財務負債之賬面值與其公允值相若。

38. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

以下為董事會檢討並同意管理上述每項風險的政策之概要。

外匯風險

本集團於中國大陸以外並無任何重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自本集團的中國大陸附屬公司以其功能貨幣以外之貨幣進行之銷售。截至二零二一年十二月三十一日止年度，本集團約5.35%銷售(二零二零年：9.29%)乃以本集團的中國大陸附屬公司的功能貨幣以外之貨幣計值。於收到功能貨幣以外之貨幣後，本集團的中國大陸附屬公司會適時將該等貨幣售予銀行以兌換為功能貨幣。

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

FOREIGN CURRENCY RISK (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

| | | | |
|------------------------------------|-----------|-----|---------|
| 2021 | 二零二一年 | | |
| If RMB strengthens against the USD | 倘人民幣兌美元升值 | +5% | (1,332) |
| If RMB weakens against the USD | 倘人民幣兌美元貶值 | -5% | 1,332 |
| 2020 | 二零二零年 | | |
| If RMB strengthens against the USD | 倘人民幣兌美元升值 | +5% | (4,759) |
| If RMB weakens against the USD | 倘人民幣兌美元貶值 | -5% | 4,759 |

CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables and balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

38. 金融風險管理目標及對策(續)

外匯風險(續)

下表列示在所有其他可變因素維持不變之情況下，本集團的除稅前溢利對外幣匯率出現合理可能變動的敏感度(由於貨幣資產及負債的公允值變動)。

| Change in foreign currency rate 外幣匯率變動 | Increase/ (decrease) in profit before tax 對除稅前溢利 之增加/(減少) RMB'000 人民幣千元 |
|---|--|
| +5% | (1,332) |
| -5% | 1,332 |

信貸風險

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收款項及結餘的情況，而本集團的壞賬風險並不重大。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

MAXIMUM EXPOSURE AND YEAR-END STAGING

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2021

38. 金融風險管理目標及對策(續)

最高風險及年結階段

下表載列基於本集團信貸政策之信貸質素及最高信貸風險，主要基於逾期資料(除非其他資料可在毋須過度的成本或投入獲得)，及於十二月三十一日之年結階段分類。

所呈列的金額指財務資產總賬面值。

於二零二一年十二月三十一日

| | | 12-month | Lifetime ECLs | | | Total | |
|--|------------------------|------------------|---------------|---------|---------|---------------------|------------------|
| | | ECLs | ECLs | | | | |
| | | 12個月 | 存續期預期信貸虧損 | | | | |
| | | 預期信貸虧損 | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | | | 第1階段 | 第2階段 | 第3階段 | 簡化方法 | 總計 |
| | | 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 |
| Loan to an associate | 貸款予一間聯營公司 | 50,110 | - | - | - | - | 50,110 |
| Trade receivables | 應收貿易款項 | - | - | - | - | 180,017 | 180,017 |
| Notes receivable | 應收票據款項 | 166,761 | - | - | - | - | 166,761 |
| Cash and bank balances | 現金及銀行存款 | 577,744 | - | - | - | - | 577,744 |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | 208,184 | - | - | - | - | 208,184 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款、其他應收款項及其他資產之財務資產 | 65,096 | - | - | - | - | 65,096 |
| | | 1,067,895 | - | - | - | 180,017 | 1,247,912 |

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

MAXIMUM EXPOSURE AND YEAR-END STAGING (Cont'd)

As at 31 December 2020

38. 金融風險管理目標及對策(續)

最高風險及年結階段(續)

於二零二零年十二月三十一日

| | | 12-month | Lifetime ECLs | | | Total | |
|--|------------------------|----------|---------------|---------|---------|----------|-----------|
| | | ECLs | Simplified | | | | |
| | | 12個月 | Stage 1 | Stage 2 | Stage 3 | approach | |
| | | 預期信貸虧損 | 第1階段 | 第2階段 | 第3階段 | 簡化方法 | 總計 |
| | | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade receivables | 應收貿易款項 | - | - | - | - | 176,391 | 176,391 |
| Notes receivable | 應收票據款項 | 154,356 | - | - | - | - | 154,356 |
| Cash and bank balances | 現金及銀行存款 | 730,986 | - | - | - | - | 730,986 |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | 201,192 | - | - | - | - | 201,192 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款、其他應收款項及其他資產之財務資產 | 30,016 | - | - | - | - | 30,016 |
| | | | 1,116,550 | - | - | 176,391 | 1,292,941 |

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group.

