



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

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

**Stock Code: 3332**

股份代號: 3332



ANNUAL REPORT  
年報 2019

\* For identification purposes only 僅供識別

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# CORPORATE INFORMATION

## 公司資料

### DIRECTORS

#### Executive Directors

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

#### Independent Non-executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

Mr. Zhang Jitong (張繼彤) (*Chairman*)  
Mr. Wang Wei (王瑋)  
Ms. Zhang Yuan (張源)

### STRATEGY AND DEVELOPMENT COMMITTEE

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

### JOINT COMPANY SECRETARIES

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

### REGISTERED OFFICE AND HEADQUARTERS

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Jardine House  
1 Connaught Place  
Hong Kong

### 董事

#### 執行董事

桂平湖先生(董事長)  
張源女士(首席執行官)  
朱飛飛女士

#### 獨立非執行董事

張繼彤先生  
蔡天晨女士  
王瑋先生

### 審核委員會

蔡天晨女士(主席)  
張繼彤先生  
王瑋先生

### 薪酬委員會

王瑋先生(主席)  
蔡天晨女士  
朱飛飛女士

### 提名委員會

張繼彤先生(主席)  
王瑋先生  
張源女士

### 戰略及發展委員會

桂平湖先生(主席)  
張繼彤先生  
蔡天晨女士

### 聯席公司秘書

支卉女士  
甘美霞女士 *FCS (PE), FCIS*

### 註冊辦事處及總部

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

### 香港主要營業地點

香港  
康樂廣場1號  
怡和大廈40樓

### AUTHORISED REPRESENTATIVES

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

### LEGAL ADVISERS

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

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

### H SHARE REGISTRAR

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

### PRINCIPAL BANKERS

Shanghai Pudong Development Bank Cheng Dong Branch  
137 Daguang Road  
Nanjing, Jiangsu Province  
The PRC

Agricultural Bank of China Ma Qun Branch  
99 Huanling Road  
Qixia District  
Nanjing, Jiangsu Province  
The PRC

### AUDITOR

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

### STOCK CODE

3332

### COMPANY'S WEBSITE

[www.zs-united.com](http://www.zs-united.com)

### 授權代表

桂平湖先生  
甘美霞女士 *FCS (PE), FCIS*

### 法律顧問

*香港法律*  
趙不渝 馬國強律師事務所  
香港  
康樂廣場1號  
怡和大廈40樓

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

### H 股證券登記處

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

### 主要往來銀行

上海浦東發展銀行城東支行  
中國  
江蘇省南京  
大光路137號

中國農業銀行馬群支行  
中國  
江蘇省南京  
栖霞區  
環陵路99號

### 核數師

安永會計師事務所  
*執業會計師*  
香港中環  
添美道1號  
中信大廈22樓

### 股份代號

3332

### 公司網站

[www.zs-united.com](http://www.zs-united.com)



# FINANCIAL HIGHLIGHTS

財務摘要



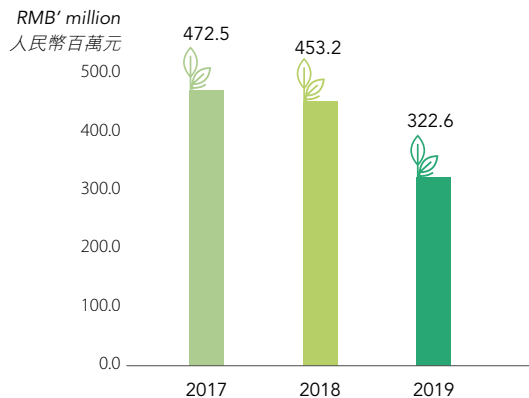
### FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately 28.8% to RMB322.6 million (2018: RMB453.2 million).
- Gross profit decreased by approximately 37.0% to RMB156.8 million (2018: RMB249.0 million).
- Loss for the Year was approximately RMB194.7 million (2018: loss of RMB112.8 million).
- Loss per share was RMB20.57 cents (2018: loss per share RMB11.92 cents).
- The Board does not recommend the payment of any final dividend (2018: Nil) for the Year or any special dividend (2018: Nil).

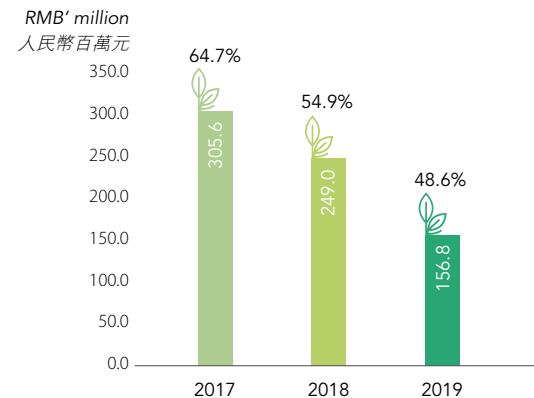
### 財務摘要

- 收益減少約28.8%至人民幣322.6百萬元(2018年：人民幣453.2百萬元)。
- 毛利減少約37.0%至人民幣156.8百萬元(2018年：人民幣249.0百萬元)。
- 本年度虧損約為人民幣194.7百萬元(2018年：虧損人民幣112.8百萬元)。
- 每股虧損為人民幣20.57分(2018年：每股虧損人民幣11.92分)。
- 董事會不建議派付本年度之任何末期股息(2018年：零)，亦不建議派付任何特別股息(2018年：零)。

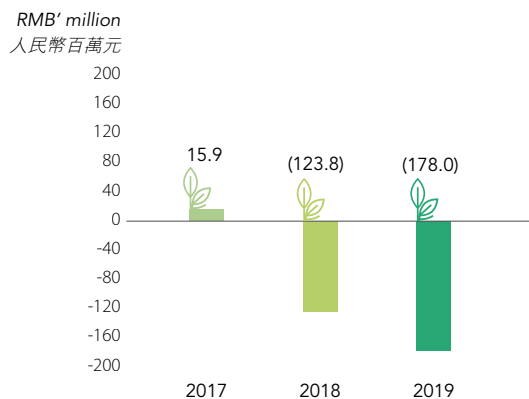
#### Revenue 收益



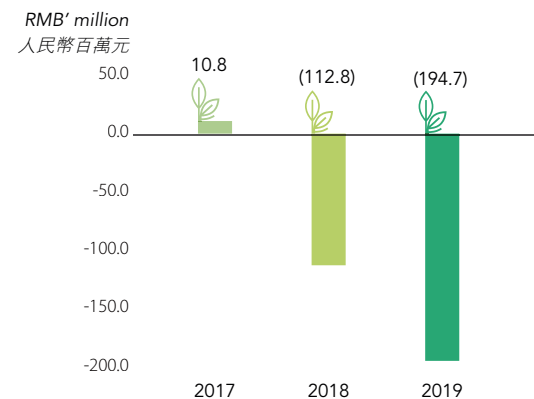
#### Gross Profit And Gross Profit Margin 毛利及毛利率



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



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



# CHAIRMAN'S STATEMENT

## 董事長致辭



To the Shareholders,  
On behalf of the board (the “Board”) of directors (the “Directors”) of Nanjing Sinolife United Company Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the audited annual results of the Group for the year ended 31 December 2019 (the “Year”).

致股東

本人代表南京中生聯合股份有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)欣然提呈本集團截至2019年12月31日止年度(「本年度」)的經審核全年業績。



### CHAIRMAN'S STATEMENT

In 2019, to further implement the Group's development strategy, the Group made great efforts into the development of products under the maternity and child series, continued to diversify its various sales channels including distributors, TV shopping platforms and e-commerce platforms, and strengthened the marketing of the Good Health brand series products.

In 2019, in order to establish a healthy environment for the development of the health product industry, the Chinese government regulators further strengthened the supervision and rectification measures to ensure that the health product market will become more and more standardised. When people take the initiative to boost healthy immunity as a rigid demand in life, the consumption of health products will become more normalised, and the management of product research, development and product application will also become more refined, thereby guiding consumers to improve their level of health in a more scientific way. For enterprises in the industry, high-quality products, standardised production and brand credibility will be the most important core competitiveness. The Good Health brand exactly meets the above requirements.

The outbreak of the novel coronavirus epidemic in early 2020 has caused material impact on the PRC's economic operation and the living of the public. The epidemic also affected the Company's daily operation to a certain extent, especially in the product distribution and logistics. Recently, with the gradual control and mitigation of the PRC's epidemic, logistics and distribution have basically resumed to normal. The Company has evaluated the epidemic with due care and believes that it will not bring material impact on the Company's daily operation and cash flow. The fight against the epidemic also arouses the public to reflect on the importance of health and immunity. After the SARS epidemic, the health product industry ushered in a wave of growth since 2003. With the subsequent vigorous efforts invested by the PRC into the big health industry and the improvement of the living standards of the public, the health product industry has maintained growth year by year. According to the data from third-party statistical agencies, the global health product market reached US\$266.7 billion in 2019, and the PRC has become the world's second largest health product market with its market share of up to 21.8% and a volume of approximately US\$58 billion which demonstrated year-by-year growth. In 2020, the Company will continue to implement its established development strategy and focus on the Good Health brand. In particular, it will increase investment in research and development, market promotion, and channel construction of products under the maternity and child series to increase the Company's results in 2020.

### 董事長致辭

2019年，為進一步貫徹本集團發展戰略，本集團於本年度大力發展母嬰系列產品，繼續在多樣化的銷售渠道（其中包括經銷商、電視購物平台和電子商貿平台等），加強對好健康系列產品的營銷推廣力度。

2019年，中國政府監管機構為樹立健康的保健品行業發展環境，進一步加強了監管整頓力度，使得保健品市場越來越向規範化發展。當人們主動將提升健康免疫力作為生活剛性需求，保健品消費將變得更加日常化，也會推動產品研發和使用的管理更加精細，從而指導消費者更加科學地提升自我健康水平。對於行業內的企業來說，優質的產品、標準的生產和品牌公信力會是企業最為核心的競爭力。好健康品牌恰好符合以上幾個要求。

2020年初爆發新型冠狀病毒疫情，給中國的經濟運行和社會大眾的生活帶來了重大影響。疫情對本公司的日常經營也帶來了一定的影響，特別是在產品配送物流環節。近期，隨着中國疫情逐步得到控制和緩解，物流配送也已基本恢復正常。公司已對疫情進行謹慎評估，認為疫情並不會對公司的日常經營和現金流產生重大影響。抗擊疫情的同時，也引發大眾開始反思健康和免疫力的重要性。自2003年起，非典型肺炎疫情過後，保健品行業迎來了一波增長，隨後中國大力發展大健康行業及大眾生活水平的提升，保健品行業保持了逐年的增長。根據第三方統計機構數據顯示，2019年全球保健品市場規模達到2,667億美元，中國已成為全球第二大保健品市場，市場份額高達21.8%，規模約為580億美元，且逐年保持增長。2020年，本公司將繼續執行既定發展戰略，聚焦好健康品牌，尤其在母嬰系列產品上加大研發、市場宣傳推廣和渠道建設的投入，提升本公司2020年的業績。



## CHAIRMAN'S STATEMENT

### 董事長致辭

#### APPRECIATION

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

**Mr. Gui Pinghu**

*Chairman*

27 March 2020

#### 致謝

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

董事長

桂平湖先生

2020年3月27日

GOOD HEALTH  
好健康系列



Propolis Capsules  
天然蜂膠膠囊



Oyster Plus Capsules  
牡蠣精膠囊



Hi Cal™ Liquid Calcium & Vitamin D  
高鈣 — 液體鈣和維生素D



Goats' Milk Powder  
山羊奶粉



Grape Seed 55,000 Capsules  
葡萄籽55,000膠囊



1-a-day Glucosamine  
氨基葡萄糖

## PRODUCT INFORMATION

產品資料

### GOOD HEALTH 好健康系列



**100% Pure Colostrum**  
100%牛初乳粉



**Deep Sleep Capsules**  
深度睡眠膠囊



**Omega 3 Fish Oil Capsules**  
深海魚油膠囊



**Modified Milk Powder**  
乳鐵蛋白調製乳粉



**Celery 12,000 Capsules**  
芹菜籽精華膠囊



**Mussel 6000**  
綠唇貽貝6000

### BUSINESS REVIEW

In 2019, to further implement the Group's development strategy, the Group made great efforts into the development of products under the maternity and child series, continued to diversify its various sales channels including distributors, TV shopping platforms and e-commerce platforms, and strengthened the marketing of the Good Health brand series products. The sales revenue for the Year decreased as compared to that of 2018 due to the reduced sales revenue of original retail shops under the Zhongsheng brand and online call centres as a result of the Group's adjustment of sales channels. The revenue of the Group decreased from approximately RMB453.2 million in 2018 to approximately RMB322.6 million for the Year, representing a decrease of approximately 28.8%. The Group recorded a loss of approximately RMB194.7 million, as compared to a loss of approximately RMB112.8 million in 2018.

During the Year, the Group continued to adopt the strategies of focusing on the Good Health brand and sales promotion through distributors, TV shopping and e-commerce channels, so as to achieve increasingly higher brand recognition of Good Health brand in the target markets. The Group carried out continuous brand building and promotion mainly through combination of distributors, TV shopping platforms, chain pharmacies and travel channels, and at the same time by opening flagship stores on domestic major e-commerce platforms.

During the Year, in order to enhance the market competitiveness of its products and meet the evolving consumer demands, the Group has adopted a market-oriented strategy for research and product development to further strengthen the development of new products. During the Year, the Group has launched a total of 25 new products, including 2 Hejian series products, 20 Good Health series products and 3 Living Nature series products. The new products mainly comprise probiotic solid beverage, green-lipped mussel, organic fucoidan capsule and DHA & PS soft capsule.

For the PRC's market, the Group has made great effort to develop domestic distributors, TV shopping platforms and e-commerce platforms during the Year. In terms of TV shopping platforms, the Group has built cooperation with a number of platforms including yougou.com, hao24.com, best1.com, jiajiamall, CNRMall, happigo.com, ocj.com.cn and Global Home Shopping to sell general trade and cross-border trade products. In terms of e-commerce platforms, the Group continued to cooperate with e-commerce platforms such as Tmall International, JD.com, suning.com, xiaohongshu.com, pinduoduo.com and Health Post.

The Group's overseas diversified sales platforms mainly include international distribution network broadly distributed in countries including the United Kingdom, Germany, Singapore, Vietnam and Thailand, and local large chain pharmacies, health goods supermarkets and tourist souvenir shops in New Zealand and Australia.

### 業務回顧

2019年，為進一步貫徹本集團發展戰略，本集團於本年度大力發展母嬰系列產品，繼續在多樣化的銷售渠道(其中包括經銷商、電視購物平台、電子商貿平台等)，加強對好健康系列產品的營銷推廣力度。由於本集團銷售渠道的調整，原有中生線下零售門店、線上呼叫中心銷售收入的減少，本年度銷售收入較2018年度有所下降。本集團的收益由2018年的約人民幣453.2百萬元，下降至本年度的約人民幣322.6百萬元，降幅約為28.8%。本集團錄得虧損約人民幣194.7百萬元，而於2018年則錄得虧損約人民幣112.8百萬元。

於本年度內，本集團繼續採取聚焦於好健康品牌和透過在經銷商、電視購物及電子商貿等渠道進行銷售推廣的策略，以促進好健康品牌在目標市場的知名度日益攀升。本集團主要通過經銷商、電視購物平台、連鎖藥房及旅遊渠道等模式相結合；同時，我們也通過在境內大型電子商貿平台開設旗艦店等方式進行持續的品牌建設及推廣。

於本年度內，本集團為提升產品的市場競爭力及滿足不斷轉變的消費者需要，本集團採用以市場為導向的研究及產品開發策略，進一步加強對新產品的開發。於本年度內，本集團共計推出25項新產品，包括2項禾健系列產品、20項好健康系列產品以及3項Living Nature系列產品。新產品主要包括益生菌固體飲料、綠唇貽貝、有機鹽藻多糖膠囊及DHA & PS軟膠囊等。

對於中國市場，本集團於本年度內大力發展本地經銷商、電視購物平台和電子商貿平台。關於電視購物平台，本集團已和優購物、好享購、好易購、家家購、央廣購、快樂購、東方購物和環球購物等多家平台開展合作，銷售一般貿易及跨境貿易產品。關於電子商貿平台，本集團持續與天貓國際、京東、蘇寧易購、小紅書、拼多多、Health Post等電子商貿平台開展合作。

本集團在海外的多元化銷售平台主要包括廣泛分布於各國的國際經銷商網絡(包括英國、德國、新加坡、越南、泰國及紐西蘭和澳大利亞本地的大型連鎖藥房、健康品超市及旅遊紀念品商店)。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Results

The revenue of the Group for the Year was approximately RMB322.6 million, representing a decrease of approximately 28.8% from approximately RMB453.2 million in 2018. The Group recorded a loss of approximately RMB194.7 million, as compared to a loss of approximately RMB112.8 million for 2018. The Company's loss per share was approximately RMB20.57 cents (2018: loss per share of approximately RMB11.92 cents) based on the weighted average number of 946,298,370 (2018: 946,298,370) ordinary shares of the Company in issue for the Year.

#### Revenue

The revenue of the Group decreased by approximately 28.8% from approximately RMB453.2 million for 2018 to approximately RMB322.6 million for the Year. As of the end of 2019, as a result of further implementing the Group's strategic planning of focusing resources on developing distributors, TV shopping platform and e-commerce platforms, the sales of offline retail shops decreased by approximately 91.6% from approximately RMB86.6 million for 2018 to approximately RMB7.3 million for the Year, and the sales of online call centres decreased by approximately 65.3% from approximately RMB97.9 million for 2018 to approximately RMB34.0 million for the Year.

#### Gross profit

The Group's gross profit decreased from approximately RMB249.0 million for 2018 to approximately RMB156.8 million for the Year. The Group's average gross profit margin decreased from approximately 54.9% for 2018 to approximately 48.6% for the Year. Such decrease in gross profit margin was mainly due to the proportion of sales revenue of distributors, TV shopping platforms and e-commerce platforms further increased as compared with 2018 under the Group's adjustment of sales channels. The gross profit margins of distributors and TV shopping platforms were lower than that of the offline retail shops and online call centres. Meanwhile, the Group promoted its honey series products by discount. As such, the Group's overall gross profit margin was affected.

#### Other income and gains

The Group's other income and gains mainly comprised bank interest income, foreign exchange gain and government grants, which decreased from approximately RMB9.1 million for 2018 to approximately RMB8.7 million for the Year.

### 財務回顧

#### 業績

本集團於本年度內的收益約為人民幣322.6百萬元，較2018年的約人民幣453.2百萬元減少約28.8%。本集團錄得虧損約人民幣194.7百萬元，而於2018年則錄得虧損約人民幣112.8百萬元。按本年度本公司已發行普通股加權平均數946,298,370股（2018年：946,298,370股）計算，本公司的每股虧損約為人民幣20.57分（2018年：每股虧損約人民幣11.92分）。

#### 收益

本集團的收益由2018年的約人民幣453.2百萬元減少約28.8%至本年度的約人民幣322.6百萬元。截止2019年末，由於進一步執行本集團的戰略規劃，集中資源發展經銷商、電視購物平台及電子商貿平台，線下零售門店的銷售額由2018年的約人民幣86.6百萬元減少至本年度的約人民幣7.3百萬元，降幅約為91.6%；及線上呼叫中心銷售額由2018年的約人民幣97.9百萬元減少至本年度的約人民幣34.0百萬元，降幅約為65.3%。

#### 毛利

本集團的毛利由2018年的約人民幣249.0百萬元減少至本年度的約人民幣156.8百萬元。本集團的平均毛利率則由2018年的約54.9%下降至本年度的約48.6%。毛利率下降主要是由於本集團銷售渠道的調整，經銷商、電視購物平台、電子商貿平台的銷售收入佔比較2018年進一步增加。經銷商及電視購物平台的毛利率低於線下零售門店和線上呼叫中心。同時，本集團降價促銷其蜂蜜系列產品，因此影響了本集團綜合毛利率的水平。

#### 其他收入及收益

本集團的其他收入及收益主要包括銀行利息收入、匯兌收益及政府補助金，由2018年的約人民幣9.1百萬元減少至本年度的約人民幣8.7百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately 17.8% from approximately RMB225.6 million for 2018 to approximately RMB185.4 million for the Year, representing approximately 49.8% and 57.5% of the Group's revenue for 2018 and the Year respectively. Such decrease was primarily due to the adjustment of the number of offline retail shops and online call centres by the Group, the reduction of headcount, the decrease in staff remuneration expenses and daily expenses as well as the cut-down of marketing expenses of Good Health during the Year.

### Administrative expenses

The Group's administrative expenses increased by approximately 6.8% from approximately RMB79.8 million for 2018 to approximately RMB85.2 million for the Year, representing approximately 17.6% and 26.4% of the Group's revenue in 2018 and the Year respectively. Such increase was primarily the increase in fixed assets depreciation as a result of being put into operation of the Group's research & development ("R&D") centre.

### Other expenses

The Group's other expenses decreased by approximately 4.7% from approximately RMB76.5 million in 2018 to approximately RMB72.8 million for the year, which is mainly comprised of recognition of the impairment of goodwill and intangible assets of Shanghai Hejian Nutritional Food Products Company Limited\* (上海禾健營養食品有限公司) ("Hejian") amounting to approximately RMB34.8 million and RMB36.1 million, respectively.

During the year ended 31 December 2019, since the supervision and rectification measures of the Chinese health food industry were strengthened, the Hejian cash-generating unit ("CGU") suffered from operation losses. Accordingly, impairment indicators were identified for the CGU's non-current assets, including other intangible assets with indefinite useful lives. The Group performed impairment test over the trademarks and customer relationships of Hejian CGU. The Directors use the generally accepted relief from royalty method and multiple period excess earning method. Under the relief from royalty method, royalty expenses saved by holding of trademarks are estimated, and the discount rate applicable to the risk exposure to realizable interests is adopted to discount such interests to its present value. Under the multiple period excess earning method, the future economic benefits generated from existing customer relations are estimated excluding other assets such as trademarks, fixed assets, operating capital, and the discount rate applicable to the risk exposure to realizable interests is adopted to discount such interests to its present value. For the year ended 31 December 2019, the Company recognized an impairment loss of intangible assets of approximately RMB36.1 million.

\* For identification purpose only

### 銷售及經銷開支

本集團的銷售及經銷開支由2018年的約人民幣225.6百萬元減少約17.8%至本年度的約人民幣185.4百萬元，分別佔本集團2018年及本年度收益約49.8%及57.5%。有關減少主要是由於本集團對線下零售門店及線上呼叫中心數目進行調整，人員減少，員工薪酬開支及日常開支減少，以及好健康於本年度內減少了宣傳推廣費用。

### 行政開支

本集團的行政開支由2018年的約人民幣79.8百萬元增加約6.8%至本年度的約人民幣85.2百萬元，分別佔本集團2018年及本年度收益約17.6%及26.4%。有關增加主要是由於本集團研究與開發（「研發」）中心投入使用導致固定資產折舊增加。

### 其他開支

本集團的其他開支由2018年的約人民幣76.5百萬元減少約4.7%至本年度的約人民幣72.8百萬元，主要包括確認上海禾健營養食品有限公司（「禾健」）的商譽和無形資產的減值分別約為人民幣34.8百萬元和人民幣36.1百萬元。

截至2019年12月31日止年度，由於中國保健品行業的監管整頓力度的加強，禾健現金產生單位（「CGU」）產生營運虧損，因此禾健現金產生單位的非流動資產（包括使用壽命不確定的其他無形資產）存在減值跡象。本集團對禾健現金產生單位的商標及客戶關係進行了減值測試。董事分別採用普遍接納的許可費節省法（relief from royalty method）和多期超額收益法（multiple period excess earning method），許可費節省法估計持有商標所節省的許可費支出，並採用適用於變現利益的有關風險的貼現率貼現該等利益至其現值。多期超額收益法估計現有客戶關係產生的未來經濟利益並扣除其他資產如商標、固定資產、營運資本等的貢獻，採用適用於變現利益的有關風險的貼現率貼現該等利益至其現值。本公司於截至2019年12月31日止年度確認無形資產減值虧損約人民幣36.1百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

In the determination of the value-in-use of Hejian cash-generating unit for impairment test on goodwill, the Directors use the generally accepted business enterprise appraisal approach, namely the income approach, which estimates the future economic benefits generated by the Hejian cash-generating unit and discounts these benefits to its present value using a discount rate suitable for the risks associated with realizing the benefits. The valuation approach has been consistently applied as at 31 December 2018 and 2019. In view of, among others, the more stringent laws and regulations in relation to the relevant industry and the tightening of enforcement by the relevant PRC government authorities in 2019, and the Group's adjustment to resource investment in sales channels, the value-in-use of the Hejian cash-generating unit was lowered from approximately RMB80.4 million as at 31 December 2018 to approximately RMB20.5 million as at 31 December 2019. Taking into account the above factors, the Company recognized an impairment loss for the goodwill of approximately RMB34.8 million for the year ended 31 December 2019.

Set out below is an analysis of the changes in key parameters and assumptions adopted for impairment test for goodwill and intangible assets of Hejian cash-generating unit as at 31 December 2019:

### 1. Growth rate of sales revenue

In 2019, the PRC government continued to take stricter measures and increased monitoring actions towards the industry in which the Company operates. To ensure compliance with the relevant PRC regulations, the Group is more cautious about sales strategy and investment in sales resources, thereby leading to pressure on the growth rate of the sales revenue of Hejian. In addition, the Group shifted its business strategy in recent years to focus more on the young and middle-aged market instead of the elderly market, which impacted the sales of Hejian products which largely consisted of products for the elderly market. Due to the above-mentioned factors including the continued impact of the increasingly tightened government regulation and public criticism in the domestic market during 2019, sales revenue of Hejian saw a decrease by approximately 64% from 2018 to 2019. The management expected that in 2020, the sales revenue of Hejian would gradually rebound with its investment and expansion of young and middle-aged business market.

在釐定禾健現金產生單位的使用價值以對商譽進行減值測試時，董事採用普遍接納的商業企業評估法（即收入法），該方法估計禾健現金產生單位產生的未來經濟利益，及採用適用於變現利益的有關風險的貼現率貼現該等利益至其現值。於2018年及2019年12月31日一貫應用估值方法。鑒於（其中包括）2019年與相關行業有關的法律法規趨嚴，中國相關政府機關持續的執法力度，以及集團對銷售渠道投入資源的調整，禾健現金產生單位的使用價值由2018年12月31日的約人民幣80.4百萬元降至2019年12月31日的約人民幣20.5百萬元。經計及上述因素，本公司於截至2019年12月31日止年度確認商譽減值虧損約人民幣34.8百萬元。

以下載列禾健現金產生單位於2019年12月31日的商譽和無形資產減值測試採用的主要參數及假設的變動分析：

### 1. 銷售收益的增長率

2019年，中國政府對本公司所在的行業繼續採取嚴格的措施及監管行動力度，為確保遵守中國相關法規，本集團在銷售策略和銷售資源的投資上更為謹慎，因而對禾健的銷售收益增長率造成壓力。此外，本集團轉變近年來的業務策略，更多關注中青年市場而非老年市場，對以老年市場產品為主打的禾健產品的銷量產生影響。由於上述因素（包括2019年政府監管趨嚴及國內市場的輿論批評持續影響），禾健2019年的銷售收益較2018年減少約64%。管理層預期，隨著中青年業務市場的投入和拓展，2020年禾健的銷售收益將逐步回升。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. Pre-tax discount rate

The Company adopted a pre-tax discount rate of 21.5% as the discount rate for Hejian cash-generating unit for goodwill impairment test 31 December 2019 and adopted a pre-tax discount rate of 23.7% as the discount rate for Hejian intangible assets impairment test for 31 December 2019. Discount rate is determined based on the weighted average cost of capital. Weighted average cost of capital is the average rate of return a company expects to compensate all its different investors and represents the expected return on all of a company's capital. Each source of capital, such as equity and debt, is assigned with a required rate of return, and then these required rates of return are weighted in proportion to the share of each source of capital contributes to the company's structure. The cost of equity was estimated using the capital asset pricing model based on the betas of identified listed comparable companies which are engaged in similar business with Hejian (The pre-tax discount rate for 31 December 2018 is 23.1%).

### 3. Long-term growth rate

The long-term growth rate of 3% (2018: 3%) was referenced to the long-term inflation rate of the major markets in China, in which the Hejian cash-generating unit is expected to mainly derive its revenue from and incur operating expenses.

### Income tax (expense)/credit

The Group recorded an income tax expense of approximately RMB13.1 million for the Year, as compared with an income tax credit of approximately RMB14.3 million for 2018, which was primarily due to the derecognition of deferred income tax assets recognised in prior years during the Year.

The Group's effective tax rates in the Year and 2018 was approximately (7.2)% and 11.2% respectively.

### 2. 稅前貼現率

本公司使用稅前貼現率 21.5% 作為禾健現金產生單位商譽減值測試 2019 年 12 月 31 日的貼現率，使用稅前貼現率 23.7% 作為禾健無形資產減值測試 2019 年 12 月 31 日的貼現率。貼現率乃根據加權平均資本成本釐定。加權平均資本成本是公司預期補償其所有不同投資者的平均回報率，及公司所有資本之預期回報。每項資本來源（例如股權及債務）獲分派規定的回報率，然後該等規定回報率會按每項資本來源對公司架構之貢獻比例計算比重。股權成本根據與禾健從事類似業務的可識別比較上市公司的貝塔係數使用資本資產定價模式估計（2018 年 12 月 31 日的稅前貼現率為 23.1%）。

### 3. 長期增長率

長期增長率 3%（2018 年：3%）乃參考禾健現金產生單位預期主要賺取收益及產生經營開支的中國主要市場的長期通脹率釐定。

### 所得稅（開支）／抵免

本集團於本年度錄得所得稅開支人民幣 13.1 百萬元，而 2018 年所得稅抵免約為人民幣 14.3 百萬元，主要是由於本年度將之前年度確認的遞延所得稅資產終止確認所致。

本集團於本年度及 2018 年的實際稅率分別約為 (7.2)% 及 11.2%。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Loss for the Year

As a result of the foregoing, the Group recorded a loss for the Year of approximately RMB194.7 million, as compared with a loss of approximately RMB112.8 million for the year ended 31 December 2018.

The loss for the Year was mainly caused by the following factors:

1. With the Group's adjustment of sales channels, the number of offline retail shops was cut down, and the advertising and marketing activities of online call centres were reduced, leading to the decrease in sales revenue from offline retail shops and online call centres.
2. The proportion of sales revenue of distributors, TV shopping platforms and e-commerce platforms further increased as compared with 2018. The gross profit margins of distributors and TV shopping platforms were lower than that of the offline retail shops and online call centres. Meanwhile, the Group promoted its honey series products by discount, thereby affecting the Group's overall gross profit margin.
3. At the end of the Year, the Company re-assessed the performance of Hejian for the Year and in the coming years. As the performance of Hejian was below the Company's expectation, the Company recognised provision for impairment loss of the goodwill and intangible assets for Hejian.

### LIQUIDITY AND CAPITAL RESOURCES

#### Cash flow

During the Year, the Group's cash and cash equivalents decreased by approximately RMB93.9 million, which mainly comprised the net cash outflow from operating activities with the amount of approximately RMB68.1 million, net cash outflow used in investing activities with the amount of approximately RMB17.4 million, net cash outflow used in financing activities with the amount of approximately RMB9.3 million and exchange gain of approximately RMB1.0 million.

### 本年度虧損

基於上文所述，本集團於本年度錄得虧損約人民幣194.7百萬元，截至2018年12月31日止年度則錄得虧損約人民幣112.8百萬元。

本年度虧損主要由於以下因素：

1. 本集團對銷售渠道的調整，減少了線下零售門店數量，以及減少了線上呼叫中心的廣告宣傳和營銷推廣活動，導致線下零售門店和線上呼叫中心的銷售收入減少。
2. 經銷商、電視購物平台和電子商貿平台的銷售收入佔比較2018年進一步增加。經銷商及電視購物平台的毛利率低於線下零售門店和線上呼叫中心。同時，本集團降價促銷其蜂蜜系列產品，因此影響了本集團綜合毛利率水平。
3. 本年度末，本公司重新評估了禾健於本年度及未來幾年的業績表現，由於相關年度的業績表現低於本公司的預期，因此，本公司對禾健計提了商譽及無形資產減值撥備。

### 流動資金及資本資源

#### 現金流量

於本年度內，本集團現金及現金等價物減少約人民幣93.9百萬元，主要包括經營活動所得現金流量淨流出約人民幣68.1百萬元、投資活動所用現金流量淨流出約人民幣17.4百萬元、融資活動所用現金流量淨流出約人民幣9.3百萬元及匯兌收益約人民幣1.0百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Inventories

The Group's inventories amounted to approximately RMB89.8 million (as at 31 December 2018: approximately RMB110.9 million) as at 31 December 2019. The Group's inventories comprised raw materials, work in progress, finished goods and goods merchandise. The inventories balances decreased by approximately 19.0% compared with that as at 31 December 2018. During the Year, inventory turnover days was approximately 221 days (2018: 307 days). The shorter inventory turnover days during the Year was primarily because the Company made greater efforts in the sale of the beginning inventories of the honey series products during the Year.

### Trade receivables

The Group's trade receivables amounted to approximately RMB44.4 million (as at 31 December 2018: approximately RMB57.7 million) as at 31 December 2019 which represents a decrease of approximately 23.1% from that as at 31 December 2018, which was mainly due to the decreased sales revenue for the Year.

### Trade payables

The Group's trade payables amounted to approximately RMB13.5 million (as at 31 December 2018: approximately RMB15.7 million) as at 31 December 2019, representing a decrease of approximately 14.0% from that as at 31 December 2018. Turnover days for trade payables increased to 32 days (2018: 31 days), which showed no significant fluctuation.

### Foreign exchange exposure

The Group conducts in-bound transactions principally in RMB and outbound transactions principally in New Zealand Dollar and Australian Dollar. In respect of the Group's risk exposure to exchange rate, the Group had not utilised any financial instruments for hedging purposes as at 31 December 2019.

### Borrowings and pledge of assets

The Group had loan balances of RMB27.5 million and pledge of assets (being the property interest of the Company in Deji Building in Nanjing and the Company's shareholding in Shanghai Weiyi Investment & Management Limited Company\* (上海惟翊投資管理有限公司)) as at 31 December 2019.

### Gearing position

The gearing ratio, which represented total net debt (including interest-bearing bank and other borrowings, lease liabilities, trade payables and other payables and accruals) divided by total equity attribute to owners of the parent and net debt multiplied by 100%, was 16.2% and 22.5% as at 31 December 2018 and 2019, respectively.

### 存貨

於2019年12月31日，本集團的存貨約為人民幣89.8百萬元（於2018年12月31日：約人民幣110.9百萬元），本集團的存貨包括原材料、在製品、製成品及採購品。存貨餘額較2018年12月31日減少約19.0%。於本年度內，存貨周轉天數約為221天（2018年：307天），本年度存貨周轉天數縮短，主要是由於本公司在本年度內加大了對蜂蜜系列產品年初庫存的銷售力度。

### 貿易應收款項

於2019年12月31日，本集團的貿易應收款項約為人民幣44.4百萬元（於2018年12月31日：約人民幣57.7百萬元），較2018年12月31日降幅約為23.1%。主要是由於本年度銷售收入減少。

### 貿易應付款項

於2019年12月31日，本集團的貿易應付款項約為人民幣13.5百萬元（於2018年12月31日：約人民幣15.7百萬元），較2018年12月31日減少約14.0%。貿易應付款項周轉天數增加至32天（2018年：31天），並無出現重大波動。

### 匯兌風險

由於本集團境內業務主要以人民幣進行業務交易，境外業務主要以紐西蘭元及澳元進行業務交易。針對本集團面臨的匯兌風險，本集團並未於2019年12月31日使用任何金融工具作對沖用途。

### 借款及資產抵押

於2019年12月31日，本集團貸款餘額為人民幣27.5百萬元，並有資產抵押（為本公司於南京德基大廈的物業權益及本公司於上海惟翊投資管理有限公司的股權）。

### 資產負債狀況

資產負債比率乃將總負債淨額（包括計息銀行及其他借款、租賃負債、貿易應付款項及其他應付款項以及應計費用）除以母公司擁有人應佔總權益及負債淨額再乘以100%後呈列，於2018年及2019年12月31日分別為16.2%及22.5%。

\* For identification purpose only

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Capital expenditure

The Group invested approximately RMB25.7 million during the Year (2018: approximately RMB39.1 million) for building the R&D centre, plant and equipment.