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶／交易對手管理，因此本集團內並無任何重大集中信貸風險。

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligation. The Group has no concentration of credit risk from third party debtors. The carrying amounts of cash and bank balances, trade and notes receivables, financial assets included in prepayments, other receivables and other assets in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

All cash and bank balances were deposited in high-credit-quality financial institutions without significant credit risk.

The Group has continued the policy to perform an assessment at 31 December 2021, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering grouping its other receivables into Stage 1 and Stage 2, as described below:

- Stage 1 — When other receivables are first recognised, the Group records an allowance based on 12-months ECLs
- Stage 2 — When other receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs

Management also regularly reviews the recoverability of these receivables and follow up on the disputes or amounts overdue, if any. Management is of the opinion that the risk of default by counterparties is low.

38. 金融風險管理目標及對策(續)

信貸風險

信貸風險指交易對手無法或不願履行其合約責任而帶來的虧損風險。本集團並無來自第三方債務人之集中信貸風險。綜合財務狀況表中的現金及銀行存款、應收貿易及票據款項及計入預付款、其他應收款項及其他資產之財務資產的賬面值乃本集團就其財務資產承受的最大信貸風險。

所有現金及銀行存款均存入無重大信貸風險之信貸良好的金融機構。

本集團於二零二一年十二月三十一日繼續按照政策，以透過考慮將其他應收款項分組為階段1及階段2來評估金融工具之信貸風險是否自初始確認起已大幅增加，詳情如下：

- 階段1 — 當其他應收款項獲初始確認時，本集團基於12個月預期信貸虧損確認撥備
- 階段2 — 當其他應收款項自產生起顯示信貸風險大幅增加，本集團就存續期預期信貸虧損確認撥備

管理層亦定期檢討該等應收款項的可收回性，並對有關糾紛或逾期款項(如有)進行跟進。管理層認為，交易對手違約的風險較低。

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK (Cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected loss allowance provision for these balances was not material during the year ended 31 December 2021.

As at 31 December 2021, the credit rating of other receivables was graded performing. The Group assessed that the expected credit losses for these receivables were not material under the 12-month expected loss method. Thus, no loss allowance provision was recognised during the year ended 31 December 2021.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in note 22 and note 23.

38. 金融風險管理目標及對策(續)

信貸風險(續)

本集團於初始確認資產時考慮違約的可能性，及信貸風險是於各報告期內按持續基準大幅增加。為評估信貸風險是否大幅增加，本集團比較資產於報告日期的違約風險與於初始確認日期的違約風險，並考慮所得合理及得到理據支持的前瞻性資料。

本集團採用簡化方法計提國際財務報告準則第9號所規定的預期信貸虧損，國際財務報告準則第9號允許使用存續期預期虧損計提應收貿易款項撥備。截至二零二一年十二月三十一日止年度，該等結餘的預期損失撥備金額並不重大。

於二零二一年十二月三十一日，本集團對其他應收款項進行信貸評級。本集團按12個月預計損失法評估該等應收款項的預期信貸虧損並不重大，故於截至二零二一年十二月三十一日止年度並未確認損失撥備金額。

有關本集團因應收貿易款項及其他應收款項所產生信貸風險的進一步定量資料乃披露於財務報表附註22及附註23。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

LIQUIDITY RISK

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

38. 金融風險管理目標及對策(續)

流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及財務資產(如應收貿易款項)的到期日以及來自經營業務的預期現金流量。