### Capital commitments and contingent liabilities

As at 31 December 2019, the Group did not have significant capital commitments (as at 31 December 2018: approximately RMB38.8 million).

### PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

### 資本開支

於本年度內，本集團斥資約人民幣25.7百萬元（2018年：約人民幣39.1百萬元）用於建設研發中心、廠房及設備。

### 資本承擔及或然負債

於2019年12月31日，本集團並無重大資本承擔（於2018年12月31日：約人民幣38.8百萬元）。

### 主要風險及不明朗因素

#### 原材料及包裝材料價格上漲會對我們的業務造成不利影響

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

#### 匯率風險及匯率波動可能對業務及投資環境產生不利影響

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

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

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

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

### **中國政府的外匯管制可能會限制外匯交易，包括H股的股息派發**

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

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### **The Company's failure to appropriately respond to changing consumer preferences and introduce new products could significantly harm our customer relationships and product sales**

The continued success of our business is particularly subject to changing consumer trends and preferences and our ability to anticipate and respond to these changes. If the Company are not able to respond in a timely or commercially appropriate manner to these changes, our customer relationships and product sales could be harmed significantly. Furthermore, the nutritional supplements industry is characterized by rapid and frequent changes in demand for new products. The Company's failure to accurately predict these trends by introducing new products could negatively impact consumer opinion of the Company. This could harm our customer relationships and cause losses to our market share. The success of our new product offerings depends upon a number of factors, including our ability to accurately anticipate customer needs, innovate and develop new products, successfully commercialize new products in a timely manner, price our products competitively, manufacture and deliver our products in sufficient volumes and in a timely manner, and differentiate our product offerings from those of our competitors. If we do not introduce new products or make enhancements to meet the changing needs of our customers in a timely manner, some of our products could become obsolete, which could have a material adverse effect on our operating results.

### **HUMAN RESOURCES MANAGEMENT**

Quality and dedicated staff is indispensable asset to the Group's success in the competitive market. By providing comprehensive training and corporate culture education periodically, the employees are able to obtain on-going training and development in the nutritional supplements industry. Furthermore, the Group offers competitive remuneration packages commensurated with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure they are in line with market practice and regulatory requirements. As at 31 December 2019, the Group employed a work force of 448 employees. The total salaries and related costs for the Year amounted to approximately RMB86.0 million (as at 31 December 2018: approximately RMB111.1 million).

如本公司無法適當應對不斷轉變的消費者喜好並推出新產品，或將會損害我們的客戶關係及產品銷售

我們業務的持續成功，受到不斷轉變的消費者趨勢及喜好以及我們預料及應對該等轉變的能力影響。如本公司未能及時或以商業上合適的方式應對該等轉變，我們的客戶關係及產品銷售或會受到損害。此外，營養膳食補充劑行業的特徵是對新產品的需求快速及頻繁轉變。如本公司未能通過推出新產品正確預計該等趨勢，或會使消費者對本公司產生負面看法。這會損害我們的客戶關係及導致我們失去市場份額。我們新產品類型的成功與否取決於多項因素，包括我們在下列各方面的能力：準確預測客戶需求、創新及發展新產品、成功及時令新產品商業化、對產品進行具競爭力定價、及時製造及交付足夠數量的產品、令我們的產品種類有別於我們競爭對手的產品種類。如我們並無及時推出新產品或改進產品以滿足不斷轉變的客戶需求，我們的部分產品或會變得陳舊，從而會對我們的經營業績造成不利影響。

### **人力資源管理**

高質素及盡責的員工是本集團於競爭市場得以成功及不可或缺的資產。藉著定期提供全面的培訓及企業文化教育，員工能夠獲得營養膳食補充劑行業方面的持續培訓及發展。此外，本集團為全體僱員提供符合行業慣例並具競爭力的薪酬待遇及多種附帶福利。本集團定期檢討其人力資源及薪酬政策，以確保符合市場慣例及監管規定。於2019年12月31日，本集團僱用員工448人。於本年度的薪金及相關成本總額約為人民幣86.0百萬元(於2018年12月31日：約人民幣111.1百萬元)。

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## 董事、監事、高級管理層及僱員

### DIRECTORS

The Board consists of six Directors, including three executive Directors and three independent non-executive Directors.

The information of the Directors is set out as follows:

### 董事

董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。

董事的資料載列如下：

Name 姓名	Age 年齡	Date of joining the Group 加入本集團的日期	Position/Title 職位／頭銜	Date of appointment 委任日期	Roles and responsibilities 角色及職責
Mr. Gui Pinghu	60	24 May 1999	Chairman and Executive Director	24 May 1999	Chairman of the Strategy and Development Committee; being responsible for strategic development of the Company
桂平湖先生	60歲	1999年5月24日	董事長兼執行董事	1999年5月24日	戰略及發展委員會主席，負責本公司戰略性發展
Ms. Zhang Yuan	50	25 May 1999	Chief Executive Officer and Executive Director	17 June 2011	General manager, being responsible for the management, organisation, implementation of Board decisions and member of the Nomination Committee
張源女士	50歲	1999年5月25日	首席執行官兼執行董事	2011年6月17日	總經理，負責管理、組織、實施董事會決議及提名委員會成員
Ms. Zhu Feifei	38	29 July 2003	Chief Production Officer and Executive Director	25 October 2012	Chief production officer; member of the Remuneration Committee
朱飛飛女士	38歲	2003年7月29日	首席生產官兼執行董事	2012年10月25日	首席生產官、薪酬委員會成員
Mr. Zhang Jitong	47	23 October 2018	Independent Non-executive Director	23 October 2018	Chairman of the Nomination Committee; member of each of the Audit Committee and Strategy and Development Committee
張繼彤先生	47歲	2018年10月23日	獨立非執行董事	2018年10月23日	提名委員會主席、審核委員會及戰略及發展委員會成員
Ms. Cai Tianchen	46	23 October 2018	Independent Non-executive Director	23 October 2018	Chairman of the Audit Committee; member of each of the Remuneration Committee and Strategy and Development Committee
蔡天晨女士	46歲	2018年10月23日	獨立非執行董事	2018年10月23日	審核委員會主席、薪酬委員會及戰略及發展委員會成員
Mr. Wang Wei	37	23 October 2018	Independent Non-executive Director	23 October 2018	Chairman of the Remuneration Committee; member of each of the Audit Committee and Nomination Committee
王瑋先生	37歲	2018年10月23日	獨立非執行董事	2018年10月23日	薪酬委員會主席、審核委員會及提名委員會成員

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## 董事、監事、高級管理層及僱員

### Executive Directors

**Mr. Gui Pinghu (桂平湖)**, aged 60, the founder of the Group, is the chairman and was appointed as an executive Director on 24 May 1999. Mr. Gui is also a director of Australia Cobayer Health Food Co. Pty Ltd. and GHP (Shanghai Weiyi's wholly-owned subsidiary). He is primarily responsible for the strategic development of the Company.

Mr. Gui graduated from Nanjing Xiaozhuang University (formerly known as Nanjing Institute of Education\* (南京教育學院)), majoring in Chinese in July 1989 and was awarded a degree of Executive Master of Business Administration, which was a part-time programme from Fudan University in June 2010. As at the date of this annual report, Mr. Gui and his spouse were interested in approximately 78.75% of the domestic shares of the Company (the "**Domestic Shares**"). Mr. Gui was also interested in approximately 2.37% of the H shares of the Company ("**H Shares**").

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

**Ms. Zhang Yuan (張源)**, aged 50, was appointed as an executive Director and the chief executive officer of the Group on 17 June 2011. Ms. Zhang is also a director of Nanjing Zhongsheng Bio-Tech Co. Limited\* (南京中生生物科技有限公司), Beijing Zhongsheng Wonderful Health Technology Co. Limited\* (北京中生美好健康科技有限公司), Guangzhou Zhongyuan Bio-Tech Co. Limited\* (廣州中院生物科技有限公司), Zhenjiang Zhongsheng Health Bio-Tech Co. Limited\* (鎮江中生健康科技有限公司), Nanjing Buy-in-house Ecommerce Co. Limited\* (南京宅易購電子商務有限公司) and Shanghai Weiyi. She is also the director of Hejian, Hejian (Najing Branch), GHP, Living Nature Natural Products Limited and Living Nature Limited. Ms. Zhang is primarily responsible for the management, organisation and implementation of Board decisions. As at the date of this annual report, Ms. Zhang was interested in approximately 0.98% of the Domestic Shares and approximately 0.08% of the H Shares.

### 執行董事

**桂平湖先生**，60歲，本集團的創辦人，為本公司董事長，於1999年5月24日獲委任為本公司執行董事。桂先生亦為Australia Cobayer Health Food Co. Pty Ltd.及GHP(上海惟翊之全資附屬公司)的董事。彼主要負責本公司的戰略性發展。

桂先生在1989年7月畢業於南京曉莊學院(前稱南京教育學院)，主修漢語，並於2010年6月獲得復旦大學在職EMBA學位。於本年報日期，桂先生連同其配偶持有本公司內資股(「**內資股**」)約78.75%的權益。桂先生亦持有本公司H股(「**H股**」)約2.37%的權益。

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

**張源女士**，50歲，於2011年6月17日獲委任為本公司執行董事兼本集團首席執行官。張女士亦為南京中生生物科技有限公司、北京中生美好健康科技有限公司、廣州中院生物科技有限公司、鎮江中生健康科技有限公司、南京宅易購電子商務有限公司及上海惟翊的董事。彼亦為禾健、禾健(南京分公司)、GHP、Living Nature Natural Products Limited及Living Nature Limited的董事。張女士主要負責管理、組織及實施董事會決議。於本年報日期，張女士擁有內資股中約0.98%的權益及H股中約0.08%的權益。

\* For identification purpose only

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

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

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

**Ms. Zhu Feifei (朱飛飛)**, aged 38, was appointed as an executive Director on 25 October 2012. Ms. Zhu is also a director of Suzhou Zhongsheng Health & Biological Products Co. Limited\* (蘇州中生健康生物製品有限公司), Wuxi Zhongyan Health Products Co. Limited\* (無錫中研健康品有限公司), Shenzhen Zhongsheng Chinese Commerce Bio-Tech Co. Limited\* (深圳市中生華商生物科技有限公司). Ms. Zhu is primarily responsible for the production of the Group. As at the date of this annual report, Ms. Zhu was interested in approximately 0.10% of the Domestic Shares.

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

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

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

張女士在2012年6月獲得南京大學在職EMBA學位。

**朱飛飛女士**，38歲，於2012年10月25日獲委任為本公司執行董事。朱女士亦為蘇州中生健康生物製品有限公司、無錫中研健康品有限公司、深圳市中生華商生物科技有限公司董事。朱女士主要負責本集團的生產。於本年報日期，朱女士擁有內資股中約0.10%的權益。

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

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

\* For identification purpose only



## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

#### Independent Non-executive Directors

**Mr. Zhang Jitong (張繼彤)**, aged 47, was appointed as an independent non-executive Director on 23 October 2018. Mr. Zhang holds a doctorate degree in management majoring in agricultural economics management from Nanjing Agricultural University and has been an associate professor and a professor of the School of Business of Nanjing Normal University from September 2005 to April 2011 and from May 2011 onwards, respectively.

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

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

**Ms. Cai Tianchen (蔡天晨)**, aged 46, was appointed as an independent non-executive Director on 23 October 2018. Ms. Cai completed an accounting programme at Hangzhou Dianzi University (formerly known as Hangzhou Institute of Electronic Engineering\* (杭州電子工業學院)) in October 1993, and is a non-practising member of the Institute of Certified Public Accountants of Singapore since June 2001, a Chartered Financial Analyst charterholder of the CFA Institute at Charlottesville, Virginia since September 2004, a member of the Hong Kong Institute of Certified Public Accountants since September 2007 and a fellow of the Association of Chartered Certified Accountants since June 2012.

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

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

\* For identification purpose only

#### 獨立非執行董事

**張繼彤先生**，47歲，於2018年10月23日獲委任為本公司獨立非執行董事。張先生持有南京農業大學管理(農業經濟管理專業)博士學位及自2005年9月至2011年4月及自2011年5月起分別擔任南京師範大學商學院副教授及教授。

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

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

**蔡天晨女士**，46歲，於2018年10月23日獲委任為本公司獨立非執行董事。蔡女士於1993年10月在杭州電子科技大學(前稱杭州電子工業學院)完成會計課程，並自2001年6月起為新加坡會計師協會非執業會員，自2004年9月起為弗吉尼亞州夏洛茨維爾的特許金融分析師協會特許金融分析師特許狀持有人，自2007年9月起為香港會計師公會會員及自2012年6月起為英國特許公認會計師公會資深會員。

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

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

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

**Mr. Wang Wei (王瑋)**, aged 37, was appointed as an independent non-executive Director on 23 October 2018. Mr. Wang holds a doctorate degree in food science. Mr. Wang has been a lecturer and an associate professor at the College of Food Science and Technology at Nanjing Agricultural University from December 2013 to December 2015 and from December 2015 onwards, respectively. Mr. Wang has also been a council member of the seventh session of the council of the Jiangsu Association for Instrumental Analysis\* (江蘇省分析測試協會) since July 2016.

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

**王瑋先生**，37歲，於2018年10月23日獲委任為本公司獨立非執行董事。王先生持有食品科學博士學位。王先生自2013年12月至2015年12月及自2015年12月起分別擔任南京農業大學食品科技學院講師及副教授。王先生自2016年7月起亦擔任江蘇省分析測試協會第七屆理事會的理事。

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

### SUPERVISORS

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

### 監事

本公司監事(「**監事**」)會目前由四名成員組成。下表載列本公司監事的部分資料。

Name 姓名	Age 年齡	Date of joining the Group 加入本集團的日期	Position/title 職位／頭銜	Date of appointment 委任日期	Roles and responsibilities 角色及職責
Ms. Yu Min 余敏女士	41	16 September 2002	Chairman of the board of Supervisors	25 October 2012	General manager of the sales department of the Group in Nanjing
Ms. Wu Xuemei	41	25 September 2005	Supervisor	25 October 2012	General manager of the distributor affairs department of the Group
Ms. Lu Jiachun	41	20 June 2001	Supervisor	25 October 2012	Accounting clerk
Ms. Chen Xiu	35	30 August 2003	Supervisor	16 May 2013	Supervision specialist
陳秀女士	35	2003年8月30日	職工代表監事	2013年5月16日	監督專員

\* For identification purpose only

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

**Ms. Yu Min (余敏)**, aged 41, was appointed as the chairman of the board of Supervisors on 25 October 2012.

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

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

**Ms. Wu Xuemei (吳雪梅)**, aged 41, was appointed as one of the Supervisors on 25 October 2012. Ms. Wu graduated from a self-learning programme of the Nanjing Normal University majoring in English in June 2003. As at the date of this annual report, Ms. Wu was interested in approximately 0.08% of the Domestic Shares.

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

**Ms. Lu Jiachun (陸佳純)**, aged 41, was appointed as the employee representative Supervisor on 25 October 2012. Ms. Lu obtained a bachelor degree in Business Administration from a part-time programme of the Open University of China in October 2005.

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

**余敏女士**，41歲，於2012年10月25日獲委任為監事會主席。

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

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

**吳雪梅女士**，41歲，於2012年10月25日獲委任為其中一名監事。吳女士在2003年6月畢業於南京師範大學自考英語專業。於本年報日期，吳女士持有內資股約0.08%的權益。

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

**陸佳純女士**，41歲，於2012年10月25日獲委任為職工代表監事。陸女士在2005年10月取得國家開放大學在職工商管理學士學位。

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

\* For identification purpose only

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

**Ms. Chen Xiu (陳秀)**, aged 35, was appointed as the employee representative Supervisor on 16 May 2013. Ms. Chen graduated from Jiangsu Institute of Commerce\* (江蘇經貿職業技術學院) (formerly known as Jiangsu Vocational and Technical Institute of Economics and Commerce\* (江蘇商業管理幹部學院)) majoring in Accounting in July 2004.

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

**陳秀女士**，35歲，於2013年5月16日獲委任為職工代表監事。陳女士於2004年7月畢業於江蘇經貿職業技術學院(前稱江蘇商業管理幹部學院)會計專業。

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

### SENIOR MANAGEMENT

### 高級管理層

Name 姓名	Age 年齡	Date of joining the Group 加入本集團的日期	Position/title 職位/頭銜	Date of appointment 委任日期	Roles and responsibilities 角色及職責
Ms. Zhi Hui (支卉)	39	4 June 2002	Human resources manager, joint company secretaries	25 October 2012	Human resources management and company secretarial matters
支卉女士	39歲	2002年6月4日	人力資源經理、 聯席公司秘書	2012年10月25日	人力資源管理及公司 秘書事宜
Mr. Li Bin (李斌)	40	1 July 2013	Chief financial officer	1 July 2013	Finance management
李斌先生	40歲	2013年7月1日	首席財務官	2013年7月1日	財務管理
Mr. Wu Jun (吳俊)	36	4 September 2006	Financial controller	1 September 2013	Finance management
吳俊先生	36歲	2006年9月4日	財務總監	2013年9月1日	財務管理

**Ms. Zhi Hui (支卉)**, aged 39, has more than 10 years of experience in the nutritional supplements industry. She joined the Group in June 2002 as an office clerk. She was promoted as the human resources manager in January 2008. In October 2012, she became the secretary to the Board and served as the human resources manager and joint company secretaries concurrently. As at the date of this annual report, Ms. Zhi was interested in approximately 0.07% of the Domestic Shares and 0.12% of the H Shares.

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

**支卉女士**，39歲，在營養膳食補充劑行業擁有十多年經驗。彼於2002年6月加入本集團任辦公室文員，並於2008年1月獲擢升為人力資源經理。彼於2012年10月擔任董事會秘書，同時兼任人力資源經理及聯席公司秘書。於本年報日期，支女士擁有本公司內資股中約0.07%的權益及H股中約0.12%的權益。

支女士在2002年6月畢業於三江學院現代公司秘書專業。

\* For identification purpose only



## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

**Mr. Li Bin (李斌)**, aged 40, was appointed as the chief financial officer in July 2013. Mr. Li has more than 10 years of accounting experience. He obtained a bachelor degree in Accounting from the Nanjing University of Finance and Economics in August 2003 and was admitted as a Certified Management Accountant of the United States in July 2012.

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

**Mr. Wu Jun (吳俊)**, aged 36, was appointed as the financial controller in September 2013. Mr. Wu has more than 10 years of experience in the nutritional supplements industry. He joined the Group in September 2006 as an accounting clerk of the finance department of Hangzhou Zhongyan Biological Products Co. Limited\* (杭州中研生物製品有限公司) and became an accounting clerk of the finance department of the company in August 2008. He was promoted as the finance manager of the Company in January 2011.

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

**李斌先生**，40歲，於2013年7月獲委任為首席財務官。李先生擁有逾十年會計經驗。彼於2003年8月取得南京財經大學會計學士學位，並於2012年7月成為美國註冊管理會計師。

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

**吳俊先生**，36歲，於2013年9月獲委任為財務總監。吳先生在營養膳食補充劑行業擁有逾十年經驗。彼於2006年9月加入本集團，擔任杭州中研生物製品有限公司財務部記賬員，並於2008年8月擔任該公司財務部記賬員。彼於2011年1月獲晉升為本公司財務經理。

吳先生於2006年6月畢業於南京工業大學項目管理系。

\* For identification purpose only

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## 董事、監事、高級管理層及僱員

### JOINT COMPANY SECRETARIES

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

**Ms. Kam Mei Ha Wendy (甘美霞)**, *FCS (PE), FCIS*, aged 52, was appointed as joint company secretaries of the Company on 7 November 2013. Ms. Kam is an executive director of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Kam has over 20 years of extensive experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Kam is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries (“**HKICS**”) and The Chartered Governance Institute. Ms. Kam is a holder of the Practitioner’s Endorsement from HKICS.

### BOARD COMMITTEES

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

#### Audit Committee

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

### 聯席公司秘書

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

**甘美霞女士**，*FCS (PE), FCIS*，52歲，於2013年11月7日獲委任為本公司的聯席公司秘書，現為卓佳專業商務有限公司（一間全球性的專業服務公司，為客戶提供商務、企業及投資者綜合服務）企業服務部執行董事。甘女士於企業服務範疇擁有逾20年的豐富經驗，一直為香港上市公司，以及跨國公司、私人公司及離岸公司提供專業的企業服務。甘女士為特許秘書，以及香港特許秘書公會（「香港特許秘書公會」）及特許公司治理公會的資深會員。甘女士亦持有由香港特許秘書公會頒發的執業者認可證明。

### 董事委員會

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

#### 審核委員會

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

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

#### Remuneration Committee

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

#### Nomination Committee

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

#### Strategy and Development Committee

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

#### 薪酬委員會

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

#### 提名委員會

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

#### 戰略及發展委員會

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

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 董事、監事、高級管理層及僱員

#### EMPLOYEES

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

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

#### 僱員

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

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



# DIRECTORS' REPORT

## 董事會報告

### PRINCIPAL ACTIVITIES

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

As far as the Company is aware, for the year ended 31 December 2019, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

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

### RESULTS AND DIVIDENDS

The results of the Group for 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 118 of this annual report.

The Board has resolved not to declare any final dividend for the year ended 31 December 2019 (2018: Nil) or any special dividend (2018: Nil).

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

Please refer to the section headed "Management Discussion and Analysis" in this annual report for a business review of the Company for the year ended 31 December 2019.

### 主要業務

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

據本公司所知，截至2019年12月31日止年度，其已在各重大方面遵守對本公司的業務及經營有重大影響的相關法律及法規。

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

### 業績及股息

本集團於2019年的業績載於本年報第118頁的綜合損益及其他全面收益表。

董事會不建議派付截至2019年12月31日止年度的任何末期股息(2018年：無)或任何特別股息(2018年：無)。

於本年報日期，董事會並無知悉任何股東放棄或同意放棄收取任何股息。

本公司截至2019年12月31日止年度的業務回顧請參閱本年報「管理層討論及分析」一節。

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group's property, plant and equipment during 2019 are set out in note 13 to the consolidated financial statements of this annual report.

### SHARE CAPITAL

Details of the movements in the issued share capital of the Company during 2019 are set out in note 27 to the consolidated financial statements of this annual report.

### RESERVES

The amount of the Company's accumulated losses as at 31 December 2019 was RMB(225.1) million. Details of the movements in the reserves of the Group during 2019 are set out in the consolidated statement of changes in equity on page 122 of this annual report.

### BORROWINGS

The Group has total borrowings of RMB27.5 million as at 31 December 2019 (2018: RMB27.5 million). Please refer to note 35 to the financial statements in this annual report for further information in relation to financial risk management of the Company.

### MAJOR CUSTOMERS AND SUPPLIERS

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

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

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

### 物業、廠房及設備

本集團物業、廠房及設備於2019年的變動詳情載於本年報綜合財務報表附註13。

### 股本

本公司已發行股本於2019年的變動詳情載於本年報綜合財務報表附註27。

### 儲備

於2019年12月31日，本公司的累計虧損金額為人民幣(225.1)百萬元。本集團儲備於2019年的變動詳情載於本年報第122頁的綜合權益變動表。

### 借款

於2019年12月31日，本集團借款總額達人民幣27.5百萬元(2018年：人民幣27.5百萬元)。有關本公司財務風險管理的進一步資料請參閱本年報財務報表附註35。

### 主要客戶及供應商

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

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

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

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS

The Directors during 2019 and up to the date of this annual report are as follows:

#### Executive Directors

Mr. Gui Pinghu (*Chairman*)  
Ms. Zhang Yuan (*Chief Executive Officer*)  
Ms. Xu Li (Resigned on 15 January 2020)  
Ms. Zhu Feifei

#### Non-executive Directors

Ms. Li Fan (Resigned on 15 January 2020)  
Mr. Xu Chuntao (Resigned on 20 February 2019)

#### Independent Non-executive Directors

Mr. Zhang Jitong  
Ms. Cai Tianchen  
Mr. Wang Wei

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

### SUPERVISORS

During 2019 and up to the date of this annual report, the Supervisors of the Company are as follows:

Ms. Yu Min (*Chairman*)  
Mr. Tao Xingrong (Resigned on 15 January 2020)  
Ms. Wu Xuemei  
Ms. Lu Jiachun  
Ms. Chen Xiu

The board of Supervisors has held two meetings during 2019. Details of the meetings and events conducted by the board of Supervisors during 2019 are set out in the work report of the board of Supervisors of this annual report.

Details of biography of Directors, Supervisors and the senior management are set out on pages 21 to 28 of this annual report.

### 董事

於2019年及直至本年報日期的董事如下：

#### 執行董事

桂平湖先生(董事長)  
張源女士(首席執行官)  
徐麗女士(於2020年1月15日辭任)  
朱飛飛女士

#### 非執行董事

李凡女士(於2020年1月15日辭任)  
許春濤先生(於2019年2月20日辭任)

#### 獨立非執行董事

張繼彤先生  
蔡天晨女士  
王瑋先生

概無董事將於即將召開的股東周年大會上擬膺選連任。

### 監事

於2019年及截至本年報日期，本公司的監事如下：

余敏女士(主席)  
陶興榮先生(於2020年1月15日辭任)  
吳雪梅女士  
陸佳純女士  
陳秀女士

本公司監事會已於2019年召開兩次會議。監事會於2019年進行的會議及活動的詳情載於本年報中的監事會工作報告。

董事、監事及高級管理人員的履歷詳情載於本年報第21至28頁。

### DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

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

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

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

### REMUNERATION OF THE DIRECTORS

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

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

### EMOLUMENT POLICY

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

### 董事及監事的服務合同

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

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

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

### 董事酬金

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

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

### 薪酬政策

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

# DIRECTORS' REPORT

## 董事會報告

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or its subsidiaries were a party subsisted at the end of 2019 or at any time during the same year in which any Director or Supervisor or any entity connected with the Director or Supervisor had a material interest, either directly or indirectly.

### MANAGEMENT CONTRACT

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

### 獨立非執行董事的獨立性

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

### 董事及監事於重大合約的權益

於2019年年底或同年度任何時間，本公司或其附屬公司概無訂立任何董事或監事或與董事或監事有關連的任何實體於其中直接或間接擁有重大權益的重大合約。

### 管理合約

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



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

### 董事、監事及高級管理人員於股份及相關股份的權益及淡倉

As at 31 December 2019, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the share capital and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, are set out below:

於2019年12月31日，本公司董事、監事或高級管理人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股本及相關股份中擁有的根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉載列如下：

Name	Capacity	Nature of interest	Class of share of the Company	Number of shares held as at 31 December 2019 <sup>(1)</sup> 於2019年12月31日 所持股份數目 <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of shares <sup>(4)</sup> 於相關類別 股份的概約 持股百分比 <sup>(4)</sup> (%)	Approximate shareholding percentage in the total share capital <sup>(3)</sup> 於總 股本的概約 持股百分比 <sup>(3)</sup> (%)
姓名	身份	權益性質	本公司股份類別			
Mr. Gui Pinghu ("Mr. Gui") <sup>(2)</sup> 桂平湖先生 ("桂先生") <sup>(2)</sup>	Director 董事	Beneficial owner 實益擁有人	Domestic Shares 內資股	477,676,030(L)	70.89%	50.48%
		Interest of spouse 配偶權益	Domestic Shares 內資股	52,965,000(L)	7.86%	5.60%
		Beneficial owner 實益擁有人	H Shares H股	6,456,000(L)	2.37%	0.68%
Ms. Zhang Yuan 張源女士	Director 董事	Beneficial owner 實益擁有人	Domestic Shares 內資股	6,599,550(L)	0.98%	0.70%
		Beneficial owner 實益擁有人	H Shares H股	218,000(L)	0.08%	0.02%
Ms. Xu Li <sup>(5)</sup> 徐麗女士 <sup>(5)</sup>	Director 董事	Beneficial owner 實益擁有人	Domestic Shares 內資股	5,498,570(L)	0.82%	0.58%
Ms. Zhu Feifei 朱飛飛女士	Director 董事	Beneficial owner 實益擁有人	Domestic Shares 內資股	659,340(L)	0.10%	0.07%
Ms. Yu Min 余敏女士	Supervisor 監事	Beneficial owner 實益擁有人	Domestic Shares 內資股	659,340(L)	0.10%	0.07%
Ms. Wu Xuemei 吳雪梅女士	Supervisor 監事	Beneficial owner 實益擁有人	Domestic Shares 內資股	551,480(L)	0.08%	0.06%

## DIRECTORS' REPORT

### 董事會報告

#### Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Gui is the spouse of Ms. Wu Yanmei. Under the SFO, Mr. Gui was deemed to be interested in the same number of shares in which Ms. Wu Yanmei was interested.
- (3) As at 31 December 2019, the percentages are calculated based on the total issued shares of the Company of 946,298,370.
- (4) As at 31 December 2019, the number of issued domestic shares and H shares of the Company was 673,828,770 and 272,469,600 respectively.
- (5) Ms. Xu Li resigned as an executive Director on 15 January 2020.

Save as disclosed above, as at 31 December 2019, none of the Directors, Supervisors and chief executives of the Company, or any of their spouses, or children under 18 years of age, has any interests or short positions in the shares and underlying shares of the Company, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

#### DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares", at no time in 2019 was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangements which enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and Supervisors, or any of their spouses or children under 18 years of age was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

#### 附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 桂先生為吳艷梅女士的配偶。根據證券及期貨條例，桂先生被視為擁有吳艷梅女士所持有同等數目股份的權益。
- (3) 於2019年12月31日，該等百分比乃根據本公司全部已發行股份946,298,370股計算。
- (4) 於2019年12月31日，本公司之已發行內資股及H股分別為673,828,770股及272,469,600股。
- (5) 徐麗女士已於2020年1月15日辭任執行董事。

除上文披露者外，於2019年12月31日，本公司董事、監事及高級管理人員或任何彼等的配偶或未滿18歲的子女，概無於本公司股份及相關股份中擁有任何須記錄於根據證券及期貨條例第352條備存的登記冊或根據標準守則須知會本公司及聯交所的權益或淡倉。

#### 董事及監事購買股份或債券的權利

除「董事、監事及高級管理人員於股份及相關股份的權益及淡倉」一節所披露者外，於2019年任何時間，本公司或其任何附屬公司或同系附屬公司概無訂立任何可使董事及監事通過購買本公司或任何其他法人團體的股份或債券而獲得利益的安排，且概無董事及監事或任何彼等的配偶或未滿18歲的子女獲授予任何權利以認購本公司或任何其他法人團體的股本或債務證券的權利，亦無行使任何該等權利。

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

**主要股東於股份及相關股份的權益及淡倉**

As at 31 December 2019, the interests and short positions of the persons who hold 5% or more of the class shares in the issued share capital of the Company (other than Directors and Supervisors of the Company), as recorded in the register required to be kept by the Company under section 336 of the SFO and so far as it was known to Directors are set out below:

據董事知悉，於2019年12月31日，按本公司根據證券及期貨條例第336條規定所備存的登記冊所記錄，於本公司已發行股本中持有類別股份5%或以上人士(本公司的董事及監事除外)的權益及淡倉載列如下：

Name	Nature of interest	Class of share of the Company	Number of shares held as at 31 December 2019 <sup>(1)</sup> 於2019年12月31日 所持股份數目 <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of shares <sup>(4)</sup> 於相關類別 股份的概約 持股百分比 <sup>(4)</sup> (%)	Approximate shareholding percentage in the total share capital <sup>(3)</sup> 於總 股本的概約 持股百分比 <sup>(3)</sup> (%)
姓名	權益性質	本公司股份類別			
Ms. Wu Yanmei <sup>(2)</sup> 吳艷梅女士 <sup>(2)</sup>	Beneficial owner 實益擁有人	Domestic Shares 內資股	52,965,000(L)	7.86%	5.60%
	Interest of spouse 配偶權益	Domestic Shares 內資股	477,676,030(L)	70.89%	50.48%
Ms. Zhou Li 周麗女士	Beneficial owner 實益擁有人	Domestic Shares 內資股	44,084,321(L) <sup>(5)</sup>	6.54%	4.66%
Mr. Cheng Xiaowei <sup>(6)</sup> 程小偉先生 <sup>(6)</sup>	Interest of spouse 配偶權益	Domestic Shares 內資股	44,084,321(L) <sup>(5)</sup>	6.54%	4.66%
Mr. Gui Ke 桂客先生	Beneficial owner 實益擁有人	Domestic Shares 內資股	61,111,000(L)	9.07%	6.46%
Ms. Li Shi <sup>(7)</sup> 李詩女士 <sup>(7)</sup>	Interest of spouse 配偶權益	Domestic Shares 內資股	61,111,000(L)	9.07%	6.46%
Mr. Chen Xuelin 陳學林先生	Beneficial owner 實益擁有人	H Shares H股	27,576,000(L)	10.12%	2.91%
Hin Sang Group (International) Holding Co., Ltd. 衍生集團(國際)控股有限公司	Beneficial owner 實益擁有人	H Shares H股	59,121,600(L) <sup>(8)</sup>	21.70%	6.25%
Genwealth Group Holding Company Limited 衍富集團控股有限公司	Interest of controlled corporation 受控法團權益	H Shares H股	59,121,600(L) <sup>(8)</sup>	21.70%	6.25%
Ms. Kwan Lai Man <sup>(9)</sup> 關麗雯女士 <sup>(9)</sup>	Interest of controlled corporation 受控法團權益	H Shares H股	59,121,600(L) <sup>(8)</sup>	21.70%	6.25%
	Interest of spouse 配偶權益	H Shares H股	404,000(L)	0.15%	0.04%
Mr. Pang Siu Hin 彭少衍先生	Interest of controlled corporation 受控法團權益	H Shares H股	59,121,600(L) <sup>(8)</sup>	21.70%	6.25%
	Beneficial owner 實益擁有人	H Shares H股	404,000(L)	0.15%	0.04%

# DIRECTORS' REPORT

## 董事會報告

### Notes:

- (1) The letter "L" represents long position in such securities.
- (2) Ms. Wu Yanmei is the spouse of Mr. Gui. Under the SFO, Ms. Wu Yanmei was deemed to be interested in the same number of shares in which Mr. Gui was interested.
- (3) As at 31 December 2019, the percentages are calculated based on the total issued shares of the Company of 946,298,370.
- (4) As at 31 December 2019, the number of issued domestic shares and H shares of the Company was 673,828,770 and 272,469,600 respectively.
- (5) On 17 December 2015, Ms. Zhou Li, Mr. Zhou Dong, Shanghai Jiahanyin Investment Company Limited\*, Shanghai Zhongwei Chuangye Investment Centre Partnership\*, Shanghai Baojiehui Chuangye Investment Partnership Limited\*, Hejian and the Company entered into an acquisition agreement (as supplemented by supplemental acquisition agreement dated 22 January 2016), pursuant to which the Company has conditionally agreed, amongst other things, to issue and allot 44,084,321 domestic shares of the Company to Ms. Zhou Li, as a part of the consideration of the acquisition of Hejian. The allotment was completed on 14 June 2016.
- (6) Mr. Cheng Xiaowei is the spouse of Ms. Zhou Li. Under the SFO, Mr. Cheng Xiaowei was deemed to be interested in the same number of shares in which Ms. Zhou Li was interested.
- (7) Ms. Li Shi is the spouse of Mr. Gui Ke. Under the SFO, Ms. Li Shi was deemed to be interested in the same number of shares in which Mr. Gui Kei was interested.
- (8) These 59,121,600 H shares were held by Hin Sang Group (International) Holding Co., Ltd., an exempted company incorporated with limited liability in the Cayman Islands whose issued shares are listed on the Stock Exchange (stock code: 6893). Hin Sang Group (International) Holding Co., Ltd. was held as to 50.68% by Genwealth Group Holding Company Limited, which is beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Ms. Kwan Lai Man is the spouse of Mr. Pang Siu Hin. Accordingly, Genwealth Group Holding Company Limited, Mr. Pang Siu Hin and Ms. Kwan Lai Man were deemed to hold interests in these H shares under the SFO.
- (9) Ms. Kwan Lai Man is the spouse of Mr. Pang Siu Hin. Under the SFO, Ms. Kwan Lai Man was deemed to be interested in the same number of shares in which Mr. Pang Siu Hin was interested.

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any persons (other than Directors, Supervisors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register kept by the Company pursuant to section 336 of the SFO.

### 附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 吳艷梅女士為桂先生的配偶。根據證券及期貨條例，吳艷梅女士將被視為擁有桂先生所持有同等數目股份的權益。
- (3) 於2019年12月31日，該等百分比乃根據本公司全部已發行股份946,298,370股計算。
- (4) 於2019年12月31日，本公司之已發行內資股及H股分別為673,828,770股及272,469,600股。
- (5) 於2015年12月17日，周麗女士、周東先生、上海甲翰寅投資有限公司、上海中衛創業投資中心(有限合夥)、上海寶捷會創業投資合夥企業(有限合夥)、禾健與本公司訂立收購協議(經日期為2016年1月22日的補充收購協議所補充)，據此，本公司有條件同意(其中包括)向周麗女士發行及配發本公司44,084,321股內資股，作為收購禾健代價的一部分。配發已於2016年6月14日完成。
- (6) 程小偉先生為周麗女士的配偶。根據證券及期貨條例，程小偉先生被視為擁有周麗女士所持有同等數目股份的權益。
- (7) 李詩女士為桂客先生的配偶。根據證券及期貨條例，李詩女士將被視為擁有桂客先生所持有同等數目股份的權益。
- (8) 該等59,121,600股H股由衍生集團(國際)控股有限公司(一間於開曼群島註冊成立的獲豁免有限公司，其已發行股份於聯交所上市(股份代號：6893))持有。衍生集團(國際)控股有限公司由衍富集團控股有限公司持有50.68%，其分別由彭少衍先生及關麗雯女士實益擁有90%及10%權益。關麗雯女士為彭少衍先生的配偶。因此，根據證券及期貨條例，衍富集團控股有限公司、彭少衍先生及關麗雯女士被視為於該等H股中持有權益。
- (9) 關麗雯女士為彭少衍先生之配偶。根據證券及期貨條例，關麗雯女士被視為於彭少衍先生擁有權益的相同股份數目中擁有權益。

除上文披露者外，於2019年12月31日，本公司概無獲任何人士(本公司董事、監事或高級管理人員除外)告知彼於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定向本公司披露及根據證券及期貨條例第336條規定記錄於本公司備存的登記冊的權益或淡倉。

### CONNECTED TRANSACTION

Details of the related party transactions of the Company for the Year and undertaken in the usual course of business are set out in note 33 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

### AUDIT COMMITTEE

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

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

### DONATIONS

During the Year, the Group has made charitable donations. Please refer to section "5. Gratitude and give back to the community" in the Environmental, Social and Governance Report in this annual report for details of the donations made by the Group.

### PRE-EMPTIVE RIGHTS

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

### CONTRACTS WITH CONTROLLING SHAREHOLDERS

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

### 關連交易

本公司於本年度及於日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註33。該等關聯方交易均不構成上市規則所界定的須予披露關連交易。

### 審核委員會

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

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

### 捐獻

本年度內，本集團已作出慈善捐款。有關本集團所作捐獻的詳情，請參閱本年報中環境、社會及管治報告「5. 心繫感恩，回饋社會」一節。

### 優先購買權

章程或本公司註冊成立地的適用中國法例並無有關優先購買權的規定。

### 與控股股東的合約

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



# DIRECTORS' REPORT

## 董事會報告

### NON-COMPETITION UNDERTAKINGS

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

### CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of the CG Code during 2019.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code governing the Directors in their dealings in the Company's securities. The Company has made specific enquiry with the Directors and all Directors confirmed that they have complied with the Model Code during 2019.

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

The H Shares were listed on the Stock Exchange. Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during 2019.

### USE OF NET PROCEEDS FROM LISTING

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

As at 31 December 2019,

- (i) the Net Proceeds of approximately RMB72.0 million and RMB0.8 million has been used on the acquisition of GHP, and for Living Nature's product function enhancement;
- (ii) the Net Proceeds of approximately RMB95.1 million has been used to build a R&D testing centre;

### 不競爭承諾

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

### 企業管治常規

董事認為,本公司已於2019年遵守企業管治守則的守則條文。

### 證券交易的標準守則

本公司已採納標準守則,作為規管董事買賣本公司證券的守則。本公司已向董事作出特定查詢,全體董事已確認,彼等於2019年均已遵守標準守則。

### 購買、出售或贖回本公司上市證券

H股在聯交所上市。於2019年,本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 上市所得款項淨額的用途

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

於2019年12月31日,

- (i) 所得款項淨額約人民幣72.0百萬元及人民幣0.8百萬元已用於收購GHP及改善Living Nature產品功能;
- (ii) 所得款項淨額約人民幣95.1百萬元已用於設立研發測試中心;

- (iii) the Net Proceeds of approximately RMB19.3 million has been used to build information technology and logistics centre;
  - (iv) the Net Proceeds of approximately RMB80.9 million has been used on the marketing and promotion activities;
  - (v) the Net Proceeds of approximately RMB13.3 million has been used to expand the sales network and explore new markets; and
  - (vi) the Net Proceeds of approximately RMB33.6 million has been used for working capital and the remaining of the Net Proceeds of approximately RMB21.4 million has been deposited into banks, which are intended to be applied in accordance with the proposed application set out in the circular of the Company dated 22 September 2017.
- (iii) 所得款項淨額約人民幣 19.3 百萬元已用於建立信息技術及物流中心；
  - (iv) 所得款項淨額約人民幣 80.9 百萬元已用於營銷及推廣活動；
  - (v) 所得款項淨額約人民幣 13.3 百萬元已用於擴大銷售網絡及開闢新市場；及
  - (vi) 所得款項淨額約人民幣 33.6 百萬元已用作營運資金及所得款項淨額之餘額約人民幣 21.4 百萬元已存入銀行，擬按照本公司日期為 2017 年 9 月 22 日的通函所載之使用建議加以使用。

### SUFFICIENCY OF PUBLIC FLOAT

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

### AUDITOR

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

The consolidated financial statements of the Company for the year ended 31 December 2019 were audited by Ernst & Young, who holds office until the conclusion of the forthcoming annual general meeting of the Company. A resolution of the reappointment of Ernst & Young as the external auditor of the Company respectively will be proposed at the forthcoming annual general meeting.

### 公眾持股量的充足性

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

### 核數師

本公司核數師於過往三個年度並無其他變動。

本公司截至 2019 年 12 月 31 日止年度綜合財務報表經安永會計師事務所審核，其將任職至本公司應屆股東周年大會結束。於應屆股東周年大會上將提呈決議案，重新委任安永會計師事務所為本公司外部核數師。

# DIRECTORS' REPORT

## 董事會報告

### OUTLOOK

In 2019, in order to establish a healthy environment for the development of the health product industry, the Chinese government regulators further strengthened the supervision and rectification measures to ensure that the health product market will become more and more standardised. When people take the initiative to boost healthy immunity as a rigid demand in life, the consumption of health products will become more normalised, and the management of product research, development and product application will also become more refined, thereby guiding consumers to improve their level of health in a more scientific way. For enterprises in the industry, high-quality products, standardised production and brand credibility will be the most important core competitiveness. The Good Health brand exactly meets the above requirements.

The outbreak of the novel coronavirus epidemic in early 2020 has caused material impact on the PRC's economic operation and the living of the public. The epidemic also affected the Company's daily operation to a certain extent, especially in the product distribution and logistics. Recently, with the gradual control and mitigation of the PRC's epidemic, logistics and distribution have basically resumed to normal. The Company has evaluated the epidemic with due care and believes that it will not bring material impact on the Company's daily operation and cash flow. The fight against the epidemic also arouses the public to reflect on the importance of health and immunity. After the SARS epidemic, the health product industry ushered in a wave of growth since 2003. With the subsequent vigorous efforts invested by the PRC into the big health industry and the improvement of the living standards of the public, the health product industry has maintained growth year by year. According to the data from third-party statistical agencies, the global health product market reached US\$266.7 billion in 2019, and the PRC has become the world's second largest health product market with its market share of up to 21.8% and a volume of approximately US\$58 billion which demonstrated year-by-year growth. In 2020, the Company will continue to implement its established development strategy and focus on the Good Health brand. In particular, it will increase investment in research and development, market promotion, and channel construction of products under the maternity and child series to increase the Company's results in 2020.

On behalf of the Board

**Mr. Gui Pinghu**

Chairman

Nanjing, the PRC, 27 March 2020

### 展望

2019年，中國政府監管機構為樹立健康的保健品行業發展環境，進一步加強了監管整頓力度，使得保健品市場越來越向規範化發展。當人們主動將提升健康免疫力作為生活剛性需求，保健品消費將變得更加日常化，也會推動產品研發和使用的管理更加精細，從而指導消費者更加科學地提升自我健康水平。對於行業內的企業來說，優質的產品、標準的生產和品牌公信力會是企業最為核心的競爭力。好健康品牌恰好符合以上幾個要求。

2020年初爆發新型冠狀病毒疫情，給中國的經濟運行和社會大眾的生活帶來了重大影響。疫情對本公司的日常經營也來了一定的影響，特別是在產品配送物流環節。近期，隨着國內疫情逐步得到控制和緩解，物流配送也已基本恢復正常。公司已對疫情進行謹慎評估，認為疫情並不會對公司的日常經營和現金流產生重大影響。抗擊疫情的同時，也引發大眾開始反思健康和免疫力的重要性。自2003年起，非典型肺炎疫情過後，保健品行業迎來了一波增長，隨後中國大力發展大健康行業及大眾生活水平的提升，保健品行業保持了逐年的增長。根據第三方統計機構數據顯示，2019年全球保健品市場規模達到2,667億美元，中國已成為全球第二大保健品市場，市場份額高達21.8%，規模約為580億美元，且逐年保持增長。2020年，本公司將繼續執行既定發展戰略，聚焦好健康品牌，尤其在母嬰系列產品上加大研發、市場宣傳推廣和渠道建設的投入，提升本公司2020年的業績。

代表董事會

董事長

桂平湖先生

中國·南京·2020年3月27日

# WORK REPORT OF THE BOARD OF SUPERVISORS

## 監事會工作報告

During the reporting period of 2019, the board of Supervisors carefully and thoroughly performed its supervisory functions in favor of the Company and the shareholders in a responsible manner according to the Company Law, the Articles and the Rules of Procedures for the board of Supervisors, and the requirements under the relevant law and regulations, while duly monitoring and examining the operations, financial conditions and investment conditions of the Company according to the laws. In addition, the members of the Board, the managers of the Company, and other senior management members performed their duties under the supervision of the Supervisors.

### I. DAILY WORK OF THE BOARD OF SUPERVISORS

In 2019, the board of Supervisors convened two meetings.

On 29 March 2019, it considered the 2018 Work Report of the Board of Supervisors of the Company, the Resolution on the 2018 Audited Consolidated Financial Statements, the 2018 Financial Settlement and the Resolution regarding the 2019 Financial Budget, the Resolution on 2018 Profit Distribution Plan, the Resolution regarding the Appointment of Accountant and the Authorisation Granted at the General Meeting to the Board to Determine Its Remuneration, the Resolution regarding the Authorisation Granted at the General Meeting to the Board to Determine the Remunerations of the Directors and Supervisors, the Resolution on 2018 Statutory Reserve Withdrawal of the Company, and the Resolution where the Board is granted the general mandate at the General Meeting to issue, allocate, and deal with additional Domestic Shares and H Shares, both numbers of which will be no more than 20% of the total amount of Domestic Shares and H Shares of the Company in issue respectively, and the Board is authorised to revise the Articles, as it sees fit, for the purposes of reflecting the new shareholding structure upon the allotment or issue of additional Shares under the relevant mandate.

On 30 August 2019, it considered the Resolution on Interim Results for 2019 and Interim Dividend Distributions, the Resolution on Material Internal Audit Findings for the Period Ended 30 June 2019 and the Resolution on Proposed Measures regarding Employees in respect of Financial Reporting, Internal Auditing and other Misbehaviours.

2019年度報告期內，監事會嚴格按照《公司法》、《公司章程》、《監事會工作細則》和有關法律、法規的規定，本著對公司和對股東負責的態度，認真全面履行了監督職責，對公司依法運作情況、財務情況、投資情況等事項履行了監督檢查職責以及對董事會成員、公司經理以及其他高級管理人員的監督職能。

### 一、監事會日常工作情況

2019年度，監事會共召開了2次會議。

2019年3月29日，監事會會議審議了《公司2018年度監事會工作報告》、《關於公司2018年度經審核綜合財務報表的議案》、《關於公司2018年度財務決算以及公司2019年財務預算的議案》、《關於公司2018年度利潤分配方案的議案》、《關於聘請會計師並由股東大會授權董事會確定其酬金的議案》、《關於股東大會授權董事會釐定各董事監事薪酬的議案》、《關於公司提取2018年法定公積金的議案》、《關於提請股東大會向董事會作出一般授權，以發行、配發及處理不超過各佔本公司已發行內資股及H股面值總額20%的額外內資股及H股，同時授權董事會修訂其認為適當的本公司章程，藉以反映根據相關授權配發或發行額外股份時的新股本架構的議案》。

2019年8月30日，監事會會議審議了《關於公司2019年上半年業績以及有關派發中期股息的議案》、《關於公司截至2019年6月30日止重大內部審核事項的議案》、《關於公司對於員工就財務匯報、內部監控及其他不正當行為提出建議的議案》。

# WORK REPORT OF THE BOARD OF SUPERVISORS

## 監事會工作報告

### II. LAWFUL OPERATION OF THE COMPANY

The board of Supervisors of the Company attended the meetings of the Board during the reporting period, and duly performed its supervisory duties of production and operation activities of the Company. It effectively discharged its supervisory duties on the development strategies of the Company on a timely basis, thus fully delivering its duties in the development of the Company in 2019.

In the opinion of the board of Supervisors, the Company persisted in standardised operations with due diligence in strict compliance with the provisions under the Company Law and the Articles, as well as conscientiously carrying out all resolutions at the general meetings of shareholders; the internal control system of the Company was well established; disclosure of all information was made on a timely and accurate basis; no violation against the laws, regulations, or the Articles, or prejudice against the interests of the Company was committed by the Directors and senior management of the Company in the line of duty.

### III. INSPECTION ON FINANCIAL STATUS OF THE COMPANY

The board of Supervisors reviewed the proposal on business operation of the Company and its subsidiaries for 2019 and the proposal on business plan of the Company for the financial year 2020.

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

### 二、公司依法運作情況

公司監事會列席了報告期內的董事會會議，對公司依法經營運作等情況進行了監控。對公司的發展戰略、重大事項進行了適時有效的監督，發揮了監事會的職能，在公司2019年度發展工作中履行了應盡的職責。

監事會認為：公司嚴格遵循《公司法》和《公司章程》的規定，認真執行股東大會的各項決議，運作規範，勤勉盡職；公司內部控制制度完善；信息披露及時、準確；公司董事和高級管理人員履行職務時，無違反法律、法規、《公司章程》或損害公司利益的行為。

### 三、檢查公司財務情況

監事會對公司及子公司2019年業務營運狀況以及公司2020年財政年度的業務計劃進行了審閱。

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



# WORK REPORT OF THE BOARD OF SUPERVISORS

## 監事會工作報告

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

The board of Supervisors is of the view that the Group had no connected transaction in 2019 which was subject to the reporting, annual review, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

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

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

### VI. IMPLEMENTATION OF RESOLUTIONS ADOPTED AT THE SHAREHOLDERS' MEETINGS

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

We hereby submit our report.

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

**Ms. Yu Min**  
*Chairman*

27 March 2020

### 四、監事會對關聯交易情況的獨立意見

監事會認為本集團於2019年度概無關聯交易須根據上市規則第14A章進行申報、年度審核、公告及獨立股東批准。

### 五、監事會對內部控制自我評價報告的審閱情況

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

### 六、股東大會通過的決議案的執行情況

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

特此報告。

代表南京中生聯合股份有限公司  
監事會

主席  
余敏女士

2020年3月27日

\* For identification purpose only

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board is pleased to report to the shareholders on the corporate governance of the Company for the year ended 31 December 2019.

董事會欣然向股東呈報本公司截至2019年12月31日止年度的企業管治報告。

### CORPORATE GOVERNANCE PRACTICES

### 企業管治常規

The Board is committed to maintaining good corporate governance standards.

董事會致力於維持良好的企業管治標準。

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

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

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

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

The Board is of the view that throughout the year ended 31 December 2019, the Company has complied with all the code provisions as set out in the CG Code.

董事會認為，於截至2019年12月31日止年度內，本公司已遵守企業管治守則所載之所有守則條文。

### MODEL CODE FOR SECURITIES TRANSACTIONS

### 證券交易的標準守則

The Company has adopted Model Code as set out in Appendix 10 to the Listing Rules.

本公司已採納上市規則附錄十所載列的標準守則。

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

經對全體董事作出特定查詢後，全體董事已確認，彼等於截至2019年12月31日止年度一直遵守標準守則。

### BOARD OF DIRECTORS

### 董事會

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

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

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

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

## BOARD COMPOSITION

## 董事會構成

The Board currently comprises 6 Directors, consisting of 3 executive Directors and 3 independent non-executive Directors.

董事會目前由6名董事組成，包括3名執行董事及3名獨立非執行董事。

During the year ended 31 December 2019 and up to the date of this report, the members of the Board are set out below:

截至2019年12月31日止年度直至本報告日期，董事會成員載列如下：

**Executive Directors:**

Mr. Gui Pinghu (*Chairman*)  
Ms. Zhang Yuan (*Chief Executive Officer*)  
Ms. Xu Li<sup>(1)</sup>  
Ms. Zhu Feifei

**執行董事：**

桂平湖先生(董事長)  
張源女士(首席執行官)  
徐麗女士<sup>(1)</sup>  
朱飛飛女士

**Non-executive Directors:**

Ms. Li Fan<sup>(2)</sup>  
Mr. Xu Chuntao<sup>(3)</sup>

**非執行董事：**

李凡女士<sup>(2)</sup>  
許春濤先生<sup>(3)</sup>

**Independent Non-executive Directors:**

Mr. Zhang Jitong  
Ms. Cai Tianchen  
Mr. Wang Wei

**獨立非執行董事：**

張繼彤先生  
蔡天晨女士  
王瑋先生

Notes:

附註：

- (1) Resigned as an executive Director with effect from 15 January 2020
- (2) Resigned as a non-executive Director with effect from 15 January 2020
- (3) Resigned as a non-executive Director with effect from 20 February 2019

- (1) 於2020年1月15日辭任執行董事
- (2) 於2020年1月15日辭任非執行董事
- (3) 於2019年2月20日辭任非執行董事

The biographical information of the Directors are set out in the section headed "Directors, Supervisors, Senior Management and Employees" on pages 21 to 25 of this annual report.

董事之履歷資料載於本年報第21至25頁「董事、監事、高級管理層及僱員」一節。

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

概無任何董事會成員與另一名成員有關聯。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

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

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

During the year ended 31 December 2019, the Board held 5 meetings. The attendance records of each of the Directors at the Board meetings of the Company held during the year ended 31 December 2019 is set out in the section headed "Attendance Records of Directors and Committee Members" on page 59 of this annual report.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. Ms. Cai Tianchen possesses the appropriate professional qualifications and accounting expertise as required under Rule 3.10(2) of the Listing Rules.

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

### 董事會會議及董事之出席記錄

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

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

於截至2019年12月31日止年度內，董事會舉行五次會議。於截至2019年12月31日止年度內，各董事於本公司董事會會議的出席記錄載列於本年報第59頁「董事及委員會成員之出席記錄」一節。

### 董事長及首席執行官

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

### 獨立非執行董事

於截至2019年12月31日止年度內，董事會一直遵守上市規則有關規定，委任至少三名獨立非執行董事(佔董事會三分之一)，其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識。蔡天晨女士具備上市規則第3.10(2)條規定的適當專業資格及會計專業知識。

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

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

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

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

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

### 董事的委任及重選

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

本公司獨立非執行董事獲委任為三年指定年期，於現有年期屆滿後屆時可予續期。

### 董事會及管理層的責任、問責及貢獻

董事會應承擔領導及控制本公司的職責，並共同負責指導及監管本公司的事務。

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

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

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

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



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

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

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

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

During the year ended 31 December 2019, the Directors have attended trainings/seminars on topics such as (i) disclosure of information and insider dealing; (ii) the corporate governance and directors' skills; (iii) updates on the regulations under the Listing Rules and directors' on-going responsibilities; (iv) connected transactions and the regulations on it; and (v) the management of employees' incentive scheme. The following Directors have attended the trainings during the year ended 31 December 2019:

董事須向本公司披露彼等擔任的其他職務的詳情。

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

### 董事之持續專業發展

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

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

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

於截至2019年12月31日止年度內，董事已參加與以下主題有關的培訓／研討會，比如：(i) 披露消息及內幕交易；(ii) 企業管治及董事技能；(iii) 上市規則項下有關監管的最新資料及董事的持續責任；及(iv) 關連交易及有關其監管；及(v) 僱員獎勵計劃的管理。以下董事已出席截至2019年12月31日止年度內的培訓：

Name of Directors	董事姓名	Participation 參與
<b>Executive Directors</b>		
Mr. Gui Pinghu	桂平湖先生	Attended 出席
Ms. Zhang Yuan	張源女士	Attended 出席
Ms. Xu Li <sup>(1)</sup>	徐麗女士 <sup>(1)</sup>	Attended 出席
Ms. Zhu Feifei	朱飛飛女士	Attended 出席
<b>Non-executive Directors</b>		
Ms. Li Fan <sup>(2)</sup>	李凡女士 <sup>(2)</sup>	Attended 出席
Mr. Xu Chuntao <sup>(3)</sup>	許春濤先生 <sup>(3)</sup>	N/A 不適用
<b>Independent Non-executive Directors</b>		
Mr. Zhang Jitong	張繼彤先生	Attended 出席
Ms. Cai Tianchen	蔡天晨女士	Attended 出席
Mr. Wang Wei	王瑋先生	Attended 出席

Notes:

- (1) Resigned as an executive Director with effect from 15 January 2020
- (2) Resigned as a non-executive Director with effect from 15 January 2020
- (3) Resigned as a non-executive Director with effect from 20 February 2019

附註：

- (1) 於2020年1月15日辭任執行董事
- (2) 於2020年1月15日辭任非執行董事
- (3) 於2019年2月20日辭任非執行董事

**BOARD COMMITTEES**

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

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

**董事委員會**

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

各董事委員會的主席及成員名單載列於本年報第2頁的「公司資料」。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDIT COMMITTEE

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

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

During the year ended 31 December 2019, the Audit Committee held two meetings to review, amongst other things, the annual financial results and reports in respect of the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019. The Audit Committee also considered significant issues on the internal audit, review the effectiveness of internal control systems, appointment of external auditors and relevant scope of works and arrangements for employees to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee also met the external auditors twice during the year ended 31 December 2019, without the presence of the executive Directors.

The attendance of each of the members of the Audit Committee at the Audit Committee meetings held during the year ended 31 December 2019 is set out in the table under section headed "Attendance Records of Directors and Committee Members".

### 審核委員會

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

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

截至2019年12月31日止年度，審核委員會已舉行兩次會議審閱(其中包括)有關截至2018年12月31日止年度的年度財務業績及報告以及本公司截至2019年6月30日止六個月的中期業績。審核委員會亦考慮有關內部審核的重大事宜、檢討內部監控制度的有效性、委任外部核數師及有關工作範圍以及於財務申報、內部控制或其他事宜中使僱員關注可能不當行為的安排。

截至2019年12月31日止年度，審核委員會亦在無執行董事出席的情況下與外聘核數師召開兩次會議。

於截至2019年12月31日止年度內，審核委員會各成員於審核委員會會議的出席率乃載於「董事及委員會成員之出席記錄」一節的表格中。

### REMUNERATION COMMITTEE

### 薪酬委員會

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

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

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

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

During the year ended 31 December 2019, the Remuneration Committee met twice to review and make recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management.

於截至2019年12月31日止年度內，薪酬委員會已舉行兩次會議，以審閱本公司薪酬政策及架構，以及董事及高級管理層的薪酬待遇，並就此向董事會提供意見。

Details of the remuneration of the senior management by band for the year ended 31 December 2019 are set out in note 8 to the financial statements of the Company for the year ended 31 December 2019.

高級管理層截至2019年12月31日止年度的薪酬詳情載於本公司截至2019年12月31日止年度的財務報表附註8。

The attendance of each of the members of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 December 2019 is set out in the section headed "Attendance Records of Directors and Committee Members".

於截至2019年12月31日止年度內，薪酬委員會各成員於薪酬委員會會議的出席率乃載於「董事及委員會成員之出席記錄」一節。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NOMINATION COMMITTEE

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

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

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

The Nomination Committee met twice in 2019 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors. The Nomination Committee also considered the qualifications of the retiring executive and non-executive Directors and recommended to the Board for re-election. During the year ended 31 December 2019, Ms. Xu Li and Ms. Li Fan resigned as an executive Director and a non-executive Director respectively. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

The attendance of each of the members of the Nomination Committee at the Nomination Committee meeting during the year ended 31 December 2019 is set out in the section headed "Attendance Records of Directors and Committee Members".

### 提名委員會

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

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

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

提名委員會於2019年已舉行兩次會議，以檢討董事會的架構、規模及組成以及獨立非執行董事的獨立性。提名委員會亦考慮退任執行及非執行董事的資格並建議董事會重選。於截至2019年12月31日止年度內，徐麗女士及李凡女士分別辭任執行董事及非執行董事。提名委員會認為董事會在多樣性方面維持適當的平衡。

於截至2019年12月31日止年度內，提名委員會各成員於提名委員會會議的出席率載於「董事及委員會成員之出席記錄」一節。



### STRATEGY AND DEVELOPMENT COMMITTEE

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

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

During the year ended 31 December 2019, the Strategy and Development Committee met once to review the development strategies for the year 2019 and the material investment decisions of the Company.

The attendance of each of the members of the Strategy and Development Committee at the Strategy and Development Committee meeting during the year ended 31 December 2019 is set out in the section headed "Attendance Records of Directors and Committee Members".

### BOARD DIVERSITY POLICY

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

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

### 戰略及發展委員會

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

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

於截至2019年12月31日止年度內，戰略及發展委員會已舉行一次會議，以檢討本公司的2019年發展戰略及重大投資決策。

於截至2019年12月31日止年度內，戰略及發展委員會各成員於戰略及發展委員會會議的出席率乃載於「董事及委員會成員之出席記錄」一節。

### 董事會多元化政策

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

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTOR NOMINATION POLICY

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

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

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

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

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

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

### 提名董事政策

董事會已將其甄選及委任董事的責任及授權轉授予本公司提名委員會。

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

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

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

提名董事政策亦載列甄選及委任新董事及於股東大會重選董事的程序。

提名委員會將檢討提名董事政策（倘適用）以確保其效用。

## CORPORATE GOVERNANCE FUNCTIONS

## 企業管治職能

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

董事會負責履行企業管治守則的守則條文第D.3.1條所載職能。

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

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

## ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

## 董事及委員會成員之出席記錄

The attendance record of each director at the Board meetings, Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2019 is set out in the table below:

下表載列各董事於截至2019年12月31日止年度內舉行的董事會會議及董事委員會會議以及本公司股東大會之出席記錄：

Name of Director 董事姓名	Attendance/Number of Meetings 會議出席率/出席次數							Other General Meetings (if any) 其他股東大會 (如有)
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Strategy and Development Committee 戰略及 發展委員會	Annual General Meeting 股東周年大會		
Mr. Gui Pinghu 桂平湖先生	5/5	-	-	-	1/1	1/1	1/1	
Ms. Zhang Yuan 張源女士	5/5	-	-	-	-	1/1	1/1	
Ms. Xu Li <sup>(1)</sup> 徐麗女士 <sup>(1)</sup>	5/5	-	-	2/2	-	1/1	1/1	
Ms. Zhu Feifei 朱飛飛女士	5/5	-	1/1	-	-	1/1	1/1	
Ms. Li Fan <sup>(2)</sup> 李凡女士 <sup>(2)</sup>	4/5	-	-	-	-	1/1	-	
Mr. Zhang Jitong 張繼彤先生	5/5	2/2	-	2/2	1/1	1/1	1/1	
Ms. Cai Tianchen 蔡天晨女士	5/5	2/2	1/1	-	1/1	1/1	1/1	
Mr. Wang Wei 王瑋先生	5/5	2/2	1/1	2/2	-	1/1	1/1	
Mr. Xu Chuntao <sup>(3)</sup> 許春濤先生 <sup>(3)</sup>	1/5	-	-	-	-	-	1/1	

Notes:

- (1) Ms. Xu Li resigned as an executive Director on 15 January 2020.  
 (2) Ms. Li Fan resigned as a non-executive Director on 15 January 2020.  
 (3) Mr. Xu Chuntao resigned as a non-executive Director on 20 February 2019.

附註：

- (1) 徐麗女士於2020年1月15日辭任執行董事。  
 (2) 李凡女士於2020年1月15日辭任非執行董事。  
 (3) 許春濤先生於2019年2月20日辭任非執行董事。

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2019.

除定期董事會會議外，董事長亦與獨立非執行董事於截至2019年12月31日止年度內在無其他董事出席的情況下舉行一次會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems of the Company and its subsidiaries and reviewing their effectiveness annually. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

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

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

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

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

### 風險管理及內部監控

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

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

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

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

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

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

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

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

1. Communicate with middle and senior management to collect risk information, conduct analysis and identify high risk areas that the Company may face for establishing and implementing internal control systems and defining the scope and key areas;
2. Identify key risk information, define clear risk management responsibilities and adopt the requirements of risk management and internal control, based on the conditions of internal control systems of all business processes of the Company;
3. Identify design defects by verifying and evaluating the implementation and efficiency of internal control systems through walk-through testing;
4. Discover defects during the implementation of internal control systems by evaluating key control activities samples which are extracted based on the frequency of occurrence; and
5. Identify material weakness of internal control systems from business process perspectives and improve according to the findings and report of the Audit Department. Implement and test on the improved internal control systems and verify its effectiveness.

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

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

本公司對內部監控制度的自我評核有以下特點及過程：

1. 與中級及高級管理層溝通，以收集風險資料，進行分析及識別本公司可能面臨的高風險領域，此舉將用於制定及實施內部監控制度及界定風險範圍及關鍵領域；
2. 根據本公司所有業務過程內部監控制度的狀況，識別主要風險資料，界定清晰的風險管理責任及採納風險管理及內部監控要求；
3. 通過穿行測試核查及評估內部監控制度的實施及效用，識別設計上的缺陷；
4. 通過評估據發生頻率抽取主要控制活動樣本，識別於實施內部風險監控制度過程中的缺陷；及
5. 從業務過程角度識別內部監控制度的重大缺陷，及根據審核部門的發現及報告改善前述狀況。實施及測試已改進的內部監控制度並驗證其效用。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

The management has confirmed to the Board on the effectiveness of the risk management and internal control systems for the year ended 31 December 2019.

The Board, as supported by the Audit Committee as well as the internal audit findings, reviewed the risk management and internal control systems, including the financial and non-financial controls for the year ended 31 December 2019, and considered that such systems are effective and no material defects were found.

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

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

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

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

管理層已向董事會確認截至2019年12月31日止年度的風險管理及內部監控制度的效用。

董事會在審核委員會協助下，連同內部審核的發現，檢討風險管理及內部監控制度（包括截至2019年12月31日止年度的財務及非財務控制），並認為該等制度行之有效及並無發現重大缺陷。

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

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

已實施監控程序以確保嚴格禁止內幕消息的未經授權訪問及使用。

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

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

董事知悉彼等編製本公司截至2019年12月31日止年度財務報表的職責。

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 111 to 117 of this annual report.

本公司獨立核數師有關彼等就財務報表的申報責任的陳述載於本年報第111至117頁的獨立核數師報告內。

**AUDITORS' REMUNERATION****核數師薪酬**

The remuneration paid/payable to the Company's external auditor in respect of audit services and non-audit services for the year ended 31 December 2019 is set out below:

就截至2019年12月31日止年度的審核服務及非審核服務的已付／應付本公司外聘核數師之薪酬載列如下：

Service Category	服務類型	Fees Paid/Payable
		已付／應付費用 RMB'000 人民幣千元
Annual audit services, Ernst & Young	年度審核服務，安永會計師事務所	2,580
Non-audit Services — Environmental, Social and Governance reporting advisory	非審核服務 — 環境、社會及管治報告諮詢	150
		2,730

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPANY SECRETARY

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

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

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

For the year ended 31 December 2019, both Ms. Zhi Hui and Ms. Kam Mei Ha Wendy have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

### SHAREHOLDERS' RIGHTS

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

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

### CONVENING AN EXTRAORDINARY GENERAL MEETING

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

### 公司秘書

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

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

所有董事均可就企業管治及董事會常規及事宜獲得聯席公司秘書的意見與服務。

截至2019年12月31日止年度，支卉女士及甘美霞女士已根據上市規則第3.29條分別進行不少於15個小時的相關專業培訓。

### 股東權利

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

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

### 召開臨時股東大會

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

### PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

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

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

### 於股東大會上提呈建議

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

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

### PUTTING FORWARD ENQUIRIES TO THE BOARD

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

### 向董事會作出查詢

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

### CONTACT DETAILS

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

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

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

### 聯絡詳情

股東可向以下地址發送上述查詢或要求：

地址：  
中國  
江蘇省  
南京  
玄武區  
長江路188號  
德基大廈30樓  
(註明收件人為公司秘書)

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

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

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

股東如需任何協助，亦可致電本公司，號碼為86-25-86819188。

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

### 與股東及投資者溝通

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

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

During the year ended 31 December 2019, the Company has not made any changes to its Articles.

於截至2019年12月31日止年度內，本公司尚未對其章程作出任何變動。

### POLICIES RELATING TO SHAREHOLDERS

### 與股東有關的政策

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

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

During the year ended 31 December 2019, the Company has adopted a Dividend Policy on declaration and payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year or period and any final dividend for a financial year which will be subject to the shareholders' approval.

於截至2019年12月31日止年度內，本公司已採納宣派及派付股息的股息政策。本公司並無任何預定派息比率。視乎本公司及本集團的財務狀況以及股息政策載列的條件與因素，董事會於財政年度或期間可建議及/或宣派股息，而任何財政年度的末期股息須獲股東批准。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### ABOUT THIS REPORT

#### Overview

This report is the fourth Environmental, Social and Governance (hereinafter referred to as the “ESG”) report of Nanjing Sinolife United Company Limited (referred to as the “Company” hereto, collectively with its subsidiaries referred to as the “Group” or “we”) (Stock Code: 3332), which focuses on disclosing the ESG performance of the Group.