於報告期末本集團根據合約未貼現付款計算的財務負債之到期日簡述如下：

| | | 2021 二零二一年 | | | | | |
|---|-------------------|------------------|--------------------|--------------------------------------|----------------------|----------------------|------------------|
| | | On demand | Less than 3 months | 3 to less than 12 months 三至少於十二個月 | 1 to 5 years 一至五年 | Over 5 years 五年以上 | Total 總計 |
| | | 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 |
| Lease liabilities | 租賃負債 | - | 241 | 764 | 1,621 | - | 2,626 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | - | 10,182 | 10,831 | - | - | 21,013 |
| Trade and notes payables | 應付貿易及票據款項 | 9,440 | 65,220 | 68,552 | - | - | 143,212 |
| Financial liabilities included in other payables and accruals | 計入其他應付款及預提費用之財務負債 | 452,537 | - | - | - | - | 452,537 |
| | | 461,977 | 75,643 | 80,147 | 1,621 | - | 619,388 |

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)
LIQUIDITY RISK (Cont'd)

38. 金融風險管理目標及對策(續)

流動資金風險(續)

| | | 2020 | | | | | |
|---|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|---------|
| | | 二零二零年 | | | | | |
| | | 3 to | | | | | |
| | On demand | Less than 3 months | less than 12 months | 1 to 5 years | Over 5 years | Total | |
| | 按 要求 | 少 於三 個月 | 三 至 十 二 個 月 | 一 至 五 年 | 五 年 以 上 | 總 計 | |
| | 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 | |
| Lease liabilities | 租賃負債 | - | 234 | 706 | 2,186 | - | 3,126 |
| Trade and notes payables | 應付貿易及票據款項 | 3,008 | 86,965 | 67,640 | - | - | 157,613 |
| Financial liabilities included in other payables and accruals | 計入其他應付款及預提費用之財務負債 | 259,246 | - | - | - | - | 259,246 |
| | | 262,254 | 87,199 | 68,346 | 2,186 | - | 419,985 |

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及最大化股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，有關資本管理的目標、政策及過程並無作出任何變動。

財務報表附註

31 December 2021 於二零二一年十二月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CAPITAL MANAGEMENT (Cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes trade and notes payables, certain other payables and accruals, interest-bearing bank and other borrowings (other than convertible bonds), lease liabilities, less cash and bank balances. The gearing ratios as at the end of the reporting periods were as follows:

| | |
|---|------------|
| Trade and notes payables | 應付貿易及票據款項 |
| Other payables and accruals | 其他應付款及預提費用 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 |
| Lease liabilities | 租賃負債 |
| Less: Cash and bank balances | 減：現金及銀行存款 |
| Net debt/(equity) | 淨負債／(權益) |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 |
| Capital and net debt | 資本及淨負債 |
| Gearing ratio | 資本負債比率 |

38. 金融風險管理目標及對策(續)

資本管理(續)

本集團採用資本負債比率監察其資本情況，而資本負債比率乃淨負債除以已調整資本加淨負債之總和計算。淨負債包括應付貿易及票據款項、其他應付款及預提費用、計息銀行及其他借貸(可轉換債券除外)、租賃負債，並扣除現金及銀行存款。於報告期末之資本負債比率如下：

| 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 |
|-----------------------------------|-----------------------------------|
| 143,212 | 157,613 |
| 490,521 | 312,074 |
| 21,013 | – |
| 2,507 | 2,949 |
| (577,744) | (730,986) |
| 79,509 | (258,350) |
| 2,380,714 | 2,170,503 |
| 2,460,223 | 1,912,153 |
| 3.23% | (13.51%) |

39. ASSETS HELD FOR SALE

The major classes of assets classified as held for sale as at 31 December are as follows:

| | |
|---------------------------------------|-------------------|
| Property, plant and equipment | 物業、廠房及設備 |
| Right-of-use assets | 使用權資產 |
| Investment in an associate (note (a)) | 於一間聯營公司之投資(附註(a)) |

Note (a):

On 30 July 2021, Dawnrays International Company Limited, a wholly-owned subsidiary of the Group, Suzhou Yongxin Construction and Development Co., Ltd., an independent third party and Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd (“Su Zhou Dawnrays Pharma Sci-Tech”), a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement in respect of the disposal (“Disposal”) of the Group’s 65% equity interest in Su Zhou Dawnrays Pharma Sci-Tech for a total consideration of RMB104 million. Upon completion of the Disposal, Su Zhou Dawnrays Pharma Sci-Tech has ceased to be a subsidiary of the Group as disclosed in note 40 to the financial statements. The Group has recorded the remaining 35% equity interest as non-current assets held for sale as at 31 December 2021.