This report covers the financial period from 1 January 2019 to 31 December 2019 (the “Reporting Period”).

#### Basis of Preparation

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

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

#### Scope and Coverage of the report

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

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

#### Data Description

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

#### Confirmation and Approval

The report was approved by the Board on 27 March 2020 after confirmation with the management.

#### Contacts

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

### 關於本報告

#### 概覽

本報告是南京中生聯合股份有限公司(於本報告提述為「本公司」),及其附屬公司(統稱為「本集團」或「我們」)(股份代碼:3332)發佈的第四份環境、社會及管治(Environmental, Social and Governance, 以下簡稱「ESG」)年度報告,重點披露本集團在環境、社會及管治方面的工作表現。

本報告涵蓋本集團2019年1月1日至2019年12月31日財務年度(以下簡稱「報告期」)的ESG表現。

#### 編製依據

本報告遵循香港聯合交易所有限公司(以下簡稱「香港聯交所」)上市規則附錄二十七所載的於2015年12月公佈經修訂的《環境、社會及管治報告指引》(以下簡稱「《指引》」)進行編製,符合其「重要性」、「量化」、「平衡」及「一致性」原則。

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

#### 報告範圍及邊界

本報告中的政策、聲明、數據等覆蓋本公司及其附屬公司。

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

#### 報告數據說明

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

#### 確認及批准

本報告經管理層確認後,於2020年3月27日獲董事會通過。

#### 報告聯繫方式

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### 1. ESG GOVERNANCE

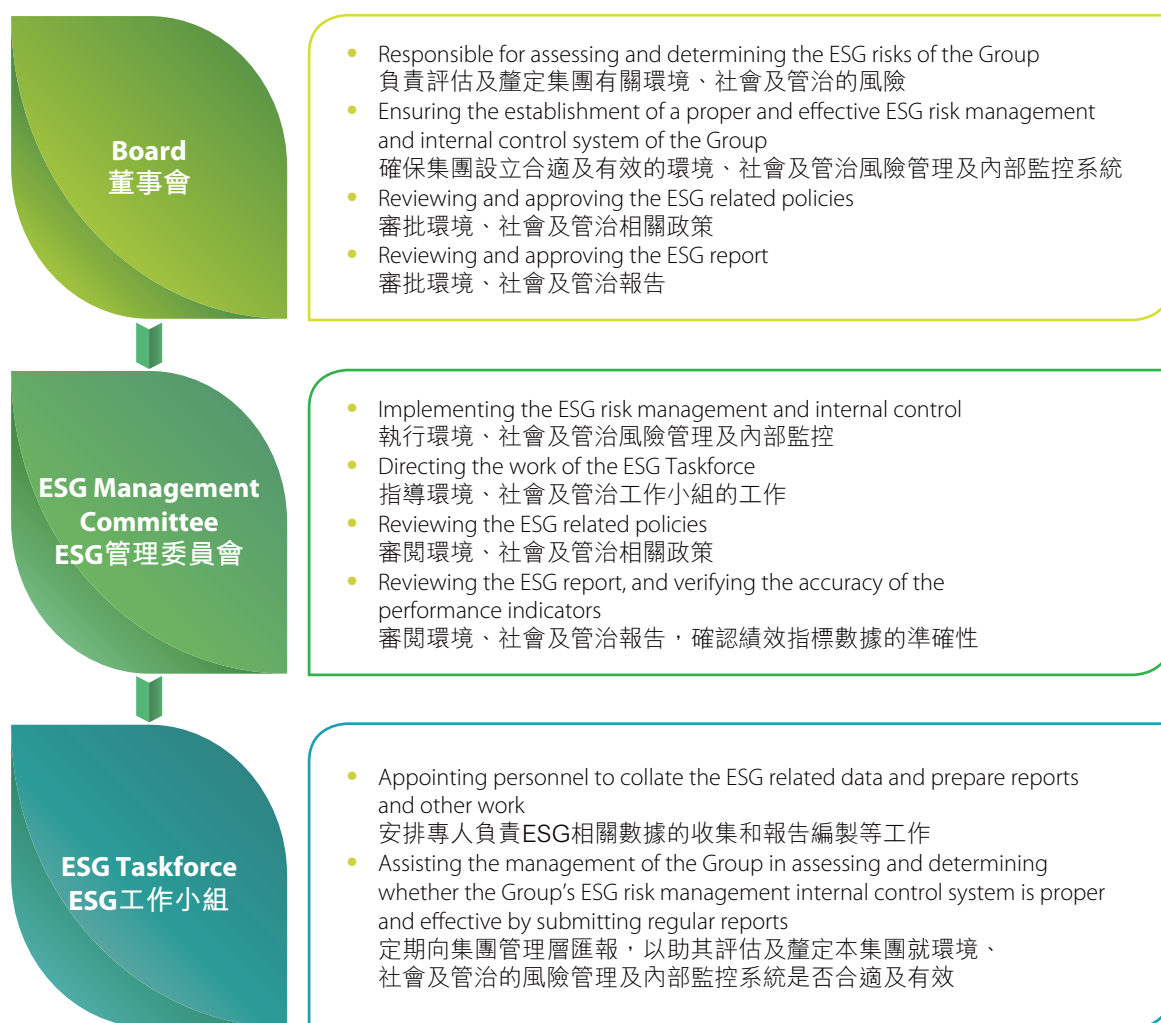
#### 1.1 ESG governance structure

The Group is committed to promoting the science and system application of the ESG governance so that our ESG governance capability will continue to improve. By establishing the top-down ESG governance structure, we continue with ESG implementation and improvement by strengthening the three-pronged management system, under which, the Board is extensively engaged, the ESG Management Committee provides horizontal coordination, and the ESG Taskforce carries out the actions.

### 1. ESG 管治

#### 1.1 治理架構

本集團致力於推動ESG管理的科學化、體系化，不斷提升ESG管理水平，我們通過建立自上而下的ESG治理架構，不斷鞏固「促使董事會深度參與、ESG管理委員會橫向協調、ESG工作小組落實行動」的三級聯動管理體系，全面開展ESG落實與提升工作。

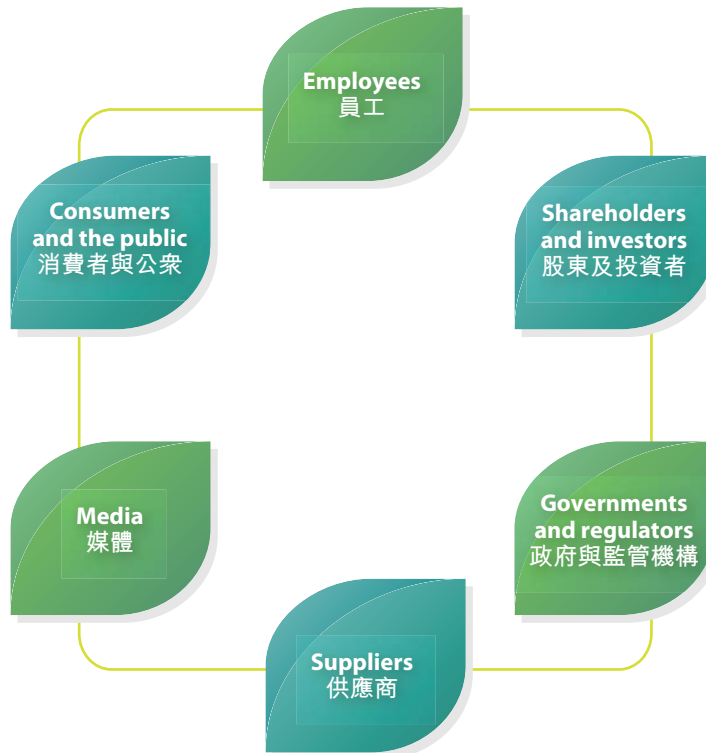


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1.2 Identification of and communications with stakeholders

The Group's development is driven by the support from various stakeholders, and we strive to establish a trusted relationship with our stakeholders by actively persisting in two-way communications with six major stakeholders, including government and regulators, shareholders and investors, suppliers, media, employees, consumers, and the public.



The Group persists in developing a diverse communications mechanism that allows us to hear and respond to expectations and concerns from a spectrum of stakeholders. During the Reporting Period, we engaged in exchanges and communications with our stakeholders via various channels in a more active and extensive manner, enabling us to join hands with all parties to achieve sustainability in economy, society, and environmental values. The following table sets out the topics that are of particular interest to different stakeholders during the Reporting Period.

### 1.2 權益人識別與溝通

本集團的發展離不開各類權益人的支持，我們堅持和政府與監管機構、股東與投資者、供應商、媒體、員工、消費者與公眾在內的6大權益人保持積極的雙向溝通，努力和權益人建立相互信賴的友好關係。

本集團堅持構建多元化的溝通機制，真誠地聆聽並回應不同權益人的期望與關切。報告期內，我們通過多種渠道與權益人進行更積極、廣泛的交流和溝通，攜手各方共同實現經濟、社會和環境價值的可持續發展。下表列出報告期內不同權益人組別重點關注的議題。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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### 1.3 Determination of material issues

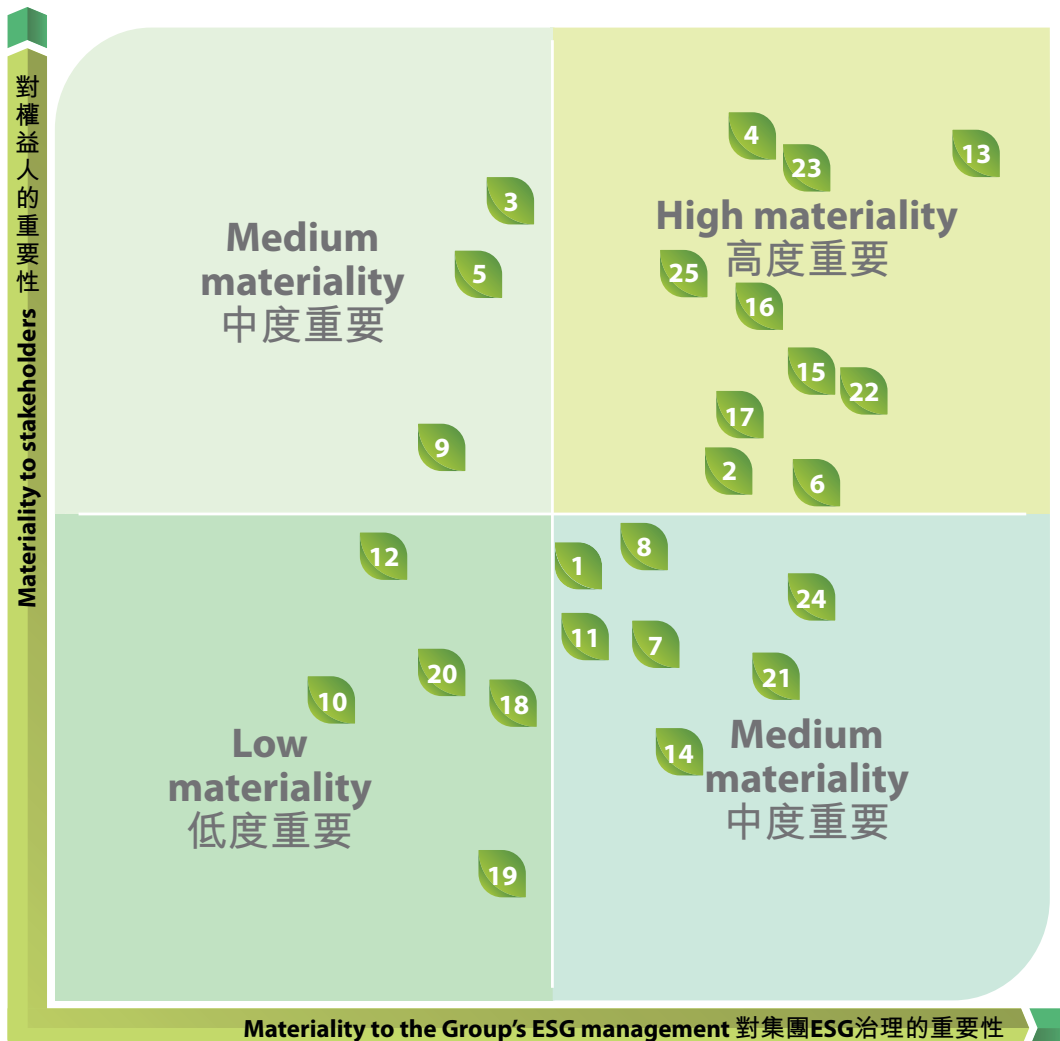
In accordance with the requirements of the Guide, the Group determines the ESG issues and makes materiality judgments in various forms, including counterpart benchmarking, media analysis and in-depth interviews with stakeholders, so as to provide strong merits for formulating our long-term ESG strategy.

During the Reporting Period, we conducted onsite interviews with our stakeholders to understand their opinions and expectations as to the ESG performance of the Group, and took into full consideration the impacts brought by various issues on the sustainability of the Group and our stakeholders, in which case, the materiality matrix for the Reporting Period was derived following adjustments and upgrade made to the ESG materiality matrix for last year. The results are as follows:

### 1.3 重大性議題識別

本集團依據《指引》的要求，通過同行對標、媒體分析、權益人深度訪談等方式識別環境、社會和管治議題並進行重大性判定，為我們制定長遠的ESG戰略提供了有力依據。

報告期內，我們開展了權益人現場訪談，了解其對本集團環境、社會及管治方面的意見和期望，綜合考慮了各議題對本集團可持續發展和權益人的影響，並對上一年度ESG重大性議題矩陣進行了調整和更新，形成了本報告期的重大性議題矩陣，結果如下：



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 1.4 Operating compliance

Honest and compliant operation underpins the business survival, and also the source of a healthy and sustainable business development. In this regard, the Group will continue to implement and improve the compliant measures against corruption, monopoly, and unfair competition so as to safeguard the legitimate rights of consumers, shareholders, and other stakeholders.

#### Ethical rules

The Group promotes a fair and lawful competition marketplace, and wishes to promote an orderly industrial development and drive industrial potential by regulating its own business conduct. In accordance with various laws and regulations, including *the Law Against Unfair Competition of the People's Republic of China* and *Certain Opinions of the State Council on Promoting Fair Competition in the Market and Maintaining the Normal Order of the Market*, the Group strives hard to pursue the regulated and transparent development model in the midst of maintaining a normal and healthy market competition landscape, and subjects itself to public scrutiny to establish a good reputation in the industry and even the community.

#### Clean and honesty

The Group is committed to building a business environment of fairness and integrity, as well as pursuing the moral values. We require our employees and suppliers to comply with various laws and regulations, including *the Criminal Law of the People's Republic of China* and *the Labor Contract Law of the People's Republic of China*, as well as to pursue practices in compliance with the business ethics and norms. We provide in our *Employee Code of Conduct* and *Code of Business Conduct* that our employees shall follow the business etiquette when engaging with the customers, business partners, and suppliers. Over the course of purchase, the Group strictly implements the centralized procurement standards, and stipulates the terms governing anti-corruption and anti-commercial bribery in procurement contracts, pursuant to which, corruption and bribery risks arising from the procurement process are brought under strict control. As regards sales, we redouble the efforts to supervise key department and positions, and our employees are encouraged to actively build the good corporate image. In addition, we will continue to improve our compliance development and management capability. In the meantime, we will constantly improve the whistleblowing management system and procedures in respect of bribery practice and corruption, while keeping various complaint and whistleblowing channels available. Furthermore, we will continue to improve the protection mechanism for our whistleblowers. During the Reporting Period, we did not identify any case involving corruption and litigation.

### 1.4 合規經營

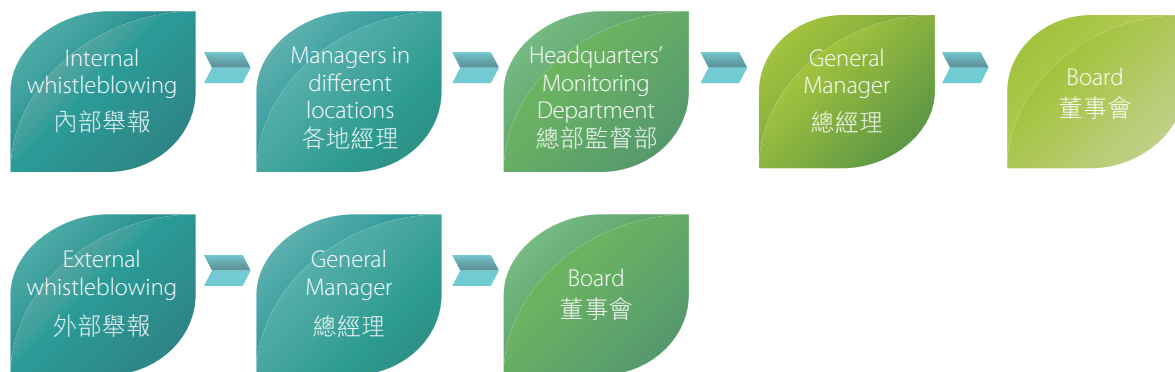
誠信合規經營是企業生存的基礎，更是企業持續健康發展的源泉。本集團不斷落實和完善反腐倡廉、反壟斷和反不正當競爭等合規要求，切實保障消費者、股東等權益人的正當利益。

#### 道德遵守

本集團倡導公平、正當的競爭環境，並希望通過規範自身商業行為來促進行業有序發展，激發行業活力。本集團依照《中華人民共和國反不正當競爭法》、《國務院關於促進市場公平競爭維護市場正常秩序的若干意見》等法律法規，努力打造規範、透明的發展模式，積極維護正常、健康的市場競爭環境，並接受社會的監督，樹立在行業乃至社會中的良好信譽。

#### 廉潔誠信

本集團致力於打造公正廉潔的商業環境和道德文化，我們要求員工和供應商遵守《中華人民共和國刑法》、《中華人民共和國勞動合同法》等法律法規，並以符合商業道德、商業慣例的方式行事。我們在《員工守則》、《商業準則》中規定了員工在與客戶、合夥伙伴、供應商的商業往來中的規範。在採購環節，本集團嚴格落實物資的集中化、標準化採購，並將反腐敗、反商業賄賂的相關要求納入採購合同中，嚴格控制採購過程中的貪腐及賄賂風險。在銷售過程中，我們加強對重點部門崗位人員監督，引導員工積極樹立企業良好形象，不斷提高我們的合規建設和管理水平。此外，我們不斷完善行賄與貪腐事件的投訴舉報管理制度和流程，保持多途徑投訴舉報渠道的暢通，並持續健全舉報人保護機制。報告期內，我們未發生貪污訴訟案件。



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

## 2. LEAN PRODUCTION, INNOVATION, AND SERVICE COMMITMENTS

The Group recognizes the importance of quality, pursues the green development standards, and believes in product innovation as the engine for our business growth. Whilst striving to provide our consumers with trusted products, we continue with our own business development to drive the industrial development and create greater community values.

### 2.1 Quality assurance

We always consider "Quality First" as the source to translate thoughts into actions. By constantly improving the quality management system, we are fully committed to providing our customers with premier, safe, and healthy products, and try our utmost to build a quality and healthy life.

## 2. 精益創新，竭誠服務

本集團將質量視為生命，將綠色發展視為標準，將產品創新視為動力，竭力為消費者提供值得信賴的產品，不斷通過自身發展帶動行業進步，創造更大的社會價值。

### 2.1 質量保證

我們始終把「品質至上」作為思想的出發點和行動的落腳點，不斷完善質量管理體系，全力為客戶提供高質量、安全和健康的產品，努力締造品質健康生活。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Quality control

The Group stresses the importance of ensuring product quality. To this end, we exercise stringent quality control over the procurement of raw and auxiliary materials and production activities so as to ensure raw and auxiliary materials in supply will be qualified and our production activities proceed in accordance with the *Good Manufacturing Practice (GMP)*. Upon completion of production, all testing items shall comply with the national food and drug inspection standards before being packaged and distributed. We also comply with local health quality practices overseas such as the *Dietary Supplements Regulations 1985*, the *Biosecurity Act 1993*, the *Animal Products Act 1999* and the *Food Act 2014*. We are committed to building the “whole-industry chain quality management ecosystem”, while incessantly striving to develop an “all-employee, all-process, and all-dimension” quality management system. In addition, we provide our product management officers with training programs focused on related laws and regulations, specific requirements, and new product line projects, which are aimed at continuing to improve our product quality, as well as developing the sense of responsibility among our employees for quality control.

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

The raw materials of Living Nature, a subsidiary of the Group are in compliance with the *Cosmetic, Toiletry & Fragrance Association (CTFA) certification*, the highest international standard; and the established quality management system and related manual requirements which are equivalent to or stricter than the CTFA GMP/ISO standard. We will continue to improve our testing capability for various indicators of product and raw materials, and streamline the control process to achieve the quality assurance.

### 質量控制

本集團高度重視對產品質量的保障，我們嚴把原輔料採購和生產的質量關，確保原輔料供應合格，並按《生產質量管理規範(GMP)》組織生產。產品在生產完成後，各項檢測均需符合國家食品藥品檢測標準，方可包裝、銷售。在海外，我們亦遵守運營所在地的衛生質量規範，如《膳食補充劑條例，1985》《生物安全法案，1993》《動物產品法案，1999》以及《食品法案，2014》等。我們致力於構建「全產業鏈質量管理生態圈」，不斷努力打造「全員、全過程、全方位」的質量管理體系。此外，我們通過對產品管理人員開展相關法律法規、特殊要求以及新產品項目的培訓，來不斷提高產品質量，樹立員工品質責任意識。

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

本集團的附屬公司 Living Nature 的原材料符合國際最高標準 — CTFA 《Cosmetic, Toiletry & Fragrance Association，美國化妝品、盥洗用品和香水協會》認證，建立的質量管理體系及其手冊要求也已等同或嚴於 CTFA GMP/ISO 標準。我們持續提高對產品及原料的多項指標的檢測能力，通過精細化的過程控制為質量管理提供保障。

Cobayer, a subsidiary of the Group, continues to optimize its product sampling management, including testing requirements for raw materials of products, packaging materials, and finished products. Over the course of production, we maintain and keep a good record of samples at different stages so that product traceability can assist with the references of physical items.

### Product recall

In strict compliance with *the Food Safety Law of the People's Republic of China, the Food Product Recall Management Rules*, and other laws and regulations, we formulate a collection of policy documents, including the *Incoming Food Inspection Procedures, Food Recall System* and *Defective Food Product Recall System*, all of which aim to constantly improve our product recall system.

During the Reporting Period, we established the "recall taskforce group", and formulated and published various procedural documents, including the *Product Recall Instructions, Product Recall Schedule, and Product Recall Records*. Furthermore, we provided training sessions for employees at those departments involved in the product recall. In addition, we had recall drills during the Reporting Period to test the effectiveness and operability of our recall procedures. During the Reporting Period, the Group did not identify any recall incident.

## 2.2 Innovation research

The Group stayed focus on product research and innovation, and is committed to providing consumers with higher-quality, healthier, and more diverse product lines. In collaboration with our partners, we will strive to assist the public in pursuing their dream for a healthy lifestyle. In the meantime, we strengthen our research exchange and collaboration with higher education institutions, research facilities, and industry associations, while promoting industry and technology research, high-caliber talent development and industry incubation so that all parties join hands to pursue innovation by supplementing each other with their own resources.

本集團的附屬公司康培爾持續優化產品的留樣管理，要求對產品的原材料、包裝材料和成品進行測試，在製造過程中保留不同階段的樣品，並做好記錄，為產品實現可追溯性提供實物依據。

### 產品召回

我們嚴格遵守《中華人民共和國食品安全法》、《食品召回管理辦法》等法律法規，並在公司內部制定了《食品進貨查驗制度》、《食品召回制度》，以及《缺陷食品召回制度》等一系列制度文件，不斷完善公司產品召回體系。

報告期內，我們成立了「召回工作小組」，制定並發佈了《產品召回指令》、《產品召回計劃表》、《各單位產品召回記錄》等程序文件，並對涉及部門的員工展開培訓。我們還於報告期內開展了模擬召回演練，以檢驗召回程序的有效性、可操作性。報告期內，本集團未發生主動召回事件。

## 2.2 創新研發

本集團聚焦產品研發與創新，專注為消費者提供更高品質、更健康、更多元的產品選擇，我們同所有伙伴一起，通過不懈努力幫助公眾實現追求健康生活的美好願望。同時，我們加強同高校、科研機構及行業協會的研發交流與合作，推進行業技術研發、高端人才培養及產業培育，促進各方資源互補，攜手創新。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Product research and development

The Group is committed to product innovation and exploration, as well as industrial upgrade, while continuing to enhance our capability to understand market demands and product preferences. During the Reporting Period, we adopted a strategic combination of marketing channels and product diversification, and persisted in collaboration with our customers to improve incentive mechanism for innovation research and development, consolidate research resources, and focus on deepening the research areas. During the Reporting Period, our new laboratory was officially put into operation. With the sophisticated research, laboratory, and inspection facilities equipment in place, we continue to explore the innovation of products, technologies, and processes, while constantly providing our customers with premier products and services.

The Group adopt the market-based research and product development processes to accommodate the changing customer demands. During the Reporting Period, the Group had a total of five technology innovation projects, and introduced 25 new products, including 2 Heijan products, 20 Good Health products, and 3 Living Nature products. These product lines diversify the healthcare product choices for our consumers.

### Intellectual property rights protection

As regards innovation research and patent applications, the Group continue to consolidate its competitive strengths in intellectual property rights. In compliance with the *Patent Law of the People's Republic of China*, we formulated relevant policy documents, including the *Intellectual Property Rights Management and Patent Protection System*, pursuant to which, various working processes, including collection, production, approval, and distribution of information in respect of intellectual property rights, are unified and regulated. While strengthening our standard management of self-owned patents, trademarks, and other intellectual property rights, we fully recognize the importance of intellectual property rights of others. During the Reporting Period, the Group did not identify any incident involving infringements upon intellectual property rights.

### 產品研發

本集團專注於產品創新探索及產業升級，持續提高對市場需求和產品趨勢的把握。報告期內，我們採取多渠道營銷、多元化產品的戰略組合，堅持客戶協同，通過不斷完善創新研發的激勵機制，實現研發資源的整合以及研發領域的深耕。報告期內，我們新的實驗室正式投入使用，借助於先進的研發、實驗和檢測設施設備，幫助我們持續探索產品、技術和工藝的創新，並不斷為客戶提供高質量的產品和服務。

本集團採用市場為本的研究及產品開發流程，以滿足不斷變化的客戶需要。報告期內，本集團共計實施5項科技創新類項目，推出25項新產品，其中包括2項禾健系列產品、20項好健康系列產品以及3項Living Nature系列產品，為消費者提供更加多元化的健康產品選擇。

### 知識產權保護

在創新研發和專利佈局方面，本集團繼續鞏固知識產權競爭力。我們依照《中華人民共和國專利法》，制定了包括《知識產權管理及專利保護制度》在內的相關制度文件，統一規範知識產權的信息收集、產生、審核及發佈等環節。我們在持續加強自身對專利、商標等知識產權規範管理的同時，也充分尊重他人的知識產權。報告期內，本集團未發生知識產權侵權事件。

#### Zhongsheng Bio-Tech 中生科技

13 licensed patents  
被授權專利 13 件  
2 licensed copyrights  
被授權著作權 2 件

#### Cobayer 康培爾

4 trademark applications  
申請商標 4 件

#### Good Health 好健康

7 trademark applications  
申請商標 7 件

#### Living Nature

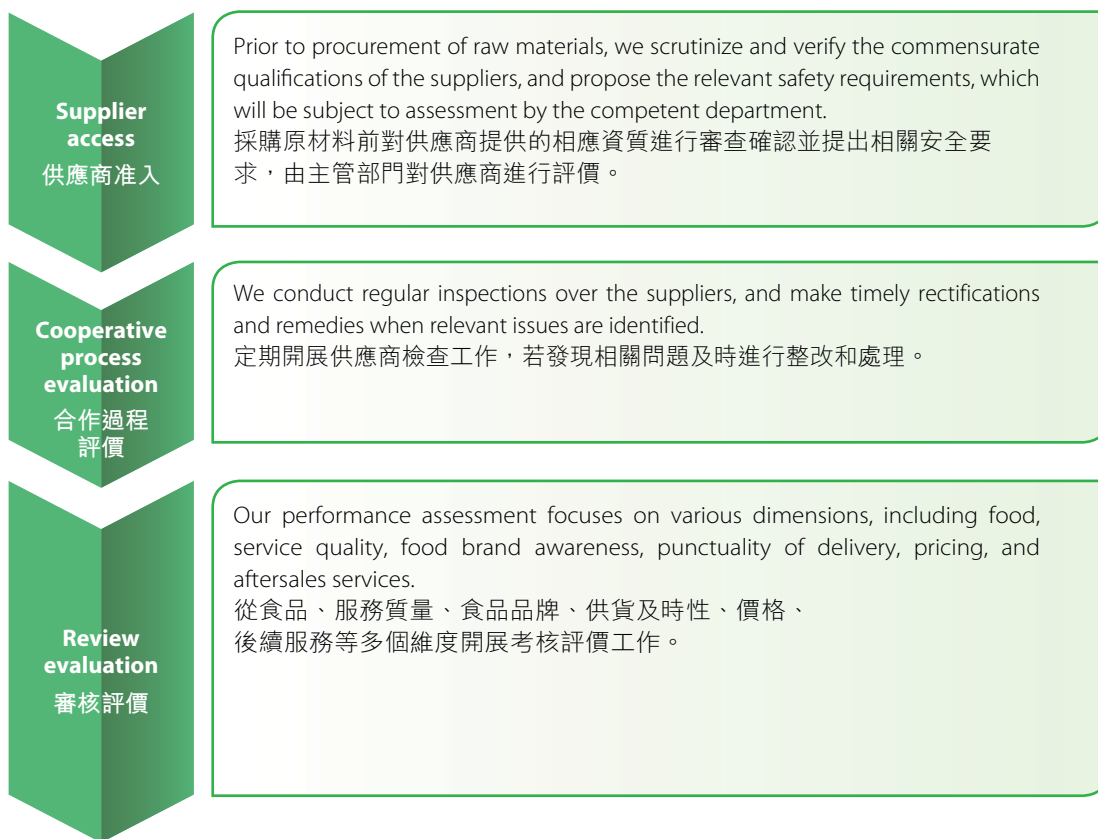
55 trademark applications  
申請商標 55 件

### 2.3 Supply chain management

Product quality is directly dependent upon the quality of raw materials and auxiliary materials, which also is closely connected to users' health. The Group operates as a business integrated with research, development, production, and sales, and therefore highly appreciates the management and maintenance of our supply chain. We will continue to advance the development of the supply chain system, which will help facilitate the establishment and development of a long-term and stable partnership. The Group has established a comprehensive supply assessment and grading management mechanism, which covers supplier access, cooperative process evaluation and review evaluation, so as to continue to improve our supply chain quality management.

### 2.3 供應管理

原輔料的質量直接影響著產品的質量，並關係到用戶的身體健康。作為一家集研發、生產和銷售於一體的企業，本集團非常重視供應鏈的管理和維護，不斷推進供應商體系建設，促進長期穩定合作關係的建立和發展。本集團已建立包括供應商准入、合作過程評價、審核評價等環節在內的供應商綜合評價和分級管理機制，確保供應鏈質量管理水平不斷提升。



During the Reporting Period, to avoid procurement risks and regulate procurement procedures, the Company holds regular procurement meetings, where each department is required to submit their procurement application for discussion and study so as to safeguard the quality and safety of product procurement. As regards to overseas cooperative suppliers, we will continue to improve the qualification certification process, while minimizing overseas procurement risks to safeguard production and operation stability.

報告期內，為規避採購風險，規範採購流程，本公司定期舉辦採購會議，對各部門提前提交的採購申請進行討論研究，以保證產品採購的質量安全。針對海外合作供應商，我們持續完善對其資質認證的流程，不斷降低海外採購的風險，保障生產運營的穩定。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

During the Reporting Period, we performed audit work over various suppliers, including paper audit and field audit. In addition, we carried out extensive investigation into the plant premises, production sites, and quality management of our suppliers to ensure that their quality management is up to standard. As at 31 December 2019, the Group had a total of 454 suppliers of raw materials, among which, there were 253 overseas suppliers and 200 Chinese suppliers.

### 2.4 Service system

The Group is committed to enriching service channels and improving our service standard, which will provide our customers with pleasant experiences in both comfortable services and health.

#### Service channel

For our service expansion, we continue to pay close attention to the service requirements of our consumers by further optimizing our multichannel marketing strategy to achieve the full-range coverage and multichannel services for our target customers.

During the Reporting Period, the Group continued to improve our warehousing, transportation, and distribution network by optimizing our marketing channels and models, which were aimed at providing a convenient and expeditious consuming experience. We achieved direct distribution from shopping platforms, which means that our warehouses can receive orders placed with the shopping platforms for direct shipment. Such arrangement not only reduces transactions but also reduces product wear and tear and makes logistics and distribution more convenient, efficient and cost effective. By the end of the Reporting Period, we had a total of 6 shopping platforms for direct delivery.

During the Reporting Period, the Group has made great effort to develop domestic distributors, TV shopping platforms and e-commerce platforms. We have built cooperation with a number of platforms including yougou.com, hao24.com, best1.com, jijiamall, CNRmall, happigo.com, ocj.com.cn and Global Home Shopping to sell general trade and cross-border trade products, and continued to cooperate with e-commerce platforms such as Tmall International, JD.com, suning.com, xiaohongshu.com, pinduoduo.com and Health Post.

報告期內，我們對多家供應商開展包括書面審計和現場審計在內的審計活動，對供應商的廠區情況、生產現場、質量管理等內容進行了深入考察，確保供應商的質量管理水平達標。截至2019年12月31日，本集團共有原材料供應商454家，其中境外供應商253家，中國供應商200家。

### 2.4 服務體系

本集團致力於豐富服務渠道、提升服務水平，幫助客戶獲得舒心的服務感受和愉快的健康體驗。

#### 服務渠道

為了拓展服務廣度，我們持續關注消費者的服務需求，對本集團多渠道營銷戰略進行進一步優化整合，實現目標客戶的全方位覆蓋和多渠道服務。

報告期內，本集團結合營銷渠道和模式的優化，不斷完善倉儲、運輸、配送網絡建設，旨在為消費者提供便捷、快速的購物體驗。我們實現了購物台的直配送，即購物台的訂單可以直接通過公司倉庫進行發貨，既減少了交易次數，降低了產品損耗，又實現了物流配送的便捷、高效和經濟。至報告期末，我們共實現6個購物台的直配送。

報告期內，本集團大力發展本地經銷商、電視購物平台和電子商貿平台。我們已和優購物、好享購、好易購、家家購、央廣購、快樂購、東方購物和環球購物等多家平台開展合作，銷售一般貿易及跨境貿易產品，並持續與天貓國際、京東、蘇寧易購、小紅書、拼多多、Health Post等電子商貿平台開展合作。

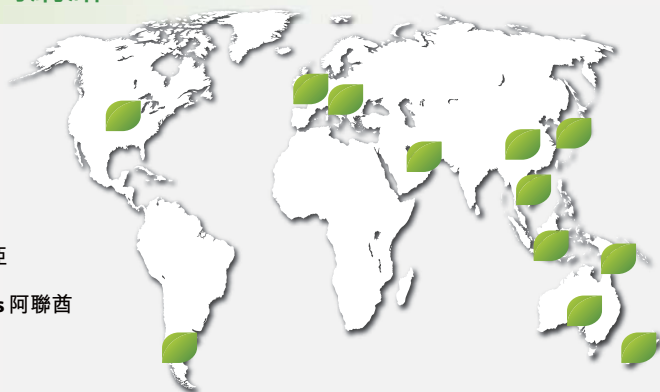
The Group's overseas sales platform is mainly comprised of the international distributor network that covers the United Kingdom, Germany, Singapore, Vietnam, and Thailand, and large chain pharmacies, healthcare product supermarkets, and souvenir shops in New Zealand and Australia.

本集團在海外的銷售平台主要包括廣泛分佈於英國、德國、新加坡、越南、泰國等多個國家的國際經銷商網絡及紐西蘭和澳大利亞本地的大型連鎖藥房、健康品超市及旅游紀念品商店。

### Distributor network widely distributed in many countries

#### 廣泛分佈於多個國家的國際經銷商網絡

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



#### Advertising compliance

The Group always pays attention to managing the compliance of advertising and promotions. In strict compliance with the *Advertising Law of the People's Republic of China*, the *Advertising Management Regulations of the People's Republic of China*, the *Interim Provisions of the People's Republic of China on Publishing Food Advertisements*, the *Interim Provisions of the People's Republic of China on Censorship of Healthy Food Advertisements*, and the *Tort Law of the People's Republic of China*, we also observe various overseas laws and regulations, including the *Guidelines for Therapeutic Advertising Pre-vetting Service* and *TAPS*. In the meantime, we established the advertising publication and approval mechanism to ensure the accuracy of online and offline advertising contents without any misleading or exaggerating content. During the Reporting Period, we teamed up with TV shopping platforms to launch various marketing campaigns to ensure marketing compliance. We worked with TV channels to carry out the whole-process control over the pre-airing, airing, and post-airing of sales activities. As regards to marketing forms, we guide consumers to a healthy living practices by focusing on advocating healthy living concepts.

#### 廣告合規

本集團始終關注對廣告宣傳的合規化管理。我們嚴格遵守《中華人民共和國廣告法》、《中華人民共和國廣告管理條例》、《食品廣告發佈暫行規定》、《保健食品廣告審查暫行規定》、《中華人民共和國侵權責任法》，在海外我們遵守包括《治療廣告預審服務規範》在內的多項法律法規。同時，我們建立了廣告發佈審核機制，保證線上、線下廣告內容中肯準確，並未含有誤導性和誇大性內容。報告期內，我們聯合電視購物平台進行了多場營銷活動，為保證營銷活動的合規性，我們和電視台一起對其進行上屏前、中、後的全流程管控。在營銷活動的展現形式上，我們通過聚焦於倡導健康生活理念，引導人們建立健康的生活方式。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Brand building

The Group continues to push forward with brand building by constantly identifying the brand attributes, and establishing product differentiation. By assisting our consumers in fully recognizing the inherent values of our products, we will continue to enhance our brand awareness and consumer conversion rate. During the Reporting Period, we participated and organized a series of consumer activities in the PRC and abroad, including 2019 SIAL China, Healthplex Expo 2019, 2019 Alibaba E-commerce Expo, the 19th Children-Baby-Maternity Expo (CMBE), New Zealand Fashion Week, and Baby Show (the largest parenting exhibition in New Zealand), so that we continue to broaden our horizon, deepen our communication with customers, showcase our products, and develop our global brands.

### 品牌建設

本集團持續推進在品牌建設方面的工作，通過不斷深挖品牌的專有屬性，建立與同類產品的差異化。我們充分引導消費者認知產品的內在價值，不斷提升品牌的認知度和消費者轉化率。報告期內，我們參與和組織了一系列海內外消費者活動，包括2019中國國際食品和飲料展覽會、第十屆中國國際健康產品展覽會、2019年阿里巴巴電子商務博覽會、第19屆CMBE (Children-Baby-Maternity Expo) 中國孕嬰童展、新西蘭時裝周(New Zealand Fashion Week) 與嬰幼兒用品展 (Baby Show，新西蘭最大的嬰幼兒消費展) 等，不斷拓寬視野、加深客戶交流、展現產品風採，培育全球品牌。



### 2.5 Communications with customers

The Group is actively building a comprehensive customer service system, as well as a timely and effective consumer response system. These systems allow us to deepen our understanding of consumer requirements through communication and provide inclusive and considerate services, thereby improving the consumer satisfaction.

#### Protection of rights and interests

In strict compliance with *the Food Safety Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, *the Tort Law of the People's Republic of China*, *the Fair Trading Act 1986*, and laws and regulations where we operate, the Group promotes the healthy living practices and safeguard customers' legitimate rights. During the Reporting Period, we optimized the customer complaint procedures and complaint handling mechanism. In cases of customer complaints or feedback, to ensure customer satisfaction, we established prompt communications with our customers, and identified solutions, including return of products, based on the complaint contents and negotiation results. As regards to complaints about imported products in the PRC market, we promptly took pictures or recorded videos, which were referred to the manufacturers, and proposed timely solutions. Furthermore, we conducted analysis and provided rectification with respect to the issues in question.

As for products sold on the TV shopping platform, we provide regular training sessions as to aftersales customer services of TV shopping platforms, which are aimed at assisting our customer service agents to understand the products of the Group and health-related knowledge, as well as encourage them to consider issues from the perspective of our customers on their best effort. This will help customer service agents fully understand and meet our customer requirements, and resolve the issues that concern our customers the most. As a result, the customers' recognition and satisfaction of our brand and services will continue to be enhanced.

#### Privacy protection

We highly recognize the importance of information security and privacy protection for customers. In strict compliance with *the Cybersecurity Law of the People's Republic of China* and other laws and regulations, we establish safeguards for customer privacy, and introduce restrictions as to access to private information. Furthermore, we establish a clearance mechanism for department heads, which prohibits the employees from leaking or unauthorized access to customer information. This mechanism aims to prevent the leakage of customer information from multiple aspects.

### 2.5 客戶溝通

本集團積極構建全面的客戶服務體系，打造及時有效的消費者快速響應系統，通過與消費者的全面溝通，深度了解消費者需求，提供全方位的貼心服務，不斷提升消費者的滿意度。

#### 權益保障

本集團嚴格遵循《中華人民共和國食品安全法》、《中華人民共和國消費者權益保護法》、《中華人民共和國侵權責任法》以及《公平交易法案，1986》等運營所在地法律法規，提倡健康的生活方式，保障客戶合法權益。報告期內，我們對客戶投訴流程和投訴處理機制進行了優化。當有客戶投訴反饋，我們將在第一時間和客戶取得溝通，並根據投訴內容和溝通結果，在當天進行包括退換貨在內的處理，保證客戶滿意。針對在中國境內的進口產品投訴，我們也會第一時間以拍照、視頻等方式反饋給廠家，及時提出解決方案，並針對反饋的問題進行分析和整改。

針對電視購物平台銷售的產品，我們定期對電視購物平台的售後客服進行培訓，增加客服對本集團產品及健康常識的認知，指導他們竭盡全力站在客戶的立場考慮問題，充分了解和滿足客戶的需求，解決客戶最關心的問題，不斷提高客戶對我們品牌的認可和服務的滿意度。

#### 隱私保護

我們高度重視客戶的信息安全與隱私保護，嚴格遵守《中華人民共和國網絡安全法》等法律法規，建立了相應的客戶隱私保護辦法，對相關隱私信息的接觸權限進行限制。我們建立了主管管控機制，嚴禁員工洩露或未經審批調用客戶信息，從多個環節避免客戶的信息洩露。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. GREEN OPERATION TO SUPPORT THE ECOSYSTEM

In the midst of increasingly severe environmental pollution and waste of resources, minimizing negative environmental impacts caused by various processes, including production and operation, has become an material issue for corporate sustainability. In response to climate changing challenges, we continue to improve our environmental management, enhance the resource utilization rate, and reduce pollution emissions, so as to make positive contribution to environmental sustainability.

#### 3.1 Environmental management

In strict compliance with various laws and regulations governing environmental protection, including the *Environmental Protection Law of the People's Republic of China*, the *Law on the Prevention and Control of Water Pollution of the People's Republic of China*, the *Law on the Prevention and Control of Air Pollution of the People's Republic of China*, the *Law on the Prevention and Control of Solid Waste Pollution to the Environment of the People's Republic of China*, *Environmental Protection Tax Law of the People's Republic of China* and the *Law of the People's Republic of China on Energy Conservation*, the Group has developed the *Corporate Environmental Management System*, *Corporate Drainage Management System*, *Corporate Solid Waste Management System*, *Energy Conservation Management System* and *Vehicle Management System*. During the Reporting Period, all environmental protection indicators of the R&D Centre project of Zhongsheng Bio-Tech, were in compliance with regulatory requirements, and it successfully obtained the approval and commenced its operation.

Over the course of daily operation, we ensure that use of energy and resources, pollutant generation and disposal are subject to compliance management measures under the assistance from the leading environmental taskforce. During the Reporting Period, Living Nature was certified by *Toitu* (which is formerly known as *EnviroMark* and provides environmental management solutions) after an evaluation conducted over the environmental management of Living Nature in various areas, including its supply chain, business, and risks. The "Toitu" certification endorses the compliance and risk prevention awareness of Living Nature which signifies our active commitment to sustainability in our resource management, sewage control, waste minimization, use of hazardous chemicals, and other aspects.

### 3. 綠色營運，助力生態

隨著環境污染和資源浪費問題的日益嚴重，減少生產、運營等環節對環境的負面影響已成為企業可持續發展的重要主題。為應對氣候變化的挑戰，我們通過不斷完善環境管理，提高資源利用率，減少污染物排放，為環境可持續發展作出積極貢獻。

#### 3.1 環境管理

我們嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境保護稅法》、《中華人民共和國能源節約法》等法律法規，制定《環保管理制度》、《排水系統管理制度》、《固廢管理制度》、《節能管理制度》、《車輛管理制度》等內部管理制度。報告期內，中生科技研發中心項目的各項環境保護相關指標已滿足監管要求，已成功獲批並開始投入使用。

在日常業務運營過程中，我們通過環保領導小組對我們的能源和資源使用情況、污染物產生及處置情況進行合規管理。報告期內，Living Nature通過了「Toitu」《環境管理解決方案，前身為EnviroMark》認證，從供應鏈、業務、風險等方面對Living Nature的環境管理進行評估。「Toitu」認證的獲得，展現了Living Nature在資源管理、污水控制、廢棄物最小化、危險化學品使用等方面的合規意識和風險意識，體現了我們積極促進可持續發展的決心。



### 3.2 Use of resources

Over the course of production and operation, we encourage the practice of simplicity, comfort, and green and low-carbon emission by launching water conservation, electricity conservation, and energy-saving campaigns for our employees, and take the initiative to address climate change as part of our sustainability commitments.

#### Energy management

Over the course of production and operation, we mainly consume gasoline, diesel, liquefied petroleum gas, and purchased electricity. Therefore, we explore methods including equipment transformation and processing improvement to reduce energy consumption as much as possible on the basis of safeguarding quality and performance. For the purposes of reducing purchased electricity, we will substitute LED lights for obsolete fluorescent lamps, and install time-controlled air-conditioning systems. We encourage our employees to take public transportation for outbound travel so as to reduce the use of self-owned vehicles. By rationalizing the schedule of our production and processing activities, we save the use of diesel and gasoline.

### 3.2 資源使用

我們在生產、經營過程中倡導簡約適度、綠色低碳，組織員工開展節水、節電、節能活動，積極應對氣候變化問題，肩負起可持續發展責任。

#### 能源管理

我們在生產經營過程中主要使用的能源為汽油、柴油、液化石油氣、外購電力等。我們憑借設備改造、工藝改善等方法盡可能地在保障質量及品質的基礎上減少能源的消耗。我們通過將廢舊燈管更換為LED節能燈、採用可控時空調等舉措減少外購電力的使用；通過號召員工乘坐公共交通出行，以減少不必要的自有車輛使用；通過合理安排生產、加工活動，節約柴油、汽油的使用。

#### Efficient Lighting Renovation Project for Underground Parking Lot 地下車庫照明節電改造項目

During the Reporting Period, we carried out an efficient lighting renovation project for our underground parking lot at the office building of the Group. We substituted the timer switch for the original lighting switch based on the traffic volume of the underground parking lot at various time slots. In doing so, we estimate that approximately 5,000 kWh can be saved on an annual basis.

報告期內，我們對集團辦公樓地下車庫照明節電系統進行改造，將原有電照明開關改為時控開關，根據地下車庫的人流量和車流量設計相應的時控時限。通過此舉措，我們預計每年可節電5,000餘千瓦時。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Set forth below is our energy consumption during the Reporting Period

報告期內，我們的能源消耗情況如下：

Consumables categories	消耗物類別	Consumption			Unit
		2017	2018	2019	
Gasoline	汽油	57,291	62,128	67,731	Litre 升
Diesel oil	柴油	7,708	7,371	4,994	Litre 升
Liquefied petroleum gas	液化石油氣	0.64	1.47	2.87	Cubic metres 立方米
<b>Total direct energy consumption</b>	<b>直接能源消耗總量</b>	71.65	75.30	81.22	Tonnes of standard Coal equivalent 噸標煤
Purchased electricity	外購電力	2,363.01	1,952.82	2,614.21	MWh 兆瓦時
<b>Total indirect energy consumption</b>	<b>間接能源消耗總量</b>	290.41	240.00	321.29	Tonnes of standard Coal equivalent 噸標煤
Total energy consumption	綜合能源消耗	362.06	315.30	402.51	Tonnes of standard Coal equivalent 噸標煤
<b>Integrated energy consumption per revenue of RMB10,000</b>	<b>萬元收益綜合能耗</b>	7.32	6.96	12.48	Kilogram standard Coal equivalent per RMB10,000 千克標煤/萬元

In promoting green and low-carbon operation, we pursue scientific and rational management of energy use during our daily production and operation activities to minimize greenhouse gas emissions. Set forth was our greenhouse gas emission during the Reporting Period:

我們倡導綠色低碳經營，在日常生產經營中，對能源使用情況進行科學、合理管理，以減少溫室氣體排放。報告期內，我們的溫室氣體排放情況如下：

Greenhouse gas category	溫室氣體類別	Emission			Unit
		2017	2018	2019	
Greenhouse gas emission Scope I	範疇一溫室氣體排放	174	161	168	Tonnes of CO <sub>2</sub> eq 噸CO <sub>2</sub> 當量
Greenhouse gas emission Scope II	範疇二溫室氣體排放	972	828	1,195	Tonnes of CO <sub>2</sub> eq 噸CO <sub>2</sub> 當量
Greenhouse gas emission Scope III*	範疇三溫室氣體排放*	19	65	56	Tonnes of CO <sub>2</sub> eq 噸CO <sub>2</sub> 當量
Total greenhouse gas emissions	溫室氣體排放總量	1,165	1,054	1,419	Tonnes of CO <sub>2</sub> eq 噸CO <sub>2</sub> 當量
Greenhouse gas emissions per revenue of RMB10,000	萬元收益溫室氣體排放量	23.56	23.26	43.98	Kilogram of CO <sub>2</sub> eq Per RMB10,000 千克CO <sub>2</sub> 當量/萬元

\* Note: Greenhouse gas emission Scope III includes emissions generated from business flights of our employees.

\* 註：範疇三溫室氣體排放包括員工因公乘坐航班造成的排放。

### Water resource management

By acknowledging the importance of water resource to human production and domestic activities, we continue to implement the water resource management system, and strengthen the awareness of water conservation among our employees so that efficient use of water resource can be constantly improved. During the Reporting Period, we mainly implemented the water-saving practices as follows:

### 水資源管理

我們深知水資源對於人類生產、生活的重要性，並通過持續推進水資源管理制度，加強員工節水意識，不斷提高水資源的使用效率。報告期內，我們的節水實踐主要有：

### Water-saving management

#### 節水管理

- Implemented scientific production planning by considering the processing procedures at the preliminary research stage to avoid preliminary processing that consumes substantial water; 通過科學安排產品生產規劃，從研發初期考慮工藝規程，盡量避免耗水量較大的前處理工藝；
- Installed water-saving devices and environmental pipeline equipment to prevent gas leakage, water gushing, dripping, and water leakage; 使用節水器具和環保管道設備，防止跑冒滴漏現象；
- Centralized the cleaning and disinfection of work uniforms to save the consumption amounts of tap water and disinfectants. 對工作服進行統一清潔、消毒處理，節省自來水和消毒劑的使用量。



### Rainwater recycle

#### 雨水回用

- The rainwater and sewage separation facility was built for the production and office premises located in Nanjing for recycling rainwater; 在位於南京的生產辦公場所建設雨污分流設施，對雨水進行回用；
- Rainwater collected from the roofs and road surfaces were used for greening, irrigation, cleaning vehicles and roads. 收集屋面及路面的雨水供綠化灌溉、車輛清潔、道路清洗等環節使用。

Tap water is the main source for water consumed during the operation of the Group. Daily operation and office premises within the industry park are the major sources of water consumption. Set forth was water consumption during the Reporting Period:

自來水是本集團運營用水的主要來源，我們的主要的用水環節為園區日常運營和辦公。報告期內，我們的用水情況如下：

Consumables category	消耗物類別	Consumption 使用量			Unit 單位
		2017	2018	2019	
Water resources	水資源	40,630.22	18,463.80	19,646.50	Tonne 噸
Water consumption per revenue of RMB10,000	萬元收益水消耗	0.82	0.41	0.42	Tonne per RMB10,000 噸/萬元

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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### Packaging materials management

We continue to regulate the management of packaging materials by striving to enhance the efficient use of packaging materials. Over the course of production and operation, cardboards and plastics are our major packaging materials. In 2019, we continued to evangelize about simple packaging practices and improve the logistics system to prevent waste of materials due to excessive packaging.

To streamline the management of packaging materials, we establish the packaging committee, which shall review and control the selection and recycle of packaging materials, and the environmental impacts brought by such packaging materials. Owing to our commitments, cardboards used for products under the brand Living Nature are sourced from the secondary forest, which is free from toxic or bleach. Furthermore, all packaging materials used for products under the brand Living Nature are 100% recyclable materials. To further enhance efficient use of resources, we are actively exploring research on the alternate packaging solutions.

We changed the distribution system and logistics system for the TV shopping services in 2019. Originally, commodities were delivered to the warehouse of the TV station before being shipped to consumers. Now, orders are placed with the TV station, which is relayed to the warehouse of the Company for direct shipment from the factory. Apart from cutting logistics costs, we manage to reduce the waste of packaging materials due to secondary shipment.

Set forth below was the consumption by the Group of packaging materials during the Reporting Period:

### 包裝材料管理

我們持續對包裝材料進行規範化管理，大力提升包裝材料使用的效率。生產經營過程中，我們主要使用的包裝材料為紙板和塑料。2019年，我們通過持續倡導簡易包裝，改善物流系統，避免過度包裝對材料的浪費。

為對包裝材料進行精細化管理，我們成立了包裝委員會，對包裝材料的選擇、回收、以及包裝材料的環境影響進行審查和把控。在我們的努力下，Living Nature 品牌產品紙箱使用的紙板材料均來自可再生森林，不含毒素或漂白劑。此外Living Nature 品牌產品所採用的包裝均由100%可回收材料制作。為了進一步提升資源使用效率，我們正在積極進行替代包裝解決方案的研究。

2019年我們更新了電視購物的配送系統和物流系統。將原本商品配送至電視台倉庫再寄送給消費者的方式改為電視台訂單直接下到公司倉庫提貨，通過廠家配送。在節省物流成本的同時，減少了二次配送帶來的包裝材料的浪費。

報告期內，本集團我們的包裝材料使用情況如下：

Consumables category	消耗物類別	Consumption 消耗量			Unit 單位
		2017	2018	2019	
Packaging materials	包裝材料	280.95	391.50	541.22	Tonne 噸
Consumption of packaging materials per revenue of RMB10,000	萬元收益包裝消耗	5.68	8.64	16.78	Kilogram per RMB10,000 千克/萬元

### Green office

#### 綠色辦公

We encourage our employees to play an active role in pursuing environmentally friendly practices, and urge our employees to identify means to save resources in their best ability, including:

我們鼓勵員工積極踐行環保舉措，號召員工以力所能及的方式節約資源，其中包括：

- Turning off the lights and computers upon the work being completed or being absent for a long period of time;
- 在結束工作後或長時間離開時，關閉電燈和電腦；
- Trying to reuse or recycle paper, cardboard, and other materials in the office;
- 盡量重複使用或回收辦公室裡的紙張、紙箱和其他材料；
- Making full use of the recycle station in the office in strict compliance with garbage classification;
- 充分利用辦公室的回收站，並嚴格遵守垃圾分類說明；
- Disposing used ink cartridges and batteries in a designated area to prevent pollution;
- 將用過的墨盒和電池處理到指定地點，避免污染；
- Using environmental paper gift bags for promotional campaigns;
- 使用環保的紙質禮品袋進行促銷活動；
- Trying to register electronic communications means for receiving bills and correspondence and avoid paper mails.
- 盡可能註冊接收賬單和電子通信，避免紙質郵件。

### 3.3 Emissions compliance

We are actively exploring effective measures to reduce emissions. In accordance with the requirements of the relevant laws, regulations, and standards, including *the Law on the Prevention and Control of Water Pollution of the People's Republic of China* and *the Law on the Prevention and Control of Air Pollution of the People's Republic of China*, we uphold the environmental bottom line, and exercise stringent control over pollutant emissions.

#### Wastewater emission

In accordance with production conditions and local laws and regulations, we established our strict wastewater management rules. Based on the Class-3 wastewater emission standards set forth under *the Integrated Wastewater Discharge Standard (GB8978-1996)*, we adopt the scientific, rational, and efficient method to treat wastewater so as to comply with the discharge standard. In particular, wastewater generated from our laboratories is treated in the water collection tank for acid-base balancing until it falls within the compliance scope. After it is tested for the discharge standard upon precipitation, it discharged through the outdoor sewage pipeline.

### 3.3 合規排放

我們積極探索降低排放的有效措施，根據《中華人民共和國水污染防治法》《中華人民共和國大氣污染防治法》等相關法律法規及標準的要求，嚴守環保紅線，對污染物排放進行嚴格管控。

#### 污水排放

我們根據生產情況和當地相關法律法規建立了嚴格的污水管理制度。基於《污水綜合排放標準》(GB8978-1996)的三級污水排放標準，我們以科學、合理和高效的方式對污水進行處理，確保合規排放。其中，從實驗室產生的廢水我們將統一經過集水池進行處理，並通過酸鹼調節至合規範圍後進行沉澱，經檢驗符合排放標準之後通過室外污水管網排放。

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We evangelize about clean production, and strive to control wastewater at source level to mitigate its negative environmental impacts. We propose that:

- No coal-fired or gas boilers are used over the course of production;
- No corrosive acid, alkaline, chlorine or other solvents will be used for any closed-loop cleaning system;
- Excessive use of water resources is avoided in a production environment to reduce consumption of water resources and wastewater discharge.

Set forth below was our wastewater discharged during the reporting period:

Effluents category	排放物類別	Amount discharged			Unit
		2017	2018	2019	
Total wastewater discharged	污水綜合排放量	15,682	12,974	6,223	Tonne 噸
Chemical Oxygen (COD) discharged	COD 排放量	0.0300	0.0360	0.0310	Tonne 噸
Ammonia and nitrogen discharged	氨氮排放量	0.0100	0.0058	0.0049	Tonne 噸

### Air emission

Our air emission is mainly comprised of a small amount of air emission produced by the laboratory, which will be collected in a centralized manner and absorbed by activated carbons before its emission in accordance with relevant laws and rules.

我們推廣清潔生產，力爭從源頭上控制廢水對環境的負面影響。我們主張：

- 在生產中不使用燃煤鍋爐及燃氣鍋爐；
- 在閉路清洗系統中避免過度使用腐蝕性酸、鹼、氯溶劑；
- 在生產環境避免水資源過度使用，減少水資源消耗及污水排放。

報告期內，我們的污水排放情況如下：

### Amount discharged

排放量

### 廢氣排放

我們的廢氣主要為實驗室產生的少量實驗廢氣。我們會對廢氣進行統一收集並經過活性炭吸附後進行合規排放。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Solid waste management

In strict compliance with the relevant requirements of the laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution and Prevention and Control of Waste Hazardous Chemical the Law of Pollution*, and according to the *National Catalogue of Hazardous Waste*, we sort out and collect waste generated from our production and operation, all of which are uniformly disposed of by local qualified municipal sanitation units.

General non-hazardous waste generated from our operation mainly comprises of packaging waste, personal protective equipment waste, electronic waste, office waste, and food waste. We promote the practice of paper-free office and waste classification to minimize the generation of non-hazardous waste.

Our major hazardous waste includes mineral oil waste and drugs waste. To ensure safety compliance, we maintain a detailed record by establishing a record system and filing these records with the relevant regulatory department.

Set forth below is our solid waste disposal during the Reporting Period:

### 固體廢棄物管理

我們嚴格遵守《中華人民共和國固體廢物污染環境防治法》《廢棄危險化學品污染環境防治辦法》等相關要求，根劇《國家危險廢棄物名錄》對我們生產經營過程中產生的廢棄物進行分類收集，並交由當地有資質的市政環衛單位統一清運處理。

我們所產生的一般無害廢棄物主要為包裝廢料、勞保廢料、電子垃圾、辦公垃圾和廚餘垃圾等。我們通過推行無紙化辦公以及垃圾分類，降低無害廢棄物的產生量。

我們的主要危險廢棄物為廢礦物油、廢藥品等。我們通過台賬進行詳實記錄，並在相關監管機構進行備案，以確保安全合規。

報告期內，我們的固體廢棄物排放情況如下：

Disposal category	排放物類別	Amount disposed 排放量			Unit 單位
		2017	2018	2019	
Hazardous waste	危險廢棄物	17.02	28.00	28.07	Tonne 噸
Hazardous waste per revenue of RMB10,000	萬元收益危險廢棄物	0.34	0.62	0.87	Kilogram per RMB10,000 千克/萬元
Non-hazardous waste	無害廢棄物	43.00	44.21	51.93*	Tonne 噸
Non-hazardous waste per revenue of RMB10,000	萬元收益無害廢棄物	0.86	0.98	1.61	Kilogram per RMB10,000 千克/萬元

\* Note: due to the completion and services of Zhongsheng Bio-Tech Park, there is an increase in the disposal of non-hazardous waste in connection with the operation of the park, personnel, offices, and cafeteria during the Reporting Period.

\* 註：由於中生科技新園區的落成啟用，導致報告期內園區運營、人員辦公及食堂餐飲相關無害廢棄物排放量有所增加。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 4. SHARED GROWTH BASED ON OUR PEOPLE-ORIENTED VALUES

We uphold the “people oriented” philosophy by pursuing a sustainable development, promoting the people-oriented practices. To respect the employee rights and interests, we continue to optimize the working environment to build a healthy and pleasant workplace for our employees. Given our growing employee size, we continue to expand our training programs, build transparent channels for promotion, and provide a wide platform for career development.

#### 4.1 Employment overview

In strict compliance with local laws and regulations, including *the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Human Rights Act 1993, the Employment Relations Act 2005, and the Holidays Act 2003*, we formulate and continue to improve the *Employee Recruitment Procedures and Remuneration Management System* to regulate our employee management. We prohibit any form of discrimination in any areas, including ethnicity, nationality, religion, sex, and family, as well as forced labour. For the purposes of our recruitment, we conscientiously review the information of applicants to prevent the employment of any underaged candidate. In case of any use of child labour or forced labour, we will address these issues in strict compliance with the relevant procedures, and the personnel involved will be seriously disciplined. During the Reporting Period, we did not identify any violation case involving the use of child labour or forced labour.

### 4. 以人為本，共享成長

我們秉持「以人為本」的信念，在追求可持續發展的同時倡導以人為本的工作理念。我們尊重員工權益，不斷優化工作環境，努力為員工營造一個健康、快樂的工作氛圍。我們鼓勵員工不斷發展，不斷擴展培訓內容，打造透明晉升渠道，為員工謀求更廣闊的職業發展平台。

#### 4.1 僱傭概況

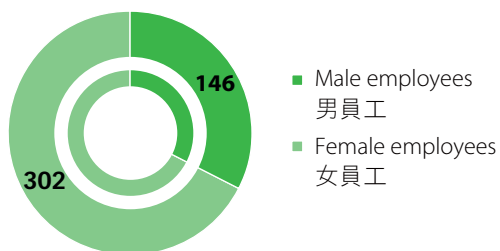
我們嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《人權法案，1993》、《就業關係法案，2005》、《假期法案，2003》等運營所在地法律法規，制定並持續完善《員工招聘制度》、《薪資管理制度》以規範員工管理。我們拒絕因種族、國籍、宗教、性別、家庭等方面的歧視，拒絕強迫勞動。我們在招聘過程中認真審核求職者資料，避免未達年齡的應聘者被錄用。一旦發生使用童工或強迫勞動的情況，我們將嚴格按照有關程序進行處置，並嚴肅處理相關人員。報告期內，我們未發現任何使用童工或強迫勞動的違規情況。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

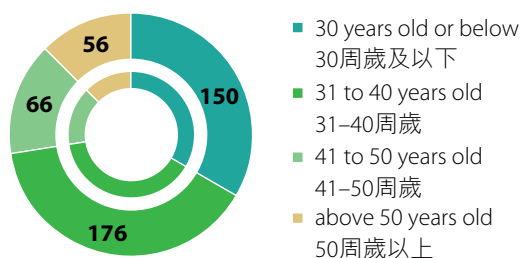
## 環境、社會及管治報告

We recruit talents in considering the business needs of our Company, via various channels, including new media, human resources market, campus recruitment, and internal referral, to optimize our talent pool. At the end of the Reporting Period, we had a total of 448 employees, details of which are set forth as follows:

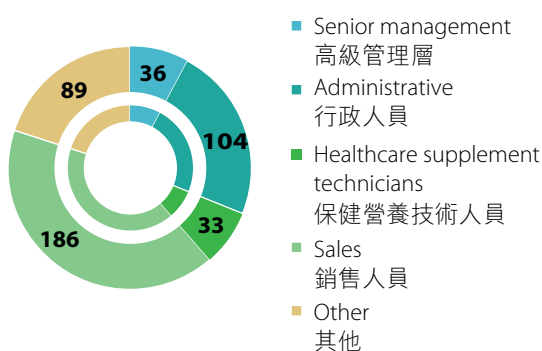
我們根據業務需求對人才進行招聘，通過新媒體、人力資源市場、校園招聘和內部推薦等渠道，不斷優化我們的人才梯隊。截至報告期末，我們共有員工448名，詳情如下：



**Distribution of total employees by gender**  
按性別劃分的僱傭人數



**Distribution of total employees by age**  
按年齡劃分的僱傭人數



**Distribution of total employees by profession**  
按專業劃分的僱傭人數

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 4.2 Employee development

To accommodate the business development, we provided our employees with various training programs, as well as fair and transparent career development and promotion channels. As for employee training, we continue to improve the training system based on the *Employee Training Management System*. For the purpose of improving the employee's knowledge of the maternity and infant market, as well as enhancing their expertise to expand the maternity and infant market, we provided training which focused on the maternity and infant business segment, which cover sessions related to nursery coaches, and assist and encourage them to obtain the relevant qualifications. To continue with the overseas market expansion, we also provided our employees within the PRC with training on Good Health, our overseas brand. To further enrich the knowledge of our employees, we implemented the online training model in addition to conventional training management and training programs, including WeChat and livestream platforms.

We made strategic arrangements as to the training contents based on the department development requirements. In 2019, we formulated 219 training programs in total, including company-level and department-level training. During the Reporting Period, we had a total of 2,495 attendees with a total of 16,915 training hours, and average training hours of 38 hours per person.

As for employee promotion, we persist in the notion of "fairness, impartiality, and openness". By conscientiously selecting talents suitable for the positions, we ensure each outstanding employee has access to equal promotion and development opportunities. Based on the *Employee Promotion and Management System*, we carry out a comprehensive assessment over our employees in terms of their work performance, work attitude, and development potential, the results of which serve as the merits for providing our employees with promotion opportunities. We aim to promote continued learning among our employees to improve their individual capability and make progress with the Company. The Group offers three promotion paths, including sales, management, and technology paths, where our employees may specifically improve their expertise based on their individual features and business requirements. If our employees are willing to realign their career development path and demonstrate outstanding performance, we will also permit such employees to pursue their career change or promotion on a different business line.

### 4.2 員工發展

為配合業務發展的需要，我們為員工提供豐富多樣的培訓及公平透明的職業晉升渠道。在員工培訓方面，我們基於《員工培訓管理制度》，持續完善培訓體系。為了提升員工對於母嬰市場的認知、加強開拓母嬰市場的技能，我們將培訓重點放在母嬰新事業領域，為員工提供育嬰員相關培訓，並幫助、鼓勵員工考取相關資質；為持續開拓海外市場，我們還對中國境內的員工進行了關於公司海外品牌 Good Health 的聯動培訓；為了進一步豐富員工的知識儲備，我們在沿用常規培訓管理方法和培訓項目的基礎上，新增了線上培訓模式，通過當下新穎的微信、直播平台等形式進行培訓。

我們將培訓內容與部門需求相結合進行部署安排，2019年共制定了219項培訓計劃，其中包括公司級培訓和部門級別培訓。報告期內，我們共有2,495人次參與了培訓，培訓總時數達16,915小時，人均培訓時長為38小時。

在員工晉升方面，我們始終秉承著「公平、公正、公開」的宗旨，認真遴選真正適合工作崗位的人才，讓每一位優秀的員工獲得平等的晉升、發展機會。我們基於《員工晉升管理制度》，綜合考核員工的工作能力、工作態度、發展潛力等方面，並根據考核結果為員工提供晉升機會，旨在激勵員工不斷學習，提高自身能力，與公司共同進步。本集團的晉升軌道包括銷售軌道、管理軌道、技術軌道三類，員工可以根據個人特點及業務需要有针对性地提升本領域的能力水平，若員工有意願調整職業發展路線，且表現積極突出，我們亦允許其跨業務線轉崗或晉升。

### 4.3 Communications and caring

We recognize our employees as the core engine to drive our business development, and highly appreciate their commitments to our work. In response to our employee health, we provide a variety of benefits and caring gestures to our employees, including flexible work schedule in the midst of special periods, annual body check, birthday celebration, visit to the sick with solicitude, and Women's Day presents. We also actively engage in communications with our employees at all levels, and provide them with premium services, including regular recreational events, and one-on-one communication exchange, and employee meetings, to assist them in mitigating their work pressure, as well as maintaining their enthusiasm at workplace. In this way, our employees will have a sense of belonging at their busy work.

### 4.3 溝通關愛

我們深知員工是企業發展的核心力量，珍視員工在工作中的付出。我們關注員工健康，為員工提供豐富多樣的福利和關愛，如特殊時期的彈性工作制、年度體檢、生日慰問、疾病慰問、女性同胞節日小禮物等。我們也積極與各層級員工溝通，為員工提供完善的服務，定期組織文體活動、節日活動、員工一對一交流及員工座談會，以幫助員工減輕壓力，保持工作熱情，讓員工在繁忙的工作中感受到家的溫暖。

#### Employee Communication of Good Health

##### 好健康的員工溝通

Good Health implements various measures to deepen communications with its employees, and further enhance their workplace morale. To ensure that our employees can relieve their work pressure timely and effectively, as well as to safeguard their mental health, we establish an employee hotline that provides our employees with continuous psychological consultation services. Besides work, we offer our employees with birthday celebration and cultural diversity activities, so as to encourage them to achieve a work-life balance. Furthermore, Good Health sets aside team building funds for each department so that each department can design and organize team building activities to further strengthen inter-department interaction and exchange.