On 26 January 2022, Dawnrays International Company Limited and Suzhou Yongxin Construction and Development Co., Ltd. entered into a sale and purchase agreement in respect of the disposal of the remaining 35% equity interest of Su Zhou Dawnrays Pharma Sci-Tech for total consideration of RMB55.6 million. The loss on the disposal is minimal.

39. 待出售之資產

截至十二月三十一日，持有待出售之資產的主要類別如下：

2021
二零二一年
RMB'000
人民幣千元

31,413

6,968

55,882

94,263

附註(a)：

於二零二一年七月三十日，東瑞國際股份有限公司，一間本集團全資擁有附屬公司，蘇州融新建設發展有限公司(獨立第三方)與蘇州東瑞醫藥科技有限公司(「蘇州東瑞醫藥科技」)一間本集團全資擁有附屬公司，簽署一份買賣協議關於以總代價人民幣1.04億元出售(「出售事項」)本集團蘇州東瑞醫藥科技65%股權。於出售事項完成後，蘇州東瑞醫藥科技如財務報表附註40所披露，已不再是本集團的附屬公司。於二零二一年十二月三十一日，本集團將剩餘35%股權記錄為持有待出售之非流動資產。

於二零二二年一月二十六日，東瑞國際股份有限公司與蘇州融新建設發展有限公司簽署一份買賣協議關於以總代價人民幣55.6百萬元出售蘇州東瑞醫藥科技剩餘35%股權。出售之虧損極低。

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31 December 2021 於二零二一年十二月三十一日

40. DISPOSAL OF A SUBSIDIARY

An analysis of the assets and liabilities and the cash outflow of the disposal is as follows:

40. 出售一間附屬公司

出售資產、負債及現金流出之分析如下：

| | | Notes 附註 | 30 July 2021 二零二一年 七月三十日 RMB'000 人民幣千元 |
|--|---------------------------|-------------|---|
| Net assets disposed of: | 淨資產出售： | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 14,162 |
| Right-of-use assets | 使用權資產 | 15 | 3,423 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入損益之 財務資產 | | 31,000 |
| Cash and bank balances | 現金及銀行存款 | | 1,660 |
| Inventories | 存貨 | | 3,403 |
| Trade and notes receivables | 應收貿易及票據款項 | | 11,042 |
| Prepayments, other receivables and other assets | 預付款、其他應收款項及其他資產 | | 406 |
| Trade and notes payables | 應付貿易及票據款項 | | (2,291) |
| Other payables and accruals | 其他應付款及預提費用 | | (1,992) |
| | | | 60,813 |
| Profit disposal of a subsidiary | 出售一間附屬公司之溢利 | 4 | 99,069 |
| | | | 159,882 |
| Satisfied by | 結算 | | |
| Remaining equity interest held by the Group measured at fair value on disposal date | 本集團持有的剩餘股權在出售日 以公允價值計量 | | 55,882 |
| Cash | 現金 | | 104,000 |

Statutory reserve of RMB13,563,000 was released to retained earnings upon disposal.

法定儲備人民幣 13,563,000 元於出售時轉撥至保留盈利。

40. DISPOSAL OF A SUBSIDIARY (Cont'd)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

40. 出售一間附屬公司(續)

出售附屬公司的現金及現金等價物淨流入分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 |
|--|--------------------|-----------------------------------|
| Cash consideration received in 2021 | 於二零二一年收到的現金代價 | 75,319 |
| Cash and bank balances disposed of | 出售的現金及銀行存款 | (1,660) |
| Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary | 出售附屬公司的現金及現金等價物淨流入 | 73,659 |

The total consideration of the disposal of a subsidiary amounted to RMB104,000,000 (note 39), of which RMB75,319,000 was received in 2021 and the remaining amount of RMB20,800,000, after deducting withholding tax, was included in prepayments, other receivable and other assets as at 31 December 2021.