好健康通過多種形式的舉措加深員工間的交流溝通，提升員工工作熱情。為了保證員工的壓力能得到及時有效的排解，保障員工心理健康，我們設立了員工熱線，並為員工提供連續的心理諮詢服務。在工作之餘，我們還通過為員工提供生日慶祝和文化多樣性活動，倡導員工工作和生活的平衡。此外，為了使各部門間有更多的互動、相互交流機會，好健康為每個部門提供了團隊建設資金，由各部門自行設計並組織活動。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 4.4 Occupational health

In strict compliance with various safety and health related laws and regulations, including *the Workplace Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Safety Training Management Rules, and Health & Safety at Work Act 2015*, we will continue to optimise and improve the occupational safety management mechanisms. We carry out regular assessments over employees' practices of personal protective equipment and workplace sanitation, and conduct safety drills and safety training sessions to ensure that management personnel at all levels implement production safety accountability system and operating procedures to raise the safety awareness of our employees.

Upholding the people-oriented philosophy, we recognise the importance of safety and health of our employees during production, and thus we pursue employee management under the closed-loop safety management system that covers safety production management structure to system development, safety inspection, and regular assessment. These initiatives will safeguard the continuity and stability of our safe productions.

### 4.4 職業健康

我們嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《安全生產培訓管理辦法》、《工作健康安全法案·2015》等各項安全 and 健康相關規章制度，不斷優化和完善安全管理機制。我們定期對員工的勞保用品穿戴和工作場所衛生情況進行考核，並組織安全演習、安全培訓等活動，以切實履行各級管理人員的安全生產責任制度及操作規範，增強員工安全意識。

我們堅持以人為本，重視員工在生產過程中的安全和健康，通過安全生產管理架構、制度建設、安全檢查、定期評估的閉環安全管理體系對員工進行管理，旨在為公司安全生產的持續、穩定的運行提供保障。

Safety management system 安全管理體系			
Management structure 管理架構	System development 制度建設	Regular assessment 定期評估	Safety inspection 安全檢查
<ul style="list-style-type: none"> <li>To establish a safe production management team, which comprises of the general manager as the team leader, department heads as team members, and shift leaders as the major safety officers. 成立以總經理為組長，各職能部門負責人為成員，各班組長為第一安全負責人的安全生產管理小組</li> </ul>	<ul style="list-style-type: none"> <li>To formulate the <i>Safety Education and Training System</i> and the <i>Administrative Rules for Special positions</i> 制定《安全教育培訓制度》《特殊工種管理制度》</li> <li>To update the <i>Administrative Rules for Employee Health and Sanitation, the Mould Management Rules, the Management Rules for Cleaning Tools</i> and the <i>Management Rules for Use of Containers</i> 更新《人員健康衛生管理制度》《模具管理制度》《清潔工具管理制度》《容器使用管理制度》</li> </ul>	<ul style="list-style-type: none"> <li>To formulate corrective measures to address identified issues on a regular basis, the corrective results and reviews of which will be reported to the leading safety taskforce in time 針對發現的問題制定定期整改措施，並將整改複查情況及時反饋給安全領導小組</li> </ul>	<ul style="list-style-type: none"> <li>To organise a quarterly safety inspection that focuses on identifying violation of rules and potential hazards 以查處違章、隱患為主要內容，每季度組織一次安全檢查</li> <li>To launch routine safety check at every department at least once a month 各部門每月開展不少於一次經常性安全自查</li> <li>To inspect the completion of production safety accountability at each department in accordance with the Comprehensive Safety Monitoring Form 通過《綜合安全監察表》檢查各部門安全生產責任制的完成情況</li> </ul>



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

During the Reporting Period, we invested RMB232,000 in production safety. A total of 289 attendees participated production safety related training. And we did not identify any death toll arising from production safety accident or work-related. There was no work time lost due to work injuries.

報告期內，我們的安全生產投入為人民幣23.20萬元，共計289人次參與安全生產相關培訓，未發生安全生產事故和由於工作原因導致的死亡事件，未有因工傷而損失工作時間。



**Safety training**  
安全培訓

### 5. GRATITUDE AND GIVE BACK TO THE COMMUNITY

The Group is actively involved in various community events so that the public develops a better understanding of our philosophy and actions. Whilst continuing to develop our business, we will always uphold the social responsibility by committing ourselves to international cultural carnivals, and disease-related donation campaigns. By doing so, we will truly give back to the community after benefiting from the community.

#### International exchange

We are committed to strengthening the international influence of Chinese culture by constantly promoting our corporate values in cultural exchanges in the midst of economic globalization and cultural diversity. During the Reporting Period, we provided a sponsorship of AUD5,800 for the two-day charity performance of the legendary drama *The Beauty* in Sydney starring Ms. Liu Xiaoqing, a Chinese actress, which fully underscores the confidence and charm of the oriental culture, as well as manifests the collision and fusion of multiculturalism.

### 5. 心繫感恩，回饋社會

本集團積極參與各類社會活動，讓公眾更加了解我們的理念與行動。我們在不斷發展企業的同時，時刻銘記履行社會責任，專注於支持國際文化交流活動、疾病相關慈善捐款活動等領域，真正做到取之於社會，回饋於社會。

#### 國際交流

我們致力於在經濟全球化、文化多樣化的潮流中，不斷踐行企業在文化交流中的價值，增強中華文化國際影響力。報告期內，由中國演員劉曉慶主演的傳奇話劇《風華絕代》在悉尼進行了為期兩天的公演，我們對此次公演提供了5,800澳元的資金贊助，助力演出充份體現了東方文化的自信和魅力，將多元文化的碰撞和交融展示得異彩紛呈。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Charity donation

We support charity organizations and non-profit organizations by offering regular sponsorship or donations. Living Nature has established the long-term donation model with Breast Cancer Foundation (which is a non-profit charity trust fund to support breast cancer patients), Look Good Feel Better (which is an NGO to support cancer patients), and Sweet Louise (which is a non-profit charity trust fund to support incurable breast cancer patients). During the Reporting Period, Living Nature donated a total of RMB15,785 to endorse our commitment to the charity cause with practical action.

During the Reporting Period, we collaborated with Cure Kinds New Zeal at the Baby Show. US\$1 out of each sold item was donated to the non-profit charity organizations. The fund will be used for important medical research to improve, extend, and save the lives of severely sick children.

### 慈善捐助

我們定期通過產品贊助或捐助的形式支持慈善機構以及非盈利性組織。Living Nature 已建立了同 Breast Cancer Foundation (支持乳腺癌患者的非營利性慈善信托基金)、Look Good Feel Better (支持癌症患者的非盈利組織)、Sweet Louise (支持患有不治之症的乳腺癌患者的非營利性慈善信托基金) 的長期捐助模式。報告期內，Living Nature 共計對外捐贈 15,785 元人民幣，以實際行動投身慈善事業。

報告期內，我們在「The Baby Show」活動中與 Cure Kinds New Zeal 合作，推出每售出一件產品將捐款一美元給非營利慈善機構的行動，這筆資金將用於重要的醫學研究，以幫助改善、延長和挽救患有嚴重疾病兒童的生命。

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

#### Environmental Aspect

##### 環境範疇

#### Regulations and Policies

##### 法規及政策

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

#### Corporate Policies

##### 公司制度

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

### Social Aspect

#### 社會範疇

##### The PRC Regulations and Policies:

##### 中國境內法規政策：

- the Law Against Unfair Competition of the People's Republic of China  
《中華人民共和國反不正當競爭法》
- the Criminal Law of the People's Republic of China  
《中華人民共和國刑法》
- the Food Safety Law of the People's Republic of China  
《中華人民共和國食品安全法》
- the Patent Law of the People's Republic of China  
《中華人民共和國專利法》
- the Advertising Law of the People's Republic of China  
《中華人民共和國廣告法》
- the Consumer Protection Law of the People's Republic of China  
《中華人民共和國消費者權益保護法》
- the Tort Law of the People's Republic of China  
《中華人民共和國侵權責任法》
- the Cybersecurity Law of the People's Republic of China  
《中華人民共和國網絡安全法》
- the Labour Law of the People's Republic of China  
《中華人民共和國勞動法》
- the Labour Contract Law of the People's Republic of China  
《中華人民共和國勞動合同法》
- the Workplace Safety Law of the People's Republic of China  
《中華人民共和國安全生產法》
- the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases  
《中華人民共和國職業病防治法》
- the Safety Training Management Rules  
《安全生產培訓管理辦法》
- Certain Opinions of the State Council on Promoting Fair Competition in the Market and Maintaining the Normal Order of the Market  
《國務院關於促進市場公平競爭維護市場正常秩序的若干意見》
- the Food Product Recall Management Rules  
《食品召回管理辦法》
- the Advertising Management Regulations of the People's Republic of China  
《中華人民共和國廣告管理條例》
- the Interim Provisions on Publishing Food Advertisements  
《食品廣告發佈暫行規定》
- the Interim Provisions on Censorship of Healthy Food Advertisements  
《保健食品廣告審查暫行規定》

### Social Aspect (Continued)

#### 社會範疇(續)

#### Overseas Regulations and Policies:

##### 海外法規政策：

- the Dietary Supplements Regulations 1985  
《膳食補充劑條例，1985》
- the Biosecurity Act 1993  
《生物安全法案，1993》
- the Animal Products Act 1999  
《動物產品法案，1999》
- the Food Act 2014  
《食品法案，2014》
- Guidelines for Therapeutic Advertising Pre-vetting Service, TAPS  
《治療廣告預審服務規範》
- The Fair Trading Act 1986  
《公平交易法案，1986》
- Human Rights Act 1993  
《人權法案，1993》
- Employment Relations Act 2005  
《就業關係法案，2005》
- Holidays Act 2003  
《假期法案，2003》
- Health & Safety at Work Act 2015  
《工作健康安全法案，2015》

#### Corporate Policies

##### 公司制度

- Incoming Food Inspection Procedures  
《食品進貨查驗制度》
- Food Recall System  
《食品召回制度》
- Defective Food Product Recall System  
《缺陷食品召回制度》
- Intellectual Property Right Management and Patent Protection System  
《知識產權管理及專利保護制度》
- Employee Code of Conduct  
《員工守則》
- Code of Business Conduct  
《商業準則》
- Employee Training Management System  
《員工培訓管理制度》
- Employee Promotion and Management System  
《員工晉升管理制度》
- Employee Recruitment Procedure  
《員工招聘制度》



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Social Aspect (Continued)

#### 社會範疇(續)

- Remuneration Management System  
《薪資管理制度》
- Safety Education and Training System  
《安全教育培訓制度》
- Administrative Rules for Special Positions  
《特殊工種管理制度》
- Administrative Rules for Employee Health and Sanitation  
《人員健康衛生管理制度》
- Mould Management Rules  
《模具管理制度》
- Management Rules for Cleaning Tools  
《清潔工具管理制度》
- Management Rules for Use of Containers  
《容器使用管理制度》

## APPENDIX II AWARDS AND HONORS IN THE REPORT 附錄二 報告內所獲獎項及榮譽

### Award and Honors

#### 獎項及榮譽名稱

The Green Parent Natural Beauty Awards  
綠色親本自然美獎

Natural Health International Beauty Awards  
自然健康國際美容獎

Free From Skincare Awards  
零負擔護膚品大獎

The Beauty Shortlist Mama & Baby Awards  
“The Beauty Shortlist” 母嬰獎

Pure Beauty UK Awards  
英國純美獎

Verve Beauty Awards  
熱忱美獎

Pure Beauty Awards International  
純美全球大獎

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### APPENDIX III CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT GUIDE OF THE HONG KONG STOCK EXCHANGE 附錄三 香港聯交所環境、社會及管治報告指引內容索引

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

ESG aspects and general disclosure and key performance indicators (KPI) 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI)			Chapter 所在章節
<b>social</b>			
<b>社會</b>			
B1: Employment B1 : 僱傭	General disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. 有關薪酬及解雇，招聘及晉升，工作時數，假期，平等機會，多元化，反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment overview 僱傭概況
B1.1		Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Employment overview 僱傭概況
B1.2		Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	The Company is pushing forward the refined management of staff turnover and strives to make related disclosure in the future 本公司正推進員工流失率相關精細化管理，力求在未來披露
B2: health and safety B2 : 健康與安全	General disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Occupational health 職業健康
B2.1		Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Occupational health 職業健康
B2.2		Lost days due to work injury. 因工傷損失工作日數。	Occupational health 職業健康
B2.3		Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Occupational health 職業健康

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

ESG aspects and general disclosure and key performance indicators (KPI) 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI)			Chapter 所在章節
B3: development and training B3：發展及培訓	General disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Employee development 員工發展
	B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	Employee development 員工發展
	B3.2	The average training hours completed per employee by gender and employee Category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Employee development 員工發展
B4: Labour standards B4：勞工準則	General disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to preventing child and forced labour. 有關防治童工或強制勞工的：	Employment overview 僱傭概況
	B4.1	(a) Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Employment overview 僱傭概況
	B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Employment overview 僱傭概況
B5: Supply chain management B5：供應鏈管理	General disclosure 一般披露	Policies on managing environmental and social risks of supply chain. 管理供應鏈的環境及社會風險政策。	Supply chain management 供應管理
	B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Supply chain management 供應管理
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Supply chain management 供應管理

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

ESG aspects and general disclosure and key performance indicators (KPI) 環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI)			Chapter 所在章節
B6: Product responsibility disclosure B6：產品責任	General disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的監控與安全，廣告，標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Quality assurance 質量保證
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Quality assurance 質量保證
B6.2		Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Communication with customers The Company continuously promotes refined complaint management and strives to make related disclosure in respect of the number of complaints received in the future 客戶溝通 本公司持續推進投訴精細化管理，力求在未來披露投訴數量
B6.3		Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Innovation research 創新研發
B6.4		Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Quality assurance 質量保證
B6.5		Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Communication with customers 客戶溝通



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

ESG aspects and general disclosure and key performance indicators (KPI)			Chapter
環境、社會及管治範疇與一般披露及關鍵績效指標 (KPI)			所在章節
B7: Anti-corruption B7 : 反貪污	General disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering. 有關防治賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Operating compliance 合規經營
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Operating compliance 合規經營
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Operating compliance 合規經營
B8: Community investment B8 : 社區投資	General disclosure 一般披露	Policies on community engagement to understand the need of the communities where the issuer operates and to ensure its activities take into the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Gratitude and give back to the community 心繫感恩，回饋社會
	B8.1	Focus areas of contribution. 專注貢獻範疇。	Gratitude and give back to the community 心繫感恩，回饋社會
	B8.2	Resources contributed to the focused area. 在專注範疇所動用資源。	The Company is pushing forward the refined management of community investment and strives to make related disclosure in the future 本公司正推進社區投資相關精細化管理，力求在未來披露



### To the shareholders of Nanjing Sinolife United Company Limited

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

#### OPINION

We have audited the consolidated financial statements of Nanjing Sinolife United Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 118 to 226, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### BASIS FOR OPINION

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

### 致南京中生聯合股份有限公司股東

(於中華人民共和國成立之股份有限公司)

#### 意見

我們已審計第 118 至 226 頁所載南京中生聯合股份有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)的綜合財務報表，其中包括於 2019 年 12 月 31 日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實及公允地反映了貴集團於 2019 年 12 月 31 日的綜合財務狀況表及截至該日止年度的綜合財務表現及其綜合現金流量，並已遵照香港公司條例的披露要求妥為編製。

#### 意見基準

我們已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計工作。我們於該等準則下承擔的責任已於本報告核數師就審計綜合財務報表承擔之責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「**守則**」)，我們獨立於貴集團，且我們已根據守則履行其他道德責任。我們認為，我們所獲得的審計憑證能充分及適當地為我們的意見提供基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

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

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

#### Key audit matter

##### 關鍵審計事項

#### *Impairment of goodwill and intangible assets with indefinite lives*

##### 商譽減值及使用壽命無限無形資產

As at 31 December 2019, the Group recorded goodwill and intangible assets with indefinite lives of RMB43,413,000 and RMB14,544,000, respectively, which represented 8.00% and 2.68% of the total assets of the Group, respectively.

於2019年12月31日，貴集團錄得無限年期的商譽及無形資產分別為人民幣43,413,000元及人民幣14,544,000元，分別相當於貴集團總資產的8.00%及2.68%。

Under Hong Kong Accounting Standard 36 *Impairment of Assets*, the Group is required to perform annual impairment tests for goodwill and intangible assets with indefinite lives. Management performed impairment tests on these assets by using discounted cash flow models as at 31 December 2019. This is considered as a key audit matter because the assessment was complex, and it involved significant judgements and assumptions such as the long-term growth rate and discount rate.

根據香港會計準則第36號資產減值，貴集團須對無限年期的商譽及無形資產進行年度減值測試。於2019年12月31日，管理層採用貼現現金流模式對該等資產進行減值測試。由於評估較為複雜，涉及諸如長期增長率及貼現率的重大判斷及假設，因此其被視為關鍵審計事項。

The related disclosures are set out in notes 3, 16 and 17 to the consolidated financial statements.

該等相關披露載於綜合財務報表附註3、16及17。

### 關鍵審計事項

關鍵審計事項乃根據我們的專業判斷，為我們對本期綜合財務報表之審計中最為重要的事項。該等事項乃於我們審計整體綜合財務報表及就此出具意見時進行處理。我們不會對該等事項提供單獨的意見。就以下各事項而言，我們於文中描述我們之審計如何處理該事項。

我們已履行本報告中核數師就審計綜合財務報表承擔之責任一節所述之責任，包括與該等事項相關的責任。因此，我們的審計工作包括履行旨在應對我們對綜合財務報表重大錯誤陳述風險之評估程序。我們審計程序的結果包括處理下述事項所執行的程序，為就隨附的綜合財務報表的審計意見提供基礎。

#### How our audit addressed the key audit matter

##### 我們的審計如何處理關鍵審計事項

We reviewed the appraisal reports prepared by the external valuation specialists engaged by the Group, and evaluated their competency and objectivity. We reviewed the basis of preparation of the forecasts used for the impairment tests for goodwill and intangible assets with indefinite lives. We involved our internal valuation specialist to assist us in reviewing the methodology and certain assumptions adopted in the assessment of impairment of goodwill and intangible assets with indefinite lives. We also reviewed management's assessment of the sensitivity of the Group's impairment model to reasonably possible changes and considered the adequacy of disclosures for impairment testing in the consolidated financial statements.

我們審閱了貴集團委聘外部估值專家已編製的估值報告，並評估其資格及客觀性。我們已審閱無限年期的商譽及無形資產的減值測試所用預測的編製基準。我們亦請內部估值專家協助我們審閱無限年期商譽及無形資產減值評估所採用的方法及若干假設。我們亦審閱管理層對貴集團減值模式對合理可能變動的敏感性的評估，並考慮於綜合財務報表內充分披露減值測試。

### KEY AUDIT MATTERS (CONTINUED)

#### Key audit matter

##### 關鍵審計事項

#### *Net realisable value of inventories*

##### 存貨可變現淨值

As at 31 December 2019, the Group recorded inventories of RMB89,751,000. Management judgements and estimates are required in assessing whether the carrying value is higher than the net realisable value ("**NRV**") of the inventories on hand at the year end, especially of those slow-moving inventories which may become obsolete.

於2019年12月31日，貴集團錄得存貨人民幣89,751,000元。於評估年末手頭存貨的賬面值是否高於可變現淨值（「**可變現淨值**」），尤其是可能成為過時的滯銷存貨時，需運用管理層判斷及估計。

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

釐定存貨撇減至可變現淨值時亦須作出重大判斷及估計，涉及管理層根據現時市況及出售類似性質產品的過往經驗對存貨之銷售額及使用量作出預測及預估存貨售價。因此，我們認為其為關鍵審計事項。

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

相關披露載於綜合財務報表附註3及18。

### 關鍵審計事項(續)

#### How our audit addressed the key audit matter

##### 我們的審計如何處理關鍵審計事項

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

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

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### 載入年報之其他資料

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

我們對綜合財務報表之意見不包括其他資料，我們不表達任何形式之保證結論。

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

### 董事對綜合財務報表之責任

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

於編製綜合財務報表時，貴公司董事負責評估貴集團之持續經營能力、披露(如適用)與持續經營有關之事項及使用持續經營之會計基準，除非貴公司董事有意清算貴集團或停止經營，或別無其他實際之替代方案。

貴公司董事由審計委員會協助履行其監督貴集團財務報告程序之責任。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

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

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

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

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

### 核數師審計綜合財務報表之責任

我們之目標乃對綜合財務報表作為整體是否不存在由於欺詐或錯誤導致之重大錯誤陳述以及發佈包括我們意見之核數師報告獲得合理保證。我們之報告僅為閣下作為整體而作出，並無其他目的。我們對本報告之內容概不承擔任何責任或承擔任何其他人之責任。

合理保證屬高水平之保證，惟並不保證根據香港審計準則進行之審計總會發現存在之重大錯誤陳述。錯誤陳述可能由欺詐或錯誤引起，並且倘單獨或合計可合理預期會影響用戶根據該等綜合財務報表所作之經濟決策，則被視為重大錯誤陳述。

作為根據香港審計進行審計之一部分，我們在整個審計期間行使專業判斷並維持專業懷疑。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當之審計憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計及相關披露之合理性。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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, related safeguards.

### 核數師審計綜合財務報表之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露，或假若有關之披露不足，則修改我們之意見。我們之結論是基於截至核數師報告日期止所取得之審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內各實體或業務活動之財務資料獲得充足之審計憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團之審計工作。我們須為我們之審計意見承擔全部責任。

我們與審計委員會就(其中包括)審計之計劃範圍及時間以及重大審計發現，包括我們於審計期間識別出內部監控之任何重大缺陷溝通。

我們亦向審計委員會提交聲明，說明我們已遵守有關獨立性之相關道德要求，並就所有被合理認為可能影響我們獨立性之關係及其他事宜及相關防範措施(如適用)與彼等溝通。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K.W. Lau.

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

27 March 2020

### 核數師審計綜合財務報表之責任(續)

我們從與審計委員會溝通之事項中，決定對本期間綜合財務報表之審計工作最為重要之事宜，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有之情況下，我們認為披露此等事項可合理預期之不良後果將超越公眾知悉此等事項之利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告之審計項目合夥人為劉國華。

**安永會計師事務所**  
執業會計師  
香港

2020年3月27日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

Year ended 31 December 2019 截至2019年12月31日止年度

		Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
REVENUE	收益	5	<b>322,613</b>	453,199
Cost of sales	銷售成本		<b>(165,775)</b>	(204,229)
Gross profit	毛利		<b>156,838</b>	248,970
Other income and gains	其他收入及收益	5	<b>8,673</b>	9,053
Selling and distribution expenses	銷售及經銷開支		<b>(185,436)</b>	(225,550)
Administrative expenses	行政開支		<b>(85,187)</b>	(79,768)
Finance costs	融資成本	7	<b>(3,601)</b>	(3,363)
Other expenses	其他開支		<b>(72,841)</b>	(76,465)
LOSS BEFORE TAX	除稅前虧損		<b>(181,554)</b>	(127,123)
Income tax (expense)/credit	所得稅(開支)/抵免	10	<b>(13,104)</b>	14,286
<b>LOSS FOR THE YEAR</b>	<b>本年度虧損</b>		<b>(194,658)</b>	(112,837)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>其他全面收入</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, after tax:	於隨後期間可能重新分類為損益的其他全面收入，除稅後：			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		<b>2,153</b>	1,363
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, after tax:	於隨後期間將不會重新分類為損益的其他全面收入，除稅後：			
Gains on property revaluation	物業重估收益	14	<b>101</b>	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>本年度全面虧損總額</b>		<b>(192,404)</b>	(111,474)
<b>Loss attributable to:</b>	<b>以下各項應佔虧損：</b>			
Owners of the parent	母公司擁有人		<b>(194,658)</b>	(112,837)
<b>Total comprehensive loss attributable to:</b>	<b>以下各項應佔全面虧損總額：</b>			
Owners of the parent	母公司擁有人		<b>(192,404)</b>	(111,474)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>母公司普通權益持有人應佔每股虧損</b>			
— Basic and diluted	— 基本及攤薄	12	<b>RMB 人民幣 (20.57) cents 分</b>	RMB 人民幣 (11.92) cents 分

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 December 2019 2019年12月31日

		Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	154,966	140,825
Investment properties	投資物業	14	2,630	–
Prepaid land lease payments	預付土地租賃款項	15(a)	–	10,216
Right-of-use assets	使用權資產	15(b)	28,880	–
Goodwill	商譽	16	43,413	77,269
Other intangible assets	其他無形資產	17	30,361	69,707
Deferred tax assets	遞延稅項資產	26	12,763	34,871
Pledged deposits	已抵押按金	29	–	1,170
Other non-current assets	其他非流動資產	30	5,454	6,734
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>278,467</b>	340,792
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	89,751	110,904
Trade receivables	貿易應收款項	19	44,400	57,654
Prepaid land lease payments	預付土地租賃款項	15(a)	–	247
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	20	17,434	24,134
Tax recoverable	可收回稅項		3,462	5,405
Pledged deposits	已抵押按金	29	1,685	434
Cash and cash equivalents	現金及現金等價物	21	107,521	201,411
<b>Total current assets</b>	<b>流動資產總額</b>		<b>264,253</b>	400,189
<b>Total assets</b>	<b>資產總值</b>		<b>542,720</b>	740,981
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	22	13,495	15,678
Other payables and accruals	其他應付款項及應計費用	23	59,318	73,211
Interest-bearing bank borrowings	計息銀行借款	24	27,500	20,000
Lease liabilities	租賃負債	15(c)	6,256	–
Tax payables	應付稅金		6,545	6,303
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>113,114</b>	115,192
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>151,139</b>	284,997
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>429,606</b>	625,789

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 December 2019 2019年12月31日

		Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Interest-bearing bank borrowings	計息銀行借款	24	–	7,500
Lease liabilities	租賃負債	15(c)	<b>13,013</b>	–
Deferred tax liabilities	遞延稅項負債	26	<b>4,715</b>	14,021
Provision	撥備	25	<b>728</b>	714
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>18,456</b>	22,235
<b>Net assets</b>	<b>資產淨值</b>		<b>411,150</b>	603,554
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>			
Share capital	股本	27	<b>94,630</b>	94,630
Other reserves	其他儲備	28	<b>316,520</b>	508,924
<b>Total equity</b>	<b>權益總值</b>		<b>411,150</b>	603,554

**Gui Pinghu**

桂平湖

Chairman and Executive Director

董事長兼執行董事

**Zhang Yuan**

張源

Chief Executive Officer and Executive Director

首席執行官兼執行董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							
		Share capital	Capital reserve	Exchange fluctuation reserve 匯兌 波動儲備	Statutory surplus reserve 法定盈餘 儲備	Merger reserve	Other reserve	Retained profit/ (accumulated losses) 保留利潤/ (累計虧損)	Total equity
		RMB'000 人民幣千元 (note 27) (附註27)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	94,630	544,223	(5,186)	56,175	(3,871)	(2,022)	31,079	715,028
Loss for the year	本年度虧損	-	-	-	-	-	-	(112,837)	(112,837)
Exchange differences on translation of foreign operations	有關換算海外業務的 匯兌差額	-	-	1,363	-	-	-	-	1,363
Total comprehensive income/(loss) for the year	本年度全面收入/ (虧損)總額	-	-	1,363	-	-	-	(112,837)	(111,474)
Transfer from retained profits	自保留利潤轉入	-	-	-	2,055	-	-	(2,055)	-
At 31 December 2018	於2018年12月31日	94,630	544,223*	(3,823)*	58,230*	(3,871)*	(2,022)*	(83,813)*	603,554



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔								
		Share capital	Capital reserve	Exchange fluctuation reserve	Statutory surplus reserve	Merger reserve	Other reserve	Asset revaluation reserve**	Accumulated losses	Total equity
		股本	資本儲備	匯兌波動儲備	法定盈餘儲備	合併儲備	其他儲備	資產重估儲備**	累計虧損	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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
		(note 27)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)	(note 28)
		(附註27)	(附註28)	(附註28)	(附註28)	(附註28)	(附註28)	(附註28)	(附註28)	(附註28)
At 1 January 2019	於2019年1月1日	94,630	544,223	(3,823)	58,230	(3,871)	(2,022)	-	(83,813)	603,554
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(194,658)	(194,658)
Changes in fair value of investment property at fair value through other comprehensive income, net of tax	按公允值計入其他全面收益之投資物業公允值變動，扣除稅項	-	-	-	-	-	-	101	-	101
Exchange differences on translation of foreign operations	有關換算海外業務的匯兌差額	-	-	2,153	-	-	-	-	-	2,153
Total comprehensive income/(loss) for the year	本年度全面收入／(虧損)總額	-	-	2,153	-	-	-	101	(194,658)	(192,404)
Liquidation of subsidiaries	附屬公司清盤	-	-	-	(1,223)	-	-	-	1,223	-
At 31 December 2019	於2019年12月31日	94,630	544,223*	(1,670)*	57,007*	(3,871)*	(2,022)*	101*	(277,248)*	411,150

\* These reserve accounts comprise the consolidated other reserves of RMB316,520,000 (2018: RMB508,924,000) in the consolidated statement of financial position.

\* 此等儲備賬目包括綜合財務狀況表內的綜合其他儲備人民幣316,520,000元(2018年：人民幣508,924,000元)。

\*\* The asset revaluation reserve arose from a change in use from an owner-occupied property to an investment property carried at fair value in 2019.

\*\* 資產重估儲備是由於2019年將業主自用物業變更用途為按公允值列賬之投資物業而產生。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量			
Loss before tax	除稅前虧損		<b>(181,554)</b>	(127,123)
Adjustments for:	就下列各項作出調整：			
Finance costs	融資成本	7	<b>3,601</b>	3,363
Bank interest income	銀行利息收入	5	<b>(2,895)</b>	(4,242)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	<b>12,841</b>	8,786
Depreciation of right-of-use assets/ recognition of prepaid land lease payments	使用權資產折舊／確認預付 土地租賃款項	15	<b>6,737</b>	247
Amortisation of other intangible assets	其他無形資產攤銷	17	<b>3,667</b>	3,651
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	6	<b>49</b>	163
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	6	<b>3,294</b>	28,227
(Reversal)/Impairment of trade receivables	貿易應收款項(撥回)/減值	19	<b>(663)</b>	4,201
Impairment of goodwill	商譽減值	16	<b>34,798</b>	70,050
Impairment of other intangible assets	其他無形資產減值	17	<b>36,066</b>	-
			<b>(84,059)</b>	(12,677)
Decrease in inventories	存貨減少		<b>19,635</b>	23,460
Decrease in pledged deposits, prepayments, deposits and other receivables	已質押存款、預付款項、按金及 其他應收款項減少		<b>6,851</b>	10,710
Decrease/(increase) in trade receivables	貿易應收款項減少/(增加)		<b>14,588</b>	(12,833)
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加		<b>(2,410)</b>	1,629
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用 (減少)/增加		<b>(24,694)</b>	27,877
Cash generated (used in)/from operations	經營(所用)/所得現金		<b>(70,089)</b>	38,166
Income tax returned/(paid)	退回/(已付)所得稅		<b>1,953</b>	(7,589)
Net cash flows (used in)/from operating activities	經營活動(所用)/所得現金流量 淨額		<b>(68,136)</b>	30,577
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Payments to acquire property, plant and equipment	收購物業、廠房及設備的款項		<b>(20,922)</b>	(51,060)
Deposits for other intangible assets	其他無形資產按金		-	(934)
Additions to other intangible assets	其他無形資產添置	17	-	(365)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		<b>510</b>	650
Interest received	已收利息		<b>3,007</b>	4,368
Net cash flows used in investing activities	投資活動所用現金流量淨額		<b>(17,405)</b>	(47,341)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b> 融資活動現金流量				
New bank loans	新借銀行貸款	31	20,000	-
Interest paid	已付利息		(3,617)	(3,479)
Repayment of bank loans	償還銀行貸款	31	(20,000)	(49,500)
Principal portion of lease payments	租賃付款本金部分	31	(5,723)	-
Net cash flows used in financing activities	融資活動所用現金流量淨額		(9,340)	(52,979)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b> 現金及現金等價物減少淨額				
Cash and cash equivalents at beginning of year	年初現金及現金等價物		201,411	269,592
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		991	1,562
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		107,521	201,411
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b> 現金及現金等價物結餘分析				
Cash and bank balances	現金及銀行結餘	21	91,521	91,074
Non-pledged time deposits with original maturity of less than three months when acquired	收購時原到期日為三個月以內的無抵押定期存款	21	16,000	110,337
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物		107,521	201,411

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock limited liability company established in the PRC. The address of its registered office is 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC.

The Group is principally engaged in the manufacture and sale of nutritional supplements and health food products in the PRC, Australia and New Zealand.

#### Information about subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2019 are as follows:

Name 名稱	Place of incorporation or establishment and place of operation/date of incorporation and establishment/ 註冊成立或成立地點及經營地點/註冊成立及成立日期/法人類別	Fully paid share capital/ registered capital 已繳足股本/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
南京中生生物科技有限公司	The PRC 17 June 2003 Limited liability company 中國 2003年6月17日 有限公司	RMB50,000,000  人民幣 50,000,000元	100%	-	Manufacture, processing and sale of health food products  生產、加工及銷售保健食品
蘇州中生健康生物製品有限公司	The PRC 26 March 2008 Limited liability company 中國 2008年3月26日 有限公司	RMB600,000  人民幣600,000元	100%	-	Retailing of health food products  零售保健食品
北京中生美好健康科技有限公司	The PRC 9 April 2008 Limited liability company 中國 2008年4月9日 有限公司	RMB600,000  人民幣600,000元	100%	-	Retailing of health food products  零售保健食品
無錫中研健康品有限公司	The PRC 10 April 2008 Limited liability company 中國 2008年4月10日 有限公司	RMB600,000  人民幣600,000元	100%	-	Retailing of health food products  零售保健食品

### 1. 公司及集團資料

本公司乃於中國成立的股份有限公司。註冊辦事處地址為中國江蘇省南京市玄武區長江路188號德基大廈30樓。

本集團主要在中國、澳大利亞及紐西蘭從事製造及銷售營養膳食補充劑及保健食品。

#### 有關附屬公司之資料

於2019年12月31日本公司主要附屬公司之詳情如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料(續)

#### Information about subsidiaries (Continued)

#### 有關附屬公司之資料(續)

Name 名稱	Place of incorporation or establishment and place of operation/date of incorporation and establishment/ 註冊成立或成立地點及經營地點/註冊成立及成立日期/法人類別	Fully paid share capital/ registered capital 已繳足股本/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
廣州中院生物科技有限公司	The PRC 27 June 2008 Limited liability company 中國 2008年6月27日 有限公司	RMB600,000 人民幣600,000元	100%	–	Retailing of health food products 零售保健食品
深圳市中生華商生物科技有限公司	The PRC 23 April 2009 Limited liability company 中國 2009年4月23日 有限公司	RMB600,000 人民幣600,000元	100%	–	Retailing of health food products 零售保健食品
鎮江中生健康科技有限公司	The PRC 28 April 2011 Limited liability company 中國 2011年4月28日 有限公司	RMB100,000 人民幣100,000元	100%	–	Retailing of health food products 零售保健食品
南京宅易購電子商務有限公司	The PRC 21 April 2015 Limited liability company 中國 2015年4月21日 有限公司	RMB1,000,000 人民幣1,000,000元	100%	–	Retailing of health food products 零售保健食品
Australia Cobayer Health Food Co Pty Ltd.	Australia 2 March 2009 Limited liability company 澳大利亞 2009年3月2日 有限公司	AUD2,000 2,000澳元	100%	–	Trading of food products 食品貿易

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料(續)

#### Information about subsidiaries (Continued)

#### 有關附屬公司之資料(續)

Name 名稱	Place of incorporation or establishment and place of operation/date of incorporation and establishment/ 註冊成立或成立地點及經營地點/註冊成立及成立日期/法人類別	Fully paid share capital/ registered capital 已繳足股本/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
上海惟翊投資管理有限公司	The PRC 21 October 2014 Limited liability company 中國 2014年10月21日 有限公司	RMB120,000,000  人民幣 120,000,000元	100%	-	Investment holding  投資控股
Good Health Products Limited (GHP)	New Zealand 22 December 1987 Limited liability company 紐西蘭 1987年12月22日 有限公司	NZD2,200,002  2,200,002紐西蘭元	-	100%	Manufacture, processing and sale of health food products  生產、加工及銷售保健食品
上海禾健營養食品有限公司 (Hejian)	The PRC 30 May 2007 Limited liability company 中國 2007年5月30日 有限公司	RMB20,000,000  人民幣20,000,000元	100%	-	Retailing of health food products  零售保健食品
上海集騰信息科技有限公司	The PRC 30 September 2011 Limited liability company 中國 2011年9月30日 有限公司	RMB1,000,000  人民幣1,000,000元	-	100%	Information technology maintenance services  信息技術維護服務
Living Nature Natural Products Limited (LN)	New Zealand 1987 Limited liability company 紐西蘭 1987年 有限公司	NZD14,784,444  14,784,444紐西蘭元	100%	-	Manufacture, and sale of cosmetics and skin care products  生產及銷售化妝品及護膚品



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料(續)

#### Information about subsidiaries (Continued)

#### 有關附屬公司之資料(續)

Name 名稱	Place of incorporation or establishment and place of operation/date of incorporation and establishment/ type of legal entity 註冊成立或成立地點及 經營地點/註冊成立及成立 日期/法人類別	Fully paid share capital/ registered capital 已繳足股本/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sinolife (Cayman) Holding Company Limited	Cayman Islands 6 October 2017 Limited liability company	USD100	-	100%	Investment holding
	開曼群島 2017年10月6日 有限公司	100美元			投資控股
Zhongsheng Health Company Limited	British Virgin Islands 6 October 2017 Limited liability company	USD1	100%	-	Investment holding
	英屬維爾京群島 2017年10月6日 有限公司	1美元			投資控股

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

### 2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則以及香港公司條例披露規定編製。該等財務報表乃按歷史成本慣例編製，惟按公允值計量的投資物業除外。該等財務報表以人民幣呈列，而除非另有指明外，所有數值已約整至最接近的千位。

#### 合併基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)於截至2019年12月31日止年度之財務報表。附屬公司乃本公司直接或間接控制的實體(包括結構性實體)。當本集團透過參與被投資方而享有或有權獲得可變回報，且有能力透過對被投資方的權力影響該等回報(即現有權利賦予本集團目前指示被投資方相關活動的能力)時，即屬於擁有控制權。

當本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估是否擁有對被投資方的權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與被投資方的其他投票持有者之間的合作安排；
- (b) 從其他合作安排取得的權力；及
- (c) 本集團的投票權及潛在投票權。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.1 BASIS OF PREPARATION (CONTINUED)

#### Basis of consolidation (Continued)

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

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

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

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

### 2.1 編製基準(續)

#### 合併基準(續)

附屬公司財務報表乃按與本公司一致的報告期及會計政策編製。附屬公司業績的合併始於本集團獲得對該等附屬公司的控制權之時，並止於本集團喪失有關控制權之時。

損益和其他全面收入的各個組成部分歸屬於本集團母公司的擁有人及非控股權益，即使此舉導致非控股權益有虧絀結餘。所有集團內公司間的資產與負債、權益、收入、開支及與本集團成員公司之間交易有關的現金流量均於綜合賬目時悉數撇銷。

倘有事實及情況顯示上文所述三項控制因素中的一項或多項出現變化，本集團會重新評估其是否控制被投資方。並無失去控制權的附屬公司擁有權權益變動以股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認該附屬公司的(i)資產(包括商譽)及負債，(ii)任何非控股權益之賬面金額；及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公允值；(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盈餘或虧絀。先前已於其他全面收入內確認的本集團應佔部分重新分類至損益或保留利潤(如適用)，基準與本集團直接出售相關資產或負債所要求的基準相同。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKFRS 9, HKAS 19 and HKAS 28, and *Annual Improvements to HKFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

### 2.2 會計政策變動及披露事項

本集團於本年度財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第9號修訂本	具有負補償的預付款特性
香港財務報告準則第16號	租賃
香港會計準則第19號修訂本	計劃修訂、縮減或結算
香港會計準則第28號修訂本	於聯營公司及合營企業之長期權益
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性
2015年至2017年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂本

除與本集團財務報表的編製無關的香港財務報告準則第9號、香港會計準則第19號及香港會計準則第28號修訂本以及香港財務報告準則2015年至2017年週期之年度改進外，新訂及經修訂香港財務報告準則的性質及影響詳述如下：

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)–詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)–詮釋第15號經營租賃—優惠及香港(準則詮釋委員會)–詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人在單一資產負債表模式中計算所有租賃以確認及計量使用權資產及租賃負債，除了部份有確認豁免。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人繼續使用與香港會計準則第17號類似的原則把租賃分類為經營租賃或融資租賃。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

#### New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

### 2.2 會計政策變動及披露事項(續)

(a) (續)

香港財務報告準則第16號對本集團作為出租人的租賃並無重大影響。

本集團已採用經修訂追溯法採納香港財務報告準則第16號，並於2019年1月1日首次應用。根據此方法，已追溯應用該準則，並將首次採納的累計影響確認為對2019年1月1日保留利潤年初結餘的調整，且並無重列2018之比較資料，繼續根據香港會計準則第17號及相關詮釋呈列。

#### 租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而讓渡在一段時間內使用已識別資產之控制權，則該合約是一項租賃或包含一項租賃。倘客戶有權獲得使用已識別資產之絕大部分經濟利益及有權主導已識別資產之使用，即控制權已予讓渡。本集團選擇採用過渡性的實際權宜方法，允許該準則僅適用於先前於首次應用日期應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號已識別為租賃之合約。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號未識別為租賃之合約不會重新評估。因此，香港財務報告準則第16號項下的租賃定義僅適用於2019年1月1日或之後訂立或變更之合約。

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

### As a lessee — Leases previously classified as operating leases

#### Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property, motor vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

## 2.2 會計政策變動及披露事項(續)

(a) (續)

### 作為承租人 — 先前分類為經營租賃之租賃

#### 採納香港財務報告準則第16號之影響性質

本集團擁有多個物業、汽車及其他設備項目之租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權之絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法就所有租賃確認及計量使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團確認使用權資產折舊(及減值，如有)及尚未償還租賃負債之應計利息(為融資成本)，而非於自2019年1月1日開始之租期內按直線法於經營租賃項下確認租金開支。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

#### As a lessee — Leases previously classified as operating leases (Continued)

##### Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 in the statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- A lessee applied a single discount rate to portfolio of lease with reasonably similar characteristics;
- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

### 2.2 會計政策變動及披露事項(續)

(a) (續)

#### 作為承租人 — 先前分類為經營租賃之租賃(續)

##### 過渡之影響

於2019年1月1日的租賃負債根據剩餘租賃付款的現值確認，並使用2019年1月1日的增量借款利率於財務報表折現。使用權資產以租賃負債的金額計量，並根據與緊接2019年1月1日前在財務狀況表中確認的租賃有關的任何預付或應計租賃付款額進行調整。

所有該等資產於該日均根據香港會計準則第36號進行減值評估。本集團選擇在財務狀況表中單獨呈列使用權資產。

本集團於2019年1月1日應用香港財務報告準則第16號時已使用以下有選擇性的實際權宜方案：

- 承租人應用單一貼現率至具合理相似特徵的租賃組合；
- 對於租賃期自首次應用日期起12個月內終止的租賃應用短期租賃豁免；
- 不包括於首次應用日期計量使用權資產產生的初步直接成本。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.2 會計政策變動及披露事項(續)

(a) (Continued)

#### Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

(a) (續)

#### 於2019年1月1日的財務影響

於2019年1月1日採納香港財務報告準則第16號產生的影響如下：

		<b>Increase/ (decrease)</b> 增加/(減少) RMB'000 人民幣千元
<b>Assets</b>		
Increase in right-of-use assets	使用權資產增加	33,591
Decrease in prepaid land lease payments	預付土地租賃款項減少	(10,463)
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(177)
Increase in total assets	總資產增加	22,951
<b>Liabilities</b>		
Increase in total liabilities	總負債增加	22,951
The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:	2019年1月1日租賃負債與2018年12月31日經營租賃承擔的對賬如下：	
		RMB'000 人民幣千元
<b>Operating lease commitments as at 31 December 2018</b>	<b>於2018年12月31日的經營租賃承擔</b>	30,595
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：與短期租賃及剩餘租期於2019年12月31日或之前屆滿的租賃相關的承擔	(4,144)
		26,451
Weighted average incremental borrowing rate as at 1 January 2019	於2019年1月1日的加權平均增量借款利率	5.47%
<b>Lease liabilities as at 1 January 2019</b>	<b>於2019年1月1日的租賃負債</b>	22,951

# NOTES TO THE FINANCIAL STATEMENTS

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

### 2.2 會計政策變動及披露事項(續)

(b) 香港(國際財務報告詮釋委員會)- 詮釋第23號闡述, 在處理稅項涉及影響應用香港會計準則第12號的不確定性因素(一般指「不確定稅項狀況」)時的所得稅(即期及遞延)會計處理。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅, 亦尤其不包括與不確定稅項處理相關的利息及罰款的規定。該詮釋具體闡述以下事項: (i) 實體是否考慮對不確定稅項進行單獨處理; (ii) 實體對稅務機關審查稅項處理所作的假設; (iii) 實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率; 及(iv) 實體如何考慮事實及情況變動。於採納該詮釋時, 本集團考慮於其是否有任何因集團內公司間銷售的轉讓定價而導致的不確定稅務情況。根據本集團的稅務合規及轉移定價研究, 本集團認為稅務機關將很可能接受其轉移定價政策。因此, 該詮釋不會對本集團的財務狀況或表現產生任何影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	<i>Definition of a Business</i> <sup>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>1</sup>
Amendments to HKAS 1	<i>Classification of liabilities as Current or Non-current</i> <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> No mandatory effective date yet determined but available for adoption

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2022

Other than further information about those HKFRSs that are expected to be applicable to the Group as described below, the Group expected the adoption of the above new and revised standards will not have any significant financial effect on the Group's financial statements.

### 2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於此等財務報表內應用已頒佈但尚未生效之以下新訂及經修訂香港財務報告準則。

香港財務報告準則第3號修訂本	業務的定義 <sup>1</sup>
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率基準改革 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號修訂本(2011年)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港會計準則第1號及香港會計準則第8號修訂本	重大的定義 <sup>1</sup>
香港會計準則第1號修訂本	負債分類作流動或非流動 <sup>4</sup>

<sup>1</sup> 於2020年1月1日或之後開始之年度期間生效

<sup>2</sup> 於2021年1月1日或之後開始之年度期間生效

<sup>3</sup> 尚未釐定強制生效日期，但可予採納

<sup>4</sup> 於2022年1月1日或之後開始之年度期間生效

除下文所述有關預期適用於本集團的該等香港財務報告準則的其他資料外，本集團預期採納上述新訂及經修訂準則將不會對本集團的財務報表產生任何重大財務影響。

# NOTES TO THE FINANCIAL STATEMENTS

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第3號修訂本澄清業務的定義，並提供額外指引。該項修訂本澄清倘一項完整活動及資產組合視為一項業務，必須至少包括一項資源投入及一項實質過程，而兩者必須對創造產出的能力有重大貢獻。業務之存在毋須包括創造產出所需的所有資源投入及過程。該修訂本移除對市場參與者是否有能力收購業務並能持續創造產出的評估，轉為重點關注所取得的資源投入及實質過程共同對形成產出的能力有否重大貢獻。該修訂本亦已收窄產出的定義範圍，重點關注為客戶提供的商品或服務、投資收入或日常活動產生的其他收入。此外，該修訂本亦提供有關評估所取得的過程是否重大的指引，並新增公允價值集中度測試選項，允許對所取得的一項活動及資產組合是否不屬於業務進行簡化評估。本集團預期自2020年1月1日起前瞻性採納該等修訂本。由於該等修訂本前瞻性應用於首次應用日期或之後發生的交易或其他時間，因此，於過渡日期本集團將不會受該等修訂的影響。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本旨在解決銀行同業拆息改革對財務申報之影響。該等修訂本提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂本規定公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂本將於2020年1月1日或之後開始之年度期間生效。允許提前應用。預期該等修訂本將不會對本集團財務報表造成任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) 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 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 HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 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 and not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂本針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營公司或合營企業之間資產出售或注資兩者規定之不一致情況。該等修訂本規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂本已前瞻性應用。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011年)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，該等修訂本現時可供採納，預期將不會對本集團的財務報表產生任何重大影響。

香港會計準則第1號及香港會計準則第8號修訂本為重大一詞提供新定義。新定義闡述倘可合理預期漏報、錯報或掩蓋個別資料將可影響使用財務報表作一般目的之主要使用者基於該等財務報表作出之決定，則該資料為重大。修訂本指明，重大性取決於資料之性質及牽涉範圍。倘可合理預期資料錯報會影響主要使用者之決定，則有關錯誤為重大。本集團預期自2020年1月1日起按前瞻性採納該等修訂本。該等修訂本預期不會對本集團之財務報表造成任何重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Business combinations and goodwill

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

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

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

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

### 2.4 重大會計政策概要

#### 業務合併及商譽

業務合併乃以收購法列賬。已轉讓對價乃以收購日期的公允值計量，該公允值為本集團轉讓的資產於收購日期的公允值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允值或被於收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公允值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允值重新計量，所產生的任何收益或虧損在損益中確認。

收購方將轉讓的任何或然對價按收購日期的公允值確認。分類為資產或負債的或然對價按公允值計量，其公允值變動於損益內確認。分類為權益的或然對價不重新計量，其後結算在權益中入賬。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations and goodwill (Continued)

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

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

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)

商譽最初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允值，於重新評估後該差額於損益內確認為議價收購之收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，確認減值虧損。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則在釐定出售收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fair value measurement

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

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

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

### 2.4 重大會計政策概要(續)

#### 公允值計量

公允值指於計量日期之市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓債務所支付之價格。公允值計量乃基於假設出售資產或轉讓債務之交易於資產或負債之主要市場，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公允值乃使用市場參與者為資產或負債定價所用之假設計量（假設市場參與者依照彼等之最佳經濟利益行事）。

非金融資產之公允值計量乃經計及一名市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益的能力。

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公允值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fair value measurement (Continued)

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

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

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

### 2.4 重大會計政策概要(續)

#### 公允值計量(續)

於財務報表計量或披露公允值之所有資產及負債，均根據對公允值計量整體而言屬重要之最低層輸入數據在下列公允值等級架構內進行分類：

- |     |   |   |
|-----|---|---|
| 第一層 | — | 按同等資產或負債於活躍市場之報價(未經調整)計算                |
| 第二層 | — | 按估值技術計算(藉此直接或間接可觀察且對公允值計量而言屬重要之最低層輸入數據) |
| 第三層 | — | 按估值技術計算(藉此不可觀察且對公允值計量而言屬重要之最低層輸入數據)     |

就按經常性基準於財務報表確認之資產及負債而言，本集團於各報告期末通過重新評估分類(基於對公允值計量整體而言屬重大之最低層輸入數據)以決定等級架構內各層之間是否有轉移。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### 2.4 重大會計政策概要(續)

#### 非金融資產之減值

倘有跡象顯示出現減值或須就資產(存貨、遞延稅項資產、金融資產及投資物業除外)進行年度減值測試,則會估計資產之可收回金額。資產之可收回金額為資產或現金產生單位之在用價值及公允值減出售成本(以較高者為準),並就個別資產釐定,除非有關資產並無產生在頗大程度上獨立於其他資產或資產組別之現金流入。在此情況下,可收回金額乃就資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超逾其可收回金額時確認。於評估在用價值時,估計日後現金流量按可反映貨幣時間價值的現時市場評估及資產特定風險之稅前貼現率貼現至其現值。減值虧損於產生期間自損益中與減值資產功能相一致之開支類別中扣除。

資產乃於各報告期末進行評估,以確定是否有跡象顯示之前已確認之減值虧損不再存在或可能已經減少。倘出現該等跡象,則對該可收回金額作出估計。之前已確認之資產(商譽除外)減值虧損僅會於用以釐定資產可收回金額之估計改變時撥回,惟撥回後之金額不得高於假設過往年度並無就資產確認減值虧損而應予以釐定之賬面值(扣除任何折舊/攤銷)。減值虧損之撥回於產生期間計入損益,惟若資產按重估金額入賬,則撥回之減值虧損按該重估資產之相關會計政策列賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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;

### 2.4 重大會計政策概要(續)

#### 關聯方

下列人士視為與本集團有關聯，倘：

- (a) 有關方為一名人士或該人士家族之近親，而該人士
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本集團母公司之主要管理人員的其中一名成員；

或

- (b) 該人士為符合下列任何一項條件之實體：
  - (i) 該實體與本集團屬同一集團旗下成員；
  - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體之母公司、附屬公司或同系附屬公司)；
  - (iii) 該實體及本集團均為同一第三方之合營企業；
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
  - (v) 該實體為本集團或一家與本集團有關之實體就僱員之福利而設的離職後福利計劃；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Related parties (continued)

(b) (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); 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.

#### Property, plant and equipment and depreciation

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

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

### 2.4 重大會計政策概要(續)

#### 關聯方(續)

(b) (續)

- (vi) 該實體受(a)所述人士控制或共同控制；
- (vii) 於(a)(i)所述人士對實體有重大影響或屬該實體(或該實體母公司)主要管理人員之其中一名成員；及
- (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團的母公司提供主要管理人員服務。

#### 物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損列賬。倘物業、廠房及設備項目分類為持作出售，或該項目屬於分類為持作出售之出售組別一部分，則不會計提折舊，並按香港財務報告準則第5號處理入賬。物業、廠房及設備項目之成本包括其買價及令該項資產達至其運作狀態及地點以供擬定用途之任何直接應佔成本。

在物業、廠房及設備項目投入運作後所產生之開支(例如維修及保養)，一般於產生期間計入損益。倘能符合確認條件，重大檢查開支可於資產賬面值資本化以作代替。倘物業、廠房及設備之主要部分需定期更換，本集團會按特定使用年期確認該部份為個別資產，並據此作出折舊。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss and other comprehensive income. Any subsequent revaluation surplus is credited to the statement of profit or loss and other comprehensive income to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Leasehold improvements	33%–49%
Plant and machinery	10%–20%
Furniture and fixtures	20%–33%
Motor vehicles	20%–25%

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

### 2.4 重大會計政策概要(續)

#### 物業、廠房及設備及折舊(續)

估值會頻密進行，頻率足以確保重估資產的公允值不會大幅偏離其賬面值。物業、廠房及設備的價值變動乃作為資產重估儲備的變動予以處理。倘按個別資產基準計算，該儲備總額不足以彌補虧絀，該虧絀的超額部分會自損益及其他全面收益表內扣除。任何其後重估盈餘均會計入損益及其他全面收益表，惟以先前扣除的虧絀數額為限。每年由資產重估儲備轉撥至保留利潤乃就根據資產重估賬面值的折舊與根據資產初始成本的折舊差額作出。於出售一項重估資產時，就先前估值變現的資產重估儲備的相關部分會作為一項儲備變動轉撥至保留利潤。

折舊乃採用直線法於各項物業、廠房及設備項目之估計可使用年期撇銷其成本至其剩餘價值計算。計算採用之主要年率如下：

樓宇	5%
租賃裝修	33%–49%
廠房及機器	10%–20%
傢俬及設備	20%–33%
汽車	20%–25%

如某項物業、廠房及設備項目各部份的可使用年期各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部份則各自計提折舊。剩餘價值、可使用年期及折舊方法至少會於各財政年度末進行審核及調整(如適用)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

#### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss and other comprehensive income in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

### 2.4 重大會計政策概要(續)

#### 物業、廠房及設備及折舊(續)

物業、廠房及設備項目(包括已初步確認之任何重大部分)於出售時或預期日後不會因使用或出售而帶來經濟利益時終止確認。在終止確認該項資產之同一年度,於損益確認出售或報廢的任何盈虧為有關資產之出售所得款項淨額與其賬面值之差額。

在建工程指在建樓宇,乃按成本減任何減值虧損入賬,不計折舊。成本包括建築期間的直接建築成本及相關借貸之資本化借貸成本。在建工程於竣工及投入使用时重新分類至物業、廠房及設備之適當類別。

#### 投資物業

投資物業指為賺取租金收入及/或資本升值(而非作為生產或提供貨品或服務或行政用途)或為於日常業務過程中銷售而持有之土地及樓宇之權益。該等物業最初按成本(包括交易成本)計量。於首次確認後,投資物業按反映報告期末市況之公允值列賬。

投資物業公允值變動產生的收益或虧損計入收益或虧損產生年度的損益及其他全面收益表內。報廢或出售投資物業產生之任何收益或虧損於報廢或出售年度在損益及其他全面收益表內確認。

倘本集團擁有的自用物業轉變為投資物業,本集團將根據「物業、廠房及設備及折舊」項下所列政策將物業入賬,直至改變用途之日,並根據上述「物業、廠房及設備及折舊」項下所列政策,按物業在該日的賬面值與公允值差額記入重估賬。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### Licence and health food certificates

The licence acquired as part of a business combination is valued at fair value based on the relief from the royalty method. The licence with indefinite useful life is tested for impairment annually. The health food certificates acquired as part of a business combination are valued at fair value based on the replacement cost method and are amortised on the straight-line basis over their estimated useful life of 5 years. Health food certificates acquired separately are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 5 years.

### Customer relationships

Customer relationships acquired as part of business combinations were valued at fair value based on the multi-period excess earnings method. Customer relationships are assessed as having finite useful lives and are amortised on the straight-line basis over their estimated useful lives of 10 to 14 years.

## 2.4 重大會計政策概要(續)

### 無形資產(商業除外)

分開收購的無形資產於初步確認時按成本計量。經業務合併收購的無形資產成本指收購日期的公允值。無形資產的可使用年期可評定為有限期或無限期。有限期無形資產其後按可使用經濟年期予以攤銷，並於無形資產可能出現減值跡象時評估減值。有限期可使用年期無形資產的攤銷期及攤銷方法至少須於各個財政年度末進行審核。

無限期可使用年期之無形資產，個別或按現金產生單位組別每年進行減值測試。該等無形資產毋須攤銷。無特定年期之無形資產之可使用年期會每年檢討，以釐定是否仍然適合評估為無限年期。如不適用，可使用年期評估評定資產由無限期可使用年期轉至有限期可使用年期時，乃按未來使用基準入賬。

### 許可證及保健食品證書

作為業務合併的一部分收購的許可證乃基於減免特許權使用費的方法，按公允值進行估值。使用期限不確定的許可證每年進行一次減值測試。作為業務合併的一部分收購的保健食品證書乃基於置換成本法按公允值進行估值，並於5年的估計使用年期內按直線基準進行攤銷。單獨收購的保健食品證書乃按成本減任何減值虧損列賬，並於5年的估計使用年期內按直線基準進行攤銷。

### 客戶關係

作為企業合併一部分而獲得的客戶關係按多期超額收益法以公允值估量。客戶關係獲評定擁有有限期可使用年期，並以直線法按其估計可使用年期十至十四年進行攤銷。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### Trademarks

The trademarks acquired as part of business combinations are valued at fair value based on the relief from the royalty method. Trademarks with finite useful lives are amortised on the straight-line basis over their estimated useful life of 10 years. Trademarks with indefinite useful lives are tested for impairment annually.

##### Distribution network

Distribution network acquired as part of a business combination is valued at fair value and is amortised on the straight-line basis over its useful life of 10 years.

#### Leases (applicable from 1 January 2019)

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 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.

##### (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	50 years
Plant and machinery	2 to 6 years
Motor vehicles	2 to 3 years

### 2.4 重大會計政策概要(續)

#### 無形資產(商業除外)(續)

##### 商標

作為企業合併一部分而獲得的商標基於權利金節省法按公允值估值。有限期可使用年期的商標以直線法按其估計可使用年期十年進行攤銷。無限期可使用年期的商標每年進行減值測試。

##### 分銷網絡

作為企業合併一部分而獲得的分銷網絡按公允值估值並以直線法按其可使用年期十年進行攤銷。

#### 租賃(自2019年1月1日起適用)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

##### 本集團作為承租人

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

##### (a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於租賃期及估計使用年期(以較短者為準)內以直線法折舊如下：

租賃土地	50年
廠房及機器	2至6年
汽車	2至3年

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (applicable from 1 January 2019) (Continued)

#### Group as a lessee (Continued)

(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 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.

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.

## 2.4 重大會計政策概要(續)

### 租賃(自2019年1月1日起適用)(續)

#### 本集團作為承租人(續)

(b) *租賃負債*

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款及預期根據在剩餘價值擔保中將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價，並倘租賃期反映本集團行使終止選擇權，則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於觸發付款之事件或狀況出現期間確認為開支。

於計算租賃付款的現值時，由於租賃中隱含的利率不易確定，故本集團在租賃開始日期使用其增量借款利率。在開始日期之後，租賃負債的金額會增加，以反映利息的增加，並減少租賃付款。此外，如存在修改、租賃期限變動、租賃付款變動(例如指數或利率變化引起的未來租賃付款變動)或購買相關資產的選擇權評估變更，則重新計量租賃負債的賬面值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leases (applicable from 1 January 2019) (Continued)

##### Group as a lessee (Continued)

(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 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.

##### 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 and other comprehensive income 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.

### 2.4 重大會計政策概要(續)

#### 無形資產(商業除外)(續)

##### 本集團作為承租人(續)

(c) *短期租賃及低價值資產租賃*

本集團應用短期租賃確認豁免於其機器及設備的短期租賃(即自開始日期起租期為12個月或以內且並無包含購買選擇權的該等租賃),其亦應用低價值資產租賃確認豁免於被認為低價值的租賃。

短期租賃及低價值資產租賃的租賃付款於租期內按直線基準確認為開支。

##### 本集團作為出租人

當本集團作為出租人行事,則於租賃開始時(或於租賃修訂時)將各項租賃分類為經營租賃或融資租賃。

本集團並未轉移資產擁有權附帶的絕大部分風險及回報的租賃分類為經營租賃。當合約包含租賃及非租賃部分,本集團按相對獨立的售價基準將合約代價分配至各部分。租金收入於租期內按直線基準入賬並由於其經營性質於損益及其他全面收益表內計入收益。磋商及安排經營租賃所產生初始直接成本加入租賃資產的賬面值,並按與租金收入相同的基準於租期內確認。或然租金於賺取期間確認為收益。

將相關資產擁有權附帶的絕大部分風險及回報轉移予承租人的租賃入賬為融資租賃。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss and other comprehensive income so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### 2.4 重大會計政策概要(續)

#### 租賃(於2019年1月1日前適用)

除法定權利外，資產擁有權絕大部分回報及風險已轉移予本集團之租賃，均列作融資租賃。於融資租賃開始日，租賃資產之成本以最低租賃付款現值撥充資本，並與有關責任(不包括利息因素)一同入賬，以反映其購買及融資活動。根據撥作資本之融資租賃持有之資產(包括融資租賃之預付土地租賃款項)計入物業、廠房及設備，於租期或資產估計可使用年期之較短期間內折舊。該等租賃之融資成本自損益及其他全面收益表扣除，以確保租期內維持固定之定期利率。

通過具有融資性質之租賃合約收購之資產作為融資租賃處理，並按估計可使用年期折舊。

資產擁有權所附帶之絕大部份回報及風險仍屬出租人所有之租約入賬列為經營租賃。如本集團為出租人，本集團根據經營租賃租賃之資產計入非流動資產，根據經營租賃應收之租金以直線法按租期計入損益及其他全面收益表內。如本集團為承租人，根據經營租賃應付之租金經扣除出租人所提供之任何獎勵後以直線法按租期於損益及其他全面收益表內扣除。

經營租賃項下之預付土地租賃費用初步按成本列賬，其後則以直線法按租期確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

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)

#### 投資及其他金融資產

##### 初步確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公允值計入其他全面收益及按公允值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用並未就重大融資成分的影響作出調整的可行權宜方法的貿易應收款項外，本集團初步按公允值加上(倘金融資產並非按公允值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項乃根據下文「收入確認」所載政策按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息(「純粹為支付本金及利息」)的現金流量。現金流量並非純粹為支付本金及利息的金融資產不論業務模式按公允值計入損益計量。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets (Continued)

#### Initial recognition and measurement (Continued)

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 and other comprehensive income when the asset is derecognised, modified or impaired.

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

## 2.4 重大會計政策概要(續)

### 投資及其他金融資產(續)

#### 初步確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產於持有金融資產的目的為收取合約現金流量的商業模式內持有，而按公允值計入其他全面收益分類及計量的金融資產於持有金融資產的目的為同時收取合約現金流量及出售的商業模式內持有。並非於上述商業模式內持有的金融資產按公允值計入損益分類及計量。

所有按常規方式購買及出售的金融資產於交易日(即本集團承諾購買或出售該項資產的日期)確認。常規方式購買或出售乃指購買或出售須在一般按規例或市場慣例確定的期間內交付資產的金融資產。

#### 後續計量

金融資產其後視乎以下分類作出計量：

##### *按攤銷成本計量的金融資產(債務工具)*

按攤銷成本計量的金融資產其後使用實際利率法計量，並受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益及其他全面收益表中確認。

於初始確認時，本集團可選擇於股本投資符合香港會計準則第32號*金融工具：呈報*項下的股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公允值計入其他全面收益的股本投資。分類乃按個別工具基準釐定。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (Continued)

##### Subsequent measurement (Continued)

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

Gains and losses on these financial assets are never recycled to the statement of profit or loss and other comprehensive income. Dividends are recognised as other income in the statement of profit or loss and other comprehensive income 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 and other comprehensive income.

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 and other comprehensive income 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.

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 and other comprehensive income. 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.

### 2.4 重大會計政策概要(續)

#### 投資及其他金融資產(續)

##### 後續計量(續)

*指定按公允值計入其他全面收益的金融資產(股本投資)*

該等金融資產的收益及虧損概不會被重新計入損益及其他全面收益表。當確立支付權及與股息相關的經濟利益可能流入本集團且股息金額能可靠計量時，股息於損益及其他全面收益表中確認為其他收入，惟當本集團於作為收回金融資產一部份成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公允值計入其他全面收益的股本投資不受減值評估影響。

*指定按公允值計入損益的金融資產*

指定按公允值計入損益的金融資產於財務狀況表按公允值列賬，公允值變動淨額於損益及其他全面收益表確認。

該類別包括本集團並無不可撤銷選擇分類為指定按公允值計入其他全面收益的衍生工具及股本投資。當付款權利確定，與股息相關的經濟利益很可能流入本集團且股息金額能可靠計量時，分類為指定按公允值計入損益的股本投資股息亦於損益及其他全面收益表確認為其他收入。

當嵌入混合合約(包含金融負債或非金融主體)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；且混合合約並非指定按公允值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公允值計量而公允值變動於損益及其他全面收益表確認。僅當合約條款出現變動，大幅改變其他情況下所需現金流量時或當原分類至按公允值計入損益的金融資產獲重新分類時，方進行重估。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets (Continued)

#### Subsequent measurement (Continued)

*Financial assets at fair value through profit or loss (Continued)*

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.

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

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

## 2.4 重大會計政策概要(續)

### 投資及其他金融資產(續)

#### 後續計量(續)

*指定按公允值計入損益的金融資產(續)*

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為指定按公允值計入損益的金融資產。

#### 終止確認金融資產

金融資產(或(如適用)金融資產的一部分或同類金融資產組別的一部分)主要在以下情況會終止確認(即自本集團綜合財務狀況表中移除):

- 自資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓其自資產收取現金流量的權利, 或已假定將根據「交付」安排在無重大延誤情況下向第三方全數支付已收現金流量; 及(a)本集團將資產的絕大部分風險及回報轉讓; 或(b)本集團並無將資產的絕大部分風險或回報轉讓或保留, 惟已轉讓資產的控制權。

當本集團已轉讓其自資產收取現金流量的權利或已訂立交付安排時, 本集團評估其是否已保留該資產所有權的風險及回報以及相關程度。當其並無轉讓或保留該資產的絕大部份風險及回報, 亦無轉讓該資產的控制權時, 本集團繼續確認已轉讓資產, 惟以本集團持續參與為限。於該情況下, 本集團亦確認一項關聯負債。已轉讓資產及該關聯負債根據反映本集團已保留的權利及義務的基準計量。

以所轉讓資產作擔保的形式存在的持續參與按該資產的初始賬面值與本集團可能須償還的最高代價兩者間的較低者計量。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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).

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

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

### 2.4 重大會計政策概要(續)

#### 金融資產減值

本集團確認對並非按公允值計入損益的所有債務工具預期信貸虧損(「預期信貸虧損」)的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

#### 普通法

預期信貸虧損分兩個階段進行確認。就自初始確認起信貸風險並無大幅增加的信貸敞口而言，會就未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計提預期信貸虧損。就自初始確認起信貸風險大幅增加的該等信貸敞口而言，不論何時發生違約，於敞口的餘下年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具信貸風險是否自初始確認起大幅增加。於進行評估時，本集團比較金融工具於報告日期發生違約的風險及金融工具於初始確認日期發生違約的風險，認為在毋須付出過多成本或努力的情況下即可獲得合理可靠的資料(包括歷史及前瞻性資料)。

本集團會在合約付款逾期90日時考慮金融資產違約。然而，在若干情況下，當內部或外部資料顯示，在並無計及本集團持有的任何信貸提升措施情況時，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (Continued)

#### Simplified approach

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

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, lease liabilities and interest-bearing bank and other borrowings.

#### 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 and other comprehensive income 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 and other comprehensive income.

## 2.4 重大會計政策概要(續)

### 金融資產減值(續)

#### 簡化法

就並無重大融資成分的貿易應收款項及合約資產或本集團未就重大融資成分的影響作出調整的可行權宜方法而言，本集團採用簡化法計算預期信貸虧損。根據簡化法，本集團並未追蹤信貸風險變動，轉而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境特定的前瞻性因素作出調整。

### 金融負債

#### 首次確認及計量

金融負債於首次確認時分類為以公允值計入損益之金融負債、貸款及借貸、應付款項或分類為指定作有效對沖的對沖工具的衍生工具(倘適用)。

所有金融負債初步按公允值確認，倘為貸款及借貸以及應付款項，則須扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、租賃負債以及計息銀行及其他借貸。

#### 按攤銷成本列賬的金融負債(貸款及借貸)

於首次確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率進行攤銷程序時，其收益及虧損於損益及其他全面收益表內確認。

攤銷成本於計算時已考慮收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本。實際利率攤銷計入損益及其他全面收益表的融資成本內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

#### Offsetting of financial instruments

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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

### 2.4 重大會計政策概要(續)

#### 終止確認金融負債

當負債項下的責任被解除或取消或到期時，則終止確認金融負債。

倘現有金融負債由同一貸方按條款迥異的其他負債取代，或現有金融負債的條款經重大修訂，則該等變更或修訂被視作終止確認原有負債並確認新負債，各賬面值的差額於損益及其他全面收益表確認。

#### 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，且有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨金額列入財務狀況表內。

#### 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本以加權平均法釐定，製成品成本包括直接物料成本、直接勞工成本及適當比例的間接成本。可變現淨值按估計售價減完成及出售所需的任何估計成本釐定。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金和活期存款以及可隨時兌換為已知數額現金的短期高流動性投資，價值波動風險不大，且一般自取得日期起計三個月內到期(不包括須於要求時償還的銀行透支)及屬本集團現金管理主要組成部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及用途不受限制之銀行存款(包括定期存款以及性質與現金類似的資產)。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

#### Income tax

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

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

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

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

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

### 2.4 重大會計政策概要(續)

#### 撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟須可靠估計有關債務金額。

倘貼現的影響屬重大，則確認的撥備金額為預期需用作償還債務的未來支出於各報告期末的現值。因時間推移而產生的貼現現值增額，計入損益內的融資成本。

#### 所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他全面收入或直接於權益內確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或實際上已頒佈的稅率(及稅法)，並考慮本集團業務所在國家的現行詮釋及慣例，按預期自稅務機關退回或付予稅務當局的金額計算。

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初步確認商譽或資產或負債而產生，並於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司及合營企業投資有關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，而該等暫時差額於可預見將來可能不會撥回。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (Continued)

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, the carryforward of unused tax credits and unused tax losses can be utilised, except:

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

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.