出售一間附屬公司的總代價為人民幣104,000,000元(附註39)，其中人民幣75,319,000元已於二零二一年收到，在扣除預扣稅後餘款人民幣20,800,000元計入截至二零二一年十二月三十一日的預付款、其他應收款項及其他資產。

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41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2021

41. 綜合現金流量表附註

(A) 由融資活動產生的負債變動

二零二一年

| | | Payable for repurchase of shares included in other payables and accruals 包含於 其他應付款及 預提費用的 回購股份應付款 RMB'000 人民幣千元 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
|---|--------------------------|---|---|
| At 1 January 2021 | 於二零二一年一月一日 | 5,905 | 2,949 |
| Changes from financing cash flows | 融資現金流的變動 | (15,531) | (1,044) |
| New lease | 新租賃 | - | 502 |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19 相關租金優惠 | - | (1) |
| Interest expense | 利息支出 | - | 101 |
| Repurchase of shares | 回購股份 | 9,626 | - |
| At 31 December 2021 | 於二零二一年十二月三十一日 | - | 2,507 |

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(A) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Cont'd)

2020

| | | Payable for repurchase of shares included in other payables and accruals 包含於其他應付款及預提費用的 回購股份應付款 RMB'000 人民幣千元 | Interest-bearing bank borrowings 計息銀行借貸 RMB'000 人民幣千元 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
|--|----------------------|---|--|---|
| At 1 January 2020 | 於二零二零年一月一日 | 398 | 216,776 | 2,907 |
| Changes from financing cash flows | 融資現金流的變動 | (40,277) | (216,776) | (59) |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19相關租金優惠 | - | - | (5) |
| Interest expense | 利息支出 | - | - | 106 |
| Repurchase of shares | 回購股份 | 45,784 | - | - |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 5,905 | - | 2,949 |

(B) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

41. 綜合現金流量表附註(續)

(A) 由融資活動產生的負債變動(續)

二零二零年

| | | Payable for repurchase of shares included in other payables and accruals 包含於其他應付款及預提費用的 回購股份應付款 RMB'000 人民幣千元 | Interest-bearing bank borrowings 計息銀行借貸 RMB'000 人民幣千元 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
|--|----------------------|---|--|---|
| At 1 January 2020 | 於二零二零年一月一日 | 398 | 216,776 | 2,907 |
| Changes from financing cash flows | 融資現金流的變動 | (40,277) | (216,776) | (59) |
| Covid-19-related rent concessions from lessors | 出租人提供與Covid-19相關租金優惠 | - | - | (5) |
| Interest expense | 利息支出 | - | - | 106 |
| Repurchase of shares | 回購股份 | 45,784 | - | - |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 5,905 | - | 2,949 |

(B) 租賃之總現金流出

包括在綜合現金流量表內的租賃總現金流出如下：

| | | 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 |
|-----------------------------|-------|-----------------------------------|-----------------------------------|
| Within operating activities | 經營活動內 | 1,020 | 958 |
| Within financing activities | 融資活動內 | 1,044 | 59 |
| | | 2,064 | 1,017 |

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財務報表附註

31 December 2021 於二零二一年十二月三十一日

42. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

| | |
|-----------------------------------|------------|
| Contracted, but not provided for: | 已訂約，但未作撥備： |
| Plant and machinery | 廠房及機器 |

- (b) The Group has various lease contracts that have not yet commenced as at 31 December 2021. The future lease payments for these non-cancellable lease contracts are RMB138,200 due within one year.

43. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

| | |
|---|------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 |
| Employee share option benefits | 員工購股權福利 |
| Pension scheme contributions | 退休金計劃供款 |
| Total compensation paid to key management personnel | 主要管理人員酬金總額 |

Further details of the directors' and the chief executive officer's emoluments are included in note 8 to the financial statements.

44. EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the financial statements, on February 2022, Mr. Chen Shaojun has resigned from his position as an executive director and the chief executive officer of the Company as well as other directorships and general manager at the subsidiary or associated company level of the Company. Mr. Wu Weixian has been appointed to act as the chief executive officer of the Company with effect from 16 February 2022.

42. 承擔

- (a) 於報告期末本集團擁有以下資本承擔：

| 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 |
|-----------------------------------|-----------------------------------|
| 239,908 | 252,523 |

- (b) 於二零二一年十二月三十一日本集團擁有尚未開始之多項租賃合約。此等不可取消之租賃之未來一年到期租賃款項為人民幣138,200元。

43. 關聯方交易

本集團主要管理人員酬金：

| 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 |
|-----------------------------------|-----------------------------------|
| 8,843 | 7,089 |
| 1,601 | 4,579 |
| 144 | 102 |
| 10,588 | 11,770 |

董事及總裁酬金詳情載於財務報表附註8。

44. 報告期後事項

除於財務報表其他部分披露者外，於二零二二年二月，陳紹軍先生辭任本公司執行董事兼總裁及其於本公司之附屬公司及聯營公司層面的其他董事及總經理之職務。吳偉賢先生自二零二二年二月十六日起被委任為本公司總裁。

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

45. 本公司財務狀況表

於報告期末本公司的財務狀況表資料如下：

| | | 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 |
|---|---------------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Interests in subsidiaries | 於附屬公司的權益 | 251,780 | 243,617 |
| Total non-current assets | 非流動資產總額 | 251,780 | 243,617 |
| CURRENT ASSETS | 流動資產 | | |
| Prepayments, other receivables and other assets | 預付款、其他應收款項及其他資產 | 266 | 246 |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | 6,933 | 5,962 |
| Cash and bank balances | 現金及銀行存款 | 2,540 | 10,236 |
| Total current assets | 流動資產總額 | 9,739 | 16,444 |
| CURRENT LIABILITIES | 流動負債 | | |
| Other payables and accruals | 其他應付款及預提費用 | 393 | 6,218 |
| Total current liabilities | 流動負債總額 | 393 | 6,218 |
| NET CURRENT ASSETS | 淨流動資產 | 9,346 | 10,226 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | 261,126 | 253,843 |
| Net assets | 淨資產 | 261,126 | 253,843 |
| EQUITY | 權益 | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | |
| Issued capital | 已發行股本 | 80,370 | 81,072 |
| Treasury shares | 庫存股份 | - | (430) |
| Reserves (note) | 儲備(附註) | 180,756 | 173,201 |
| Total equity | 權益總額 | 261,126 | 253,843 |

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31 December 2021 於二零二一年十二月三十一日

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note:

A summary of the Company's reserves is as follows:

45. 本公司財務狀況表(續)

附註：

本公司之儲備總結如下：

| | | Share premium account | Contributed surplus | Share option reserve | Capital redemption reserve | Exchange fluctuation reserve | Retained profits | Total |
|---|-------------------------|-----------------------|---------------------|----------------------|----------------------------|------------------------------|------------------|-----------|
| | | 股份溢價 | 繳入盈餘 | 購股權儲備 | 資本購回儲備 | 匯兌波動儲備 | 保留溢利 | 總額 |
| | | 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 | - | 100,175 | 41,124 | 5,684 | (41,563) | 96,530 | 201,950 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | 102,753 | 102,753 |
| Other comprehensive income for the year: | 本年度其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | (14,279) | - | (14,279) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | (14,279) | 102,753 | 88,474 |
| Shares repurchased and cancelled | 已購回並註銷之股份 | - | - | - | 1,634 | - | (33,239) | (31,605) |
| Shares repurchased and subsequently cancelled | 已購回並在期後註銷之股份 | - | - | - | 430 | - | (12,545) | (12,115) |
| Final 2019 dividend declared | 宣派二零一九年末期股息 | - | - | - | - | - | (61,358) | (61,358) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | - | - | 8,109 | - | - | - | 8,109 |
| Lapse of share options | 失效之購股權 | - | - | (4,176) | - | - | 4,176 | - |
| Interim 2020 dividend | 二零二零年中期股息 | - | - | - | - | - | (20,254) | (20,254) |
| 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 | - | 100,175 | 45,057 | 7,748 | (55,842) | 76,063 | 173,201 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | 161,266 | 161,266 |
| Other comprehensive income for the year: | 本年度其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | (6,963) | - | (6,963) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | (6,963) | 161,266 | 154,303 |
| Exercise of share options | 行使購股權 | 2,521 | - | (417) | - | - | - | 2,104 |
| Shares repurchased and cancelled | 已購回並註銷之股份 | - | - | - | 358 | - | (9,626) | (9,268) |
| Final 2020 dividend declared | 宣派二零二零年末期股息 | - | - | - | - | - | (125,312) | (125,312) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | - | - | 4,328 | - | - | - | 4,328 |
| Lapse of share options | 失效之購股權 | - | - | (29,390) | - | - | 29,390 | - |
| Interim 2021 dividend | 二零二一年中期股息 | - | - | - | - | - | (18,600) | (18,600) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 2,521 | 100,175 | 19,578 | 8,106 | (62,805) | 113,181 | 180,756 |

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

The contributed surplus of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation referred to in note 35(i), over the nominal value of the Company's shares issued in exchange therefor.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2022.

45. 本公司財務狀況表(續)

本公司的繳入盈餘如附註35(i)所述指根據集團重組所收購附屬公司當時的綜合資產淨值超逾本公司為換取有關資產而發行的本公司股份面值的部份。

購股權儲備包括已授出但尚未行使購股權的公允值，其進一步資料載於財務報表附註2.4股份支付的會計政策內。當有關購股權獲行使時，其數額將轉至已發行股本賬及股份溢價賬，或當有關購股權到期或被沒收時，其數額將轉至保留溢利。

46. 財務報表的批准

財務報表已於二零二二年三月二十五日獲董事會批准及授權發行。

Five Year Financial Summary

五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

以下為本集團於過去五個財政年度之業績、資產及負債概要，此乃摘錄自己公佈經審核財務報表。

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|-----------------------------------|--------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 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 | 2019 二零一九年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| RESULTS | 業績 | | | | | |
| Revenue | 收入 | 1,165,155 | 1,024,270 | 950,007 | 948,938 | 882,483 |
| Cost of sales | 銷售成本 | (483,893) | (473,625) | (414,138) | (353,909) | (320,934) |
| Gross profit | 毛利 | 681,262 | 550,645 | 535,869 | 595,029 | 561,549 |
| Other income and gains | 其他收入及收益 | 135,879 | 38,426 | 48,071 | 47,923 | 30,372 |
| Selling and distribution expenses | 銷售及分銷費用 | (109,030) | (54,572) | (84,812) | (106,854) | (88,086) |
| Administrative expenses | 行政費用 | (117,409) | (109,224) | (97,087) | (83,184) | (82,491) |
| Research and development costs | 研究及開發成本 | (67,028) | (57,944) | (49,651) | (46,352) | (46,352) |
| Other expenses | 其他費用 | (37,292) | (12,434) | (21,158) | (13,584) | (2,594) |
| Finance costs | 財務費用 | (641) | (4,828) | (5,309) | (1,152) | (13) |
| Share of losses of an associate | 應佔一間聯營公司之虧損 | (46,418) | (18,771) | (11,829) | (14,049) | (6,682) |
| PROFIT BEFORE TAX | 除稅前溢利 | 439,323 | 331,298 | 314,094 | 377,777 | 365,703 |
| Income tax expense | 所得稅 | (85,160) | (66,505) | (58,738) | (73,817) | (72,725) |
| PROFIT FOR THE YEAR | 本年度溢利 | 354,163 | 264,793 | 255,356 | 303,960 | 292,978 |
| Attributable to: | 以下各項應佔： | | | | | |
| Owners of the parent | 母公司擁有人 | 358,175 | 268,130 | 255,430 | 303,960 | 292,978 |
| Non-controlling interests | 非控股權益 | (4,012) | (3,337) | (74) | - | - |
| | | 354,163 | 264,793 | 255,356 | 303,960 | 292,978 |
| ASSETS AND LIABILITIES | 資產及負債 | | | | | |
| TOTAL ASSETS | 總資產 | 3,339,558 | 2,903,735 | 2,786,387 | 2,366,029 | 2,181,211 |
| TOTAL LIABILITIES | 總負債 | (941,697) | (720,143) | (760,075) | (444,867) | (375,053) |
| NET ASSETS | 淨資產 | 2,397,861 | 2,183,592 | 2,026,312 | 1,921,162 | 1,806,158 |

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 23 May 2022 to Friday, 27 May 2022, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2022 AGM. In order to be eligible to attend and vote at the 2022 AGM, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Friday, 20 May 2022 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (ii) from Thursday, 2 June 2022 to Monday, 6 June 2022, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Wednesday, 1 June 2022 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

ANNUAL GENERAL MEETING

The 2022 AGM will be held on Friday, 27 May 2022. Details of the 2022 AGM are set out in the notice of AGM with constitutes part of the circular to Shareholders sent together with this annual report.

暫停辦理股份過戶登記

本公司將於下列時段暫停辦理股份過戶登記手續：

- (i) 由二零二二年五月二十三日(星期一)至二零二二年五月二十七日(星期五)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定有權出席二零二二年股東週年大會並於會上投票之股東身份。為確保符合資格出席二零二二年股東週年大會並於會上投票之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零二二年五月二十日(星期五)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心54樓。
- (ii) 由二零二二年六月二日(星期四)至二零二二年六月六日(星期一)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定享有建議之末期股息的股東身份。為確保享有收取建議之末期股息之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零二二年六月一日(星期三)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心54樓。

於上述分段(i)及(ii)的時段期間內，將不會辦理股份過戶登記手續。

股東週年大會

二零二二年股東週年大會將於二零二二年五月二十七日(星期五)舉行。二零二二年股東週年大會通告的詳情已載於發給股東通函內，該通函連同本年報一併寄發給股東。

股東資料

FINANCIAL CALENDAR

| | |
|--------------------------------------|----------------|
| 2021 AGM | 28 May 2021 |
| Announcement of 2021 interim results | 27 August 2021 |
| Announcement of 2021 annual results | 25 March 2022 |
| 2022 AGM | 27 May 2022 |

DIVIDENDS

| | |
|---|--------------------------|
| 2021 Interim dividend | HK\$0.015 per share |
| Payment date for 2021 interim dividend | 5 October 2021 |
| Proposed 2021 final dividend | HK\$0.065 per share |
| Ex-dividend date for 2021 final dividend | 31 May 2022 |
| Book closing dates for 2021 final dividend | 2 June 2022–6 June 2022 |
| Payment date for proposed 2021 final dividend | on or about 15 June 2022 |

財務日誌

| | |
|-------------|-------------|
| 二零二一年股東週年大會 | 二零二一年五月二十八日 |
| 公佈二零二一年中期業績 | 二零二一年八月二十七日 |
| 公佈二零二一年全年業績 | 二零二二年三月二十五日 |
| 二零二二年股東週年大會 | 二零二二年五月二十七日 |

股息

| | |
|------------------------|--------------------|
| 二零二一年中期股息 | 每股港幣0.015元 |
| 二零二一年中期股息 派付日期 | 二零二一年十月五日 |
| 建議派發二零二一年 末期股息 | 每股港幣0.065元 |
| 二零二一年末期股息 除息日期 | 二零二二年五月三十一日 |
| 二零二一年末期股息 截止過戶日期 | 二零二二年六月二日 至六月六日 |
| 建議派發之二零二一年末期 股息派付日期 | 二零二二年六月十五日 或前後 |

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong

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