### 2.4 重大會計政策概要(續)

#### 所得稅(續)

遞延稅項資產乃就所有可扣稅暫時差額以及未動用稅項抵免及任何未動用稅務虧損的結轉而確認。遞延稅項資產以將有應課稅溢利以動用可扣稅暫時差額、未動用稅項抵免及未動用稅務虧損的結轉以作對銷為限確認，惟下列情況除外：

- 與可扣稅暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中初步確認資產或負債而產生，並於交易時並不影響會計溢利及應課稅溢利或虧損；及
- 就與於附屬公司及合營企業投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅溢利以動用暫時差額以作對銷的情況下，方予確認。

遞延稅項資產的賬面值於各報告期末審核，並沖減至不可能再有足夠應課稅溢利以致可動用全部或部分遞延稅項資產的水平。並未確認的遞延稅項資產將於各報告期末重新評估，並於可能將有足夠的應課稅溢利以致可收回全部或部分遞延稅項資產時予以確認。



### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (Continued)

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

#### Government grants

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

#### 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.

### 2.4 重大會計政策概要(續)

#### 所得稅(續)

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

#### 政府補助金

倘有合理保證將可獲得政府補助金，且符合所有附帶條件，則補助金可按公允值確認。倘補助金與開支項目有關，則在必須將補助金於擬補償的成本支出期間有系統地確認為收入。

#### 收益確認

##### 來自客戶合約之收益

於貨品或服務的控制權按反映本集團預期就交換該等貨品或服務有權收取的代價的金額轉移予客戶時確認客戶合約收益。

當合約代價包含可變金額時，代價金額估計為本集團就向客戶轉讓貨品或服務而有權在交換中獲取的數額。可變代價於合約開始時估計並受到約束，直至其後關乎可變代價的不確定因素獲得解決時確認累計收益金額不大可能發生重大收益撥回。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (Continued)

##### Revenue from contracts with customers (Continued)

Some contracts provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(a) *Rights of return*

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) *Volume rebates*

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 and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

### 2.4 重大會計政策概要(續)

#### 收益確認(續)

##### 來自客戶合約之收益(續)

若干合約向客戶提供退貨權及銷量回扣。退貨權及銷量回扣引致可變代價。

(a) *退貨權*

對於為客戶提供於指定期間內退貨權利的合約而言，乃使用預期價值法估計不會退還的貨品，因為該方法最能預測本集團有權獲得的可變代價金額。香港財務報告準則第15號有關限制可變代價估計的規定乃適用，以釐定可計入交易價格的可變代價金額。對於預期將退回的貨品而非收益，則確認退款責任。就從客戶收回產品的權利而言，亦確認退貨權資產(以及相應的銷售成本調整)。

(b) *銷量回扣*

一旦於期內購買的產品數量超過合約中指定的閾值，可向若干客戶提供追溯性銷量回扣。回扣乃抵銷客戶應付的金額。為估計預期未來回扣的可變代價，則就具有單一銷量閾值的合約使用最可能金額法及就具有多於一個銷量閾值的合約使用預期價值法。最能預測可變代價金額的所選方法主要由合約中包含的銷量閾值數量所帶動。有關約束可變代價估計的要求乃適用，並確認預期未來回扣的退款責任。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (Continued)

##### Other income

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

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

##### 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).

##### Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

### 2.4 重大會計政策概要(續)

#### 收益確認(續)

##### 其他收入

利息收入按應計基準使用實際利率法，透過採用將金融工具在預期可使用年期或較短期間(如適用)內的估計未來現金收入準確貼現至金融資產之賬面淨值的比率予以確認。

股息收入於股東收取款項之權利被確立時確認，與股利相關的經濟利益很可能流入本集團，且股利的金額能夠可靠計量。

##### 合約負債

倘本集團在轉讓相關貨品或服務前自客戶收取付款或付款到期(以較早者為準)，則確認合約負債。當本集團履行合約(即將相關貨品或服務控制權轉讓予客戶)時，合約負債乃確認為收益。

##### 退貨權資產

就有權收回預期客戶將退還的貨品確認退貨權資產。資產按將退還貨品原賬面值減預期收回貨品的任何成本與退還貨品價值的任何潛在減幅計量。本集團就修訂預期退貨水平及退還貨品價值的任何額外減幅更新資產的計量。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

#### Other employee benefits

##### Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain fixed percentages of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees of the Group's subsidiaries which operate in the Hong Kong SAR. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

### 2.4 重大會計政策概要(續)

#### 退款負債

就退還自客戶收取(或應收)之部分或全部代價的義務確認退款負債，並按本集團最終預期其須退回予客戶的金額計量。本集團於各報告期末更新其對退款負債之估計(及交易價格之相應變動)。

#### 其他僱員福利

##### 退休金計劃

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府運作之中央退休金計劃。該等附屬公司須將薪金成本之若干固定百分比向中央退休金計劃供款。供款將根據中央退休金計劃規則於應付時從收益表中扣除。

本集團為其於香港特別行政區經營之附屬公司之僱員遵照強制性公積金計劃條例運營一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪酬之某一百分比計算，並根據強積金計劃規則在需要支付時自損益中扣除。強積金計劃資產與本集團之資產分開並由獨立管理基金持有。本集團按強積金計劃作出之供款利益全數歸屬於僱員。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### 2.4 重大會計政策概要(續)

#### 借款成本

收購、建設或生產合資格資產(即必需於一段長時間方能達致其原定用途或出售)直接應佔之借款成本資本化為該等資產之部分成本。當資產大致上可作其原定用途或出售,則該等借款成本將會停止資本化。於有待用於合資格資產之特定借款作短期投資所賺取之投資收入乃從可資本化之借款成本中扣除。所有其他借款成本於產生期間支銷。借款成本包括實體因借入資金而產生的利息及其他成本。

#### 股息

末期股息在股東大會上獲股東批准後確認為負債。

建議末期股息披露於財務報表附註。

中期股息於建議之同時宣派,因為本公司之組織章程大綱及細則授權董事宣派中期股息。因此,中期股息於建議及宣派時即時確認為負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies

These financial statements are presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and joint ventures are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into Renminbi at the weighted average exchange rates for the year.

### 2.4 重大會計政策概要(續)

#### 外幣

該等財務報表以本公司的功能貨幣人民幣呈列。本集團旗下各實體確定其本身功能貨幣，而各實體的財務報表內計入的項目以該功能貨幣計量。本集團旗下實體記錄的外幣交易最初以其各自於交易日期適用的功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按於報告期末適用的功能貨幣匯率換算。因結算或換算貨幣項目而產生的差額均於損益確認。

根據歷史成本以外幣計量的非貨幣項目以首次交易當日的匯率換算。按公允值以外幣計量的非貨幣項目按公允值釐定當日的匯率換算。因換算按公允值計量之非貨幣項目而產生的收益或虧損的處理方式與確認項目公允值變動收益或虧損的方式一致(即公允值損益於其他全面收入或損益內確認的項目的換算差額亦分別於其他全面收入或損益內確認)。

若干海外附屬公司及合營企業以人民幣以外的貨幣為功能貨幣。於報告期末，該等實體的資產及負債按於報告期末適用的匯率換算為人民幣，其損益則按年內加權平均匯率換算為人民幣。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (Continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

### 2.4 重大會計政策概要(續)

#### 外幣(續)

所產生的匯兌差額於其他全面收入內確認，並累計至匯兌波動儲備。於出售海外業務時，其他全面收入內與該特定海外業務有關的組成部分於損益內確認。

因收購海外業務而產生的任何商譽以及因收購而導致的資產及負債賬面值的任何公允價值調整作為海外業務的資產及負債處理，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的適用匯率換算為人民幣。海外附屬公司於整個年度產生的經常性現金流量則按年內的加權平均匯率換算為人民幣。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### 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 2019 was RMB43,413,000 (2018: RMB77,269,000). Further details are given in note 16.

#### Impairment of intangible assets with indefinite useful lives

The Group determines whether intangible assets with indefinite useful lives is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the intangible assets with indefinite useful lives. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from intangible assets with indefinite useful lives and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of intangible assets with indefinite useful lives at 31 December 2019 was RMB14,544,000 (2018: RMB45,098,000). Further details are given in note 17.

### 3. 重要會計判斷及估計

編製本集團的財務報表要求管理層作出影響所呈報收益、開支、資產及負債金額以及附隨的披露及或然負債披露的判斷、估計及假設。此等假設及估計的不確定因素可能會導致日後須對受影響的資產和負債的賬面值作出重大調整。

#### 估計不確定因素

下文披露的主要假設涉及於報告期末估計不確定因素的日後及其他主要來源，當中會存在導致須對下一財政年度內的資產及負債的賬面值作出重大調整的重大風險。

#### 商譽減值

本集團最少每年釐定商譽是否有所減值。釐定時須估計獲分配商譽的現金產生單位的在用價值。估計在用價值時，要求本集團須估計現金產生單位所產生的預期日後現金流量，亦須選擇合適的貼現率，以計算該等現金流量的現值。本集團於2019年12月31日之商譽賬面值為人民幣43,413,000元(2018年：人民幣77,269,000元)。進一步詳情載於附註16。

#### 具有無限期使用壽命的無形資產減值

本集團至少每年確定一次具有無限期使用壽命的無形資產是否已減值，這要求就具有無限期使用壽命的無形資產的可收回金額作出估計。估計可收回金額乃要求本集團估計有關具有無限期使用壽命的無形資產可帶來之預期未來現金流量，並選取合適的貼現率以計算該等現金流量的現值。於2019年12月31日，具有無限期使用壽命的無形資產的賬面值為人民幣14,544,000元(2018年：人民幣45,098,000元)。有關進一步詳情於附註17內披露。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (Continued)

##### Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at each reporting date. At 31 December 2019, the net carrying value of inventories was approximately RMB89,751,000 (2018: RMB110,904,000). Further details are contained in note 18 to the financial statements.

##### Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different. The net carrying value of deferred tax assets relating to recognised tax losses and deductible temporary differences at 31 December 2019 was RMB12,763,000 (2018: RMB34,871,000). Further details are contained in note 26 to the financial statements.

### 3. 重要會計判斷及估計(續)

#### 估計不確定因素(續)

##### 存貨可變現淨值

存貨的可變現淨值乃於日常業務過程中作出的估計售價減估計銷售開支。該等估計根據現時市況及出售性質類似產品的過往經驗作出，可能因市況變動而出現重大變動。管理層於各報告日期重新評估有關估計。於2019年12月31日，存貨的賬面淨值為約人民幣89,751,000元(2018年：人民幣110,904,000元)。進一步詳情載於財務報表附註18。

##### 遞延稅項資產

倘可能有應課稅利潤可用以抵銷該虧損及可扣稅暫時差額，則就未動用的稅務虧損及可扣稅暫時差額確認遞延稅項資產。管理層須根據未來應課稅利潤的大致時間及數額以及未來稅務計劃策略作出重大判斷，以釐定可確認的遞延稅項資產金額。實際應用結果可能有所不同。於2019年12月31日，與確認稅項虧損及可扣稅暫時差額有關之遞延稅項資產的賬面淨值為人民幣12,763,000元(2018年：人民幣34,871,000元)。進一步詳情載於財務報表附註26。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 4. OPERATING SEGMENT INFORMATION

#### (a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the manufacture and sale of nutritional supplements and the sale of packaged health food products in the PRC, Australia and New Zealand.

#### (b) Geographical information

Most of the group companies are domiciled in the PRC and the majority of the non-current assets are located in the Mainland China, New Zealand and Australia. The Group's revenue from external customers is primarily derived in the Mainland China, New Zealand and Australia.

The following is an analysis of the Group's revenue from its major markets:

### 4. 經營分部資料

#### (a) 可報告分部

本集團根據由主要經營決策人審核用於作出戰略決策的報告釐定其經營分部。就管理而言，本集團根據其產品經營單一業務單位，且有一個可呈報分部，即在中國、澳大利亞及紐西蘭製造及銷售營養膳食補充劑以及銷售預包裝保健食品。

#### (b) 地域資料

本集團旗下大部分公司的所屬地為中國且大部分非流動資產均位於中國大陸、紐西蘭及澳大利亞。本集團來自外部客戶的收入主要在中國大陸、紐西蘭及澳大利亞產生。

以下為本集團來自主要市場的收益分析：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Mainland China	中國大陸	202,653	310,110
New Zealand	紐西蘭	107,075	125,970
Australia	澳大利亞	6,380	7,386
Vietnam	越南	842	3,481
Other countries	其他國家	5,663	6,252
		<b>322,613</b>	453,199

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

#### (c) Non-current assets

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Mainland China	中國大陸	<b>172,191</b>	190,055
New Zealand	紐西蘭	<b>43,582</b>	29,965
Australia	澳大利亞	<b>1,064</b>	728
		<b>216,837</b>	220,748

The non-current assets information above is based on the locations of the assets and excludes goodwill, deferred tax assets, pledged deposits and other non-current assets.

#### (d) Information about major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue for the year (2018: Nil).

### 4. 經營分部資料(續)

#### (c) 非流動資產

以上非流動資產之資料乃基於資產所處位置及排除商譽、遞延稅項資產、已抵押按金及其他非流動資產。

#### (d) 有關主要客戶的資料

概無與單一外部客戶交易的收益佔本集團本年度收益的10%或以上(2018年：零)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
<b>Type of goods or services</b>	<b>貨品或服務類別</b>		
Sale of goods	銷售貨品	<b>322,454</b>	453,165
Rendering of services	提供服務	<b>159</b>	34
Total revenue from contracts with customers	來自客戶合約之收益總額	<b>322,613</b>	453,199
<b>Timing of revenue recognition</b>	<b>收益確認時間</b>		
Goods or services transferred at a point in time	按轉讓貨品或服務時的時間點	<b>322,613</b>	453,199
Total revenue from contracts with customers	來自客戶合約之收益總額	<b>322,613</b>	453,199

### 5. 收益、其他收入及盈利

收益指於本年度內已售貨品經扣除退貨及貿易折扣後的發票淨值及所提供服務的價值。

收益、其他收入及盈利的分析如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

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:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債之已確認收益		
Sale of goods	銷售貨品	7,957	15,196

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	2,895	4,242
Government grants*	政府補助金*	3,333	3,068
Foreign exchange differences, net (Reversal)/Impairment of trade receivables	匯兌差額淨額 貿易應收款項(撥回)/ 減值	1,539	1,486
Rental income	租金收入	663	-
Others	其他	64	-
		179	257
		<b>8,673</b>	9,053

\* Various government grants have been received for the Group's contribution to the development of local economy. There are no unfulfilled conditions or contingencies relating to these grants.

\* 由於本集團對地方經濟發展的貢獻，已收到各種政府補助金。概無有關該等補助金尚未完成的條件或有事項。

### 5. 收益、其他收入及盈利(續)

下表列載於本報告期間計入報告期初合約負債及自過往期間達成履約責任所確認的已確認收益金額：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債之已確認收益		
Sale of goods	銷售貨品	7,957	15,196

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	2,895	4,242
Government grants*	政府補助金*	3,333	3,068
Foreign exchange differences, net (Reversal)/Impairment of trade receivables	匯兌差額淨額 貿易應收款項(撥回)/ 減值	1,539	1,486
Rental income	租金收入	663	-
Others	其他	64	-
		179	257
		<b>8,673</b>	9,053

\* 由於本集團對地方經濟發展的貢獻，已收到各種政府補助金。概無有關該等補助金尚未完成的條件或有事項。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

### 6. 除稅前虧損

本集團除稅前虧損乃在扣除／(計入)以下各項後得出：

			<b>2019</b>	2018
		Note	<b>2019年</b>	2018年
		附註	<b>RMB'000</b>	RMB'000
			<b>人民幣千元</b>	人民幣千元
Cost of inventories sold	已售存貨的成本		<b>162,481</b>	176,081
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	<b>12,841</b>	8,786
Depreciation of right-of-use assets (2018: amortisation of land lease payments)	使用權資產折舊 (2018年：土地租賃款項攤銷)	15(b)	<b>6,737</b>	247
Lease payments not included in the measurement of lease liabilities	未計入租賃負債計量的租賃款項	15(d)	<b>5,368</b>	13,710
Amortisation of intangible assets*	無形資產攤銷*	17	<b>3,667</b>	3,651
Auditor's remuneration	核數師薪酬		<b>2,580</b>	1,950
Research and development expenses	研發開支		<b>3,538</b>	2,551
Employment benefit expense (excluding directors', supervisors' and chief executive's remuneration):	員工福利開支(不包括董事、監事及行政總裁的薪酬)：			
Wages and salaries	工資和薪金		<b>71,672</b>	88,222
Pension scheme contributions	退休金計劃供款		<b>4,282</b>	3,649
Other benefits	其他福利		<b>6,432</b>	14,571
Foreign exchange differences, net	匯兌差額淨額	5	<b>(1,539)</b>	(1,486)
Impairment of goodwill**	商譽減值**	16	<b>34,798</b>	70,050
Impairment of other intangible assets**	其他無形資產減值**	17	<b>36,066</b>	-
(Reversal)/Impairment of trade receivables	貿易應收款項(撥回)/減值	19	<b>(663)</b>	4,201
Write-down of inventories to net realisable value***	撇減存貨至可變現淨值***		<b>3,294</b>	28,227
Bank interest income	銀行利息收入	5	<b>(2,895)</b>	(4,242)
Government grants	政府補助金	5	<b>(3,333)</b>	(3,068)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損		<b>49</b>	163

\* The amortisation of intangible assets for the year is included in "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\* The impairment of goodwill and other intangible assets is included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\*\* The write-down of inventories to net realisable value for the year is included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

\* 年內無形資產攤銷計入綜合損益及其他全面收益表中的「銷售及經銷開支」及「行政開支」。

\*\* 商譽及其他無形資產減值計入綜合損益及其他全面收益表中的「其他開支」。

\*\*\* 年內，撇減存貨至可變現淨值計入綜合損益及其他全面收益表中的「銷售成本」。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 7. FINANCE COSTS

An analysis of finance costs is as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
	Note 附註		
Interest on bank loans	銀行貸款利息	2,333	3,363
Interest on lease liabilities	租賃負債利息	1,268	-
		<b>3,601</b>	3,363

### 7. 融資成本

融資成本分析如下：

### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 8. 董事、監事及行政總裁薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)節以及公司(披露董事利益資料)規例第2部披露的董事及行政總裁的年內薪酬如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Fees	袍金	240	190
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,838	1,848
Performance related bonuses	績效相關獎金	1,770	2,386
Pension scheme contributions	退休金計劃供款	199	231
		<b>3,807</b>	4,465
		<b>4,047</b>	4,655

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
		<b>(note i)</b>	(note i)
		<b>(附註i)</b>	(附註i)
Mr. Jiang Fuxin (note i)	蔣伏心先生(附註i)	-	-
Ms. Feng Qing (note i)	馮晴女士(附註i)	-	45
Mr. Vincent Cheng (note i)	鄭嘉福先生(附註i)	-	105
Mr. Zhang Jitong	張繼彤先生	<b>60</b>	10
Ms. Cai Tianchen	蔡天晨女士	<b>120</b>	20
Mr. Wang Wei	王瑋先生	<b>60</b>	10
		<b>240</b>	190

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

### 8. 董事、監事及行政總裁薪酬(續)

#### (a) 獨立非執行董事

於本年度向獨立非執行董事支付的袍金如下：

	<b>2019</b>	2018
	<b>2019年</b>	2018年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
	<b>(note i)</b>	(note i)
	<b>(附註i)</b>	(附註i)
	-	-
	-	45
	-	105
	<b>60</b>	10
	<b>120</b>	20
	<b>60</b>	10
	<b>240</b>	190

於本年度，概無向獨立非執行董事支付任何其他薪酬(2018年：無)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### 8. 董事、監事及行政總裁薪酬(續)

#### (b) Executive directors and supervisors

#### (b) 執行董事及監事

		Salaries, allowances and benefits		Performance	Pension	Total
		Fees	in kind	related bonuses	scheme contributions	
		袍金	薪金、津貼及實物福利	績效相關獎金	退休金計劃供款	薪酬總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	2019年					
Executive directors	執行董事					
Mr. Gui Ping Hu	桂平湖先生	-	703	300	59	1,062
Ms. Zhang Yuan	張源女士	-	243	545	24	812
Ms. Xu Li (note ii)	徐麗女士(附註ii)	-	123	13	15	151
Ms. Zhu Feifei	朱飛飛女士	-	202	242	20	464
		-	1,271	1,100	118	2,489
Supervisors	監事					
Ms. Yu Min	余敏女士	-	204	249	22	475
Ms. Wu Xuemei	吳雪梅女士	-	123	294	20	437
Ms. Lu Jiachun	陸佳純女士	-	124	64	20	208
Mr. Tao Xingrong (note iii)	陶興榮先生(附註iii)	-	-	-	-	-
Ms. Chen Xiu	陳秀女士	-	116	63	19	198
		-	567	670	81	1,318

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### 8. 董事、監事及行政總裁薪酬(續)

#### (b) Executive directors and supervisors (Continued)

#### (b) 執行董事及監事(續)

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	績效相關獎金	退休金計劃供款	薪酬總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2018	2018年					
Executive directors	執行董事					
Mr. Gui Ping Hu	桂平湖先生	-	713	-	67	780
Ms. Zhang Yuan	張源女士	-	225	661	27	913
Ms. Xu Li	徐麗女士	-	203	639	27	869
Ms. Zhu Feifei	朱飛飛女士	-	201	390	22	613
		-	1,342	1,690	143	3,175
Supervisors	監事					
Ms. Yu Min	余敏女士	-	189	328	24	541
Ms. Wu Xuemei	吳雪梅女士	-	110	232	22	364
Ms. Lu Jiachun	陸佳純女士	-	105	44	22	171
Mr. Tao Xingrong (note iii)	陶興榮先生 (附註iii)	-	-	-	-	-
Ms. Chen Xiu	陳秀女士	-	102	92	20	214
		-	506	696	88	1,290

Notes:

- (i) Resigned as independent non-executive directors on 23 October 2018.
- (ii) Resigned as executive director on 15 January 2020.
- (iii) Resigned as supervisor on 15 January 2020.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

附註：

- (i) 於2018年10月23日辭任獨立非執行董事。
- (ii) 於2020年1月15日辭任執行董事。
- (iii) 於2020年1月15日辭任監事。

於本年度，概無董事或行政總裁豁免或同意豁免任何薪酬的安排。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors and the chief executive (2018: three directors and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2018: one) highest paid employees who are neither directors nor chief executive of the Company are as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,238	189
Performance related bonuses	績效相關獎金	518	328
Pension scheme contributions	退休金計劃供款	36	24
		<b>2,792</b>	541

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 員工數目	
		2019 2019年	2018 2018年
Nil to HKD1,000,000	零至 1,000,000 港元	1	1
HKD2,500,001 to HKD3,000,000	2,500,001 港元至 3,000,000 港元	1	-

### 9. 五名最高薪酬員工

於本年度五名最高薪酬員工包括兩名董事及行政總裁(2018年：三名董事及行政總裁)，其薪酬詳情載於前述附註8。於本年度，本公司餘下兩名(2018年：一名)非董事或行政總裁的最高薪酬員工的薪酬詳情如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,238	189
Performance related bonuses	績效相關獎金	518	328
Pension scheme contributions	退休金計劃供款	36	24
		<b>2,792</b>	541

薪酬屬以下範圍的非董事及非行政總裁最高薪酬員工的人數如下：

		Number of employees 員工數目	
		2019 2019年	2018 2018年
Nil to HKD1,000,000	零至 1,000,000 港元	1	1
HKD2,500,001 to HKD3,000,000	2,500,001 港元至 3,000,000 港元	1	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 10. INCOME TAX

- (a) The amounts of income tax expense/(credit) in the consolidated statement of profit or loss and other comprehensive income represent:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current	即期		
— PRC	— 中國	998	4,920
— New Zealand	— 紐西蘭	175	-
Overprovision in prior years	過往年度超額撥備	(941)	-
		<b>232</b>	4,920
Deferred (note 26)	遞延(附註26)	<b>12,872</b>	(19,206)
Total tax expense/(credit) for the year	本年度稅項開支/(抵免)總額	<b>13,104</b>	(14,286)

One of the Group's subsidiaries obtained the Certificate of High and New Technology Enterprise in 2019 and was approved by tax authorities to enjoy the preferential tax rate of 15%. Except for the aforementioned subsidiary, the income tax of the Company and its subsidiaries established in the PRC are subject to the statutory rate of 25% of the assessable profits as determined in accordance with the relevant income tax rules and regulations of the PRC. New Zealand Income tax is calculated at 28% of the assessable profits of the subsidiaries operating in New Zealand. Australia Income tax is calculated at 30% of the assessable profits of the subsidiary operating in Australia.

### 10. 所得稅

- (a) 於綜合損益及其他全面收益表中的所得稅開支/(抵免)金額為：

本集團其中一間附屬公司於2019年取得高新技術企業認證證書，獲稅務機關批准享有15%的優惠稅率。除上述附屬公司外，本公司及其於中國成立的附屬公司的所得稅須按根據中國相關所得稅規則及規例釐定的應課稅利潤25%的法定稅率繳納。紐西蘭所得稅按於紐西蘭營運的附屬公司應課稅利潤的28%計算。澳大利亞所得稅按於澳大利亞營運的附屬公司應課稅利潤的30%計算。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 10. INCOME TAX (CONTINUED)

- (b) A reconciliation of the tax expense/(credit) applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates are as follows:

2019

		Mainland China		New Zealand		Australia		Total	
		中國大陸		紐西蘭		澳大利亞		總計	
		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%	人民幣千元	%	人民幣千元	%
Profit/(loss) before tax	除稅前利潤/(虧損)	(180,660)		10,424		(11,318)		(181,554)	
Tax at the statutory tax rates	按法定稅率計算的稅項	(45,165)	25.0	2,919	28.0	(3,395)	30.0	(45,641)	25.1
Lower tax rates enacted by local authority	當地主管部門制定的較低稅率	218	(0.1)	-	-	-	-	218	(0.1)
Derecognition of deferred tax assets for the previous year	終止確認過去年度的遞延稅項資產	13,090	(7.3)	-	-	2,443	(21.6)	15,533	(8.6)
Additional deductible allowance for research and development expenses	研發開支額外可扣稅免稅額	(279)	0.2	-	-	-	-	(279)	0.2
Expenses not deductible for tax	不可扣稅開支	9,897	(5.5)	801	7.7	-	-	10,698	(5.9)
Tax losses and temporary differences not recognised	稅項虧損及未確認暫時差額	31,608	(17.5)	-	-	3,410	(30.1)	35,018	(19.3)
Tax losses utilised from prior years	已動用來自過往年度的稅項虧損	(2,671)	1.5	-	-	-	-	(2,671)	1.5
Others	其他	(363)	0.2	591	5.7	-	-	228	(0.1)
Tax expense at the Group's effective rate	按本集團實際稅率計算的稅項開支	6,335	(3.5)	4,311	41.4	2,458	(21.7)	13,104	(7.2)

### 10. 所得稅(續)

- (b) 按本公司及其大部分附屬公司所在司法權區的法定稅率計算適用於除稅前虧損的稅項開支/(抵免)與按實際稅率計算的稅項開支/(抵免)的對賬及適用稅率與實際稅率的對賬如下：

2019年



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 10. INCOME TAX (CONTINUED)

(b) (Continued)  
2018

		Mainland China		New Zealand		Australia		Total	
		中國大陸		紐西蘭		澳大利亞		總計	
		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%	人民幣千元	%	人民幣千元	%
Loss before tax	除稅前虧損	(63,324)		(62,835)		(964)		(127,123)	
Tax at the statutory tax rates	按法定稅率計算的稅項	(15,831)	25.0	(17,594)	28.0	(289)	30.0	(33,714)	26.5
Lower tax rates enacted by local authority	當地主管部門制定的較低稅率	(947)	1.5	-	-	-	-	(947)	0.7
Additional deductible allowance for research and development expenses	研發開支額外可扣稅免稅額	(309)	0.5	-	-	-	-	(309)	0.2
Expenses not deductible for tax	不可扣稅開支	13,450	(21.2)	4,882	(7.8)	-	-	18,332	(14.4)
Tax losses and temporary differences not recognised	稅項虧損及未確認暫時差額	2,169	(3.4)	-	-	-	-	2,169	(1.7)
Tax losses utilised from prior years	已動用來自過往年度的稅項虧損	(1,022)	1.6	-	-	-	-	(1,022)	0.8
Others	其他	611	(1.0)	594	(0.9)	-	-	1,205	(0.9)
Tax credit at the Group's effective rate	按本集團實際稅率計算的稅項抵免	(1,879)	3.0	(12,118)	19.3	(289)	30.0	(14,286)	11.2

### 10. 所得稅(續)

(b) (續)  
2018年

### 11. DIVIDENDS

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Dividends approved and paid	已批准派付股息	-	-

### 11. 股息

The board has resolved not to declare any final dividend for the year ended 31 December 2019 (2018: Nil).

董事會已議決不就截至2019年12月31日止年度宣派任何末期股息(2018年:零)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 946,298,370 (2018: 946,298,370) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

The calculation of basic loss per share is based on:

### 12. 母公司普通權益持有人應佔每股虧損

每股基本虧損乃按母公司普通權益持有人應佔本年度虧損及本年度已發行普通股加權平均數946,298,370(2018年：946,298,370)股計算。

截至2019年及2018年12月31日止年度，本集團並無潛在攤薄已發行普通股。

每股基本虧損乃按以下數據計算：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>Loss</b>	<b>虧損</b>		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	用於每股基本虧損計算的母公司普通權益持有人應佔虧損	<b>(194,658)</b>	(112,837)
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares for the purpose of the basic loss per share calculation	用於每股基本虧損計算的普通股加權平均數	<b>946,298,370</b>	946,298,370

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and fixtures 傢俱及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2019</b>	<b>於2019年12月31日</b>							
At 1 January 2019:	於2019年1月1日：							
Cost	成本	55,589	6,789	17,661	22,391	8,918	70,809	182,157
Accumulated depreciation	累計折舊	(13,532)	(3,225)	(9,352)	(9,229)	(5,994)	-	(41,332)
Net carrying amount	賬面淨值	42,057	3,564	8,309	13,162	2,924	70,809	140,825
At 1 January 2019, net of accumulated depreciation	於2019年1月1日· 已扣除累計折舊	42,057	3,564	8,309	13,162	2,924	70,809	140,825
Additions	增加	-	687	995	1,570	836	25,705	29,793
Transfers	轉入	93,417	3,097	-	-	-	(96,514)	-
Transfer to investment properties (note 14)	轉撥至投資物業 (附註14)	(2,529)	-	-	-	-	-	(2,529)
Depreciation provided during the year (note 6)	本年度計提折舊 (附註6)	(5,969)	(1,314)	(1,346)	(3,063)	(1,149)	-	(12,841)
Disposals	處置	-	(226)	(82)	(163)	(88)	-	(559)
Exchange realignment	匯兌調整	-	22	197	28	30	-	277
At 31 December 2019, net of accumulated depreciation	於2019年12月31日· 已扣除累計折舊	126,976	5,830	8,073	11,534	2,553	-	154,966
At 31 December 2019:	於2019年12月31日：							
Cost	成本	144,897	9,196	18,682	22,590	8,495	-	203,860
Accumulated depreciation	累計折舊	(17,921)	(3,366)	(10,609)	(11,056)	(5,942)	-	(48,894)
Net carrying amount	賬面淨值	126,976	5,830	8,073	11,534	2,553	-	154,966

At 31 December 2019, certain of the Group's buildings with a net carrying amount of approximately RMB5,704,000.00 (31 December 2018: Nil) were pledged to secure a bank loan.

於2019年12月31日，本集團若干賬面淨值約人民幣5,704,000.00元(2018年12月31日：無)的樓宇已抵押以獲得銀行貸款。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) 13. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improve- ments 租賃裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and fixtures 傢俱及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2018</b>	<b>2018年12月31日</b>							
At 1 January 2018:	於2018年1月1日：							
Cost	成本	24,564	4,166	15,923	17,113	8,997	63,429	134,192
Accumulated depreciation	累計折舊	(12,099)	(2,520)	(8,170)	(7,207)	(5,057)	-	(35,053)
Net carrying amount	賬面淨值	12,465	1,646	7,753	9,906	3,940	63,429	99,139
At 1 January 2018, net of accumulated depreciation	於2018年1月1日· 已扣除累計折舊	12,465	1,646	7,753	9,906	3,940	63,429	99,139
Additions	增加	-	3,248	2,355	6,903	497	38,420	51,423
Transfers	轉入	31,025	-	-	-	-	(31,025)	-
Depreciation provided during the year (note 6)	本年度計提折舊 (附註6)	(1,433)	(1,324)	(1,618)	(2,913)	(1,498)	-	(8,786)
Disposals	處置	-	-	(121)	(692)	-	-	(813)
Exchange realignment	匯兌調整	-	(6)	(60)	(42)	(15)	(15)	(138)
At 31 December 2018, net of accumulated depreciation	於2018年12月31日· 已扣除累計折舊	42,057	3,564	8,309	13,162	2,924	70,809	140,825
At 31 December 2018:	於2018年12月31日：							
Cost	成本	55,589	6,789	17,661	22,391	8,918	70,809	182,157
Accumulated depreciation	累計折舊	(13,532)	(3,225)	(9,352)	(9,229)	(5,994)	-	(41,332)
Net carrying amount	賬面淨值	42,057	3,564	8,309	13,162	2,924	70,809	140,825

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 14. INVESTMENT PROPERTIES

### 14. 投資物業

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	-	-
Transfer from owner-occupied property (note 13)	自業主自用物業轉入(附註13)	2,529	-
Net gain from a fair value adjustment recognised in other comprehensive income	於其他全面收入確認的公允值調整的淨收益	101	-
Carrying amount at 31 December	於12月31日的賬面值	2,630	-

The Group's investment properties consist of commercial properties in Mainland China, which were revalued at RMB2,630,000 by Asia-Pacific Consulting and Appraisal Limited, independent professionally qualified valuers, on 31 December 2019.

本集團的投資物業包括中國大陸的商用物業，經獨立專業合資格估值師亞太評估諮詢有限公司於2019年12月31日重估價值為人民幣2,630,000元。

The investment properties are leased to the third party under operating leases, further summary details of which are included in note 15 to the financial statements.

投資物業根據經營租賃租賃予第三方，有關詳情的進一步概要載於財務報表附註15。

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

#### 公允值等級

下表說明本集團投資物業的公允值計量等級：

		Fair value measurement as at 31 December 2019 using 於2019年12月31日的公允值計量採用以下基準			
		Quoted prices in active markets 於活躍市場 的報價 (Level 1) (第一層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入數據 (Level 2) (第二層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入數據 (Level 3) (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for:	經常性公允值計量：				
Commercial properties	商用物業	-	-	2,630	2,630

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 14. INVESTMENT PROPERTIES (CONTINUED)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

### 14. 投資物業(續)

年內，第一層與第二層之間並無公允價值計量的轉撥，亦無轉入或轉出第三層(2018年：無)。

以下為投資物業估值所採用估值技術及主要輸入數據概要：

	<b>Valuation techniques</b> 估值技術	<b>Significant unobservable inputs</b> 重大不可觀察輸入數據估計	<b>Range or weighted average 2019</b> 範圍或加權平均數 2019年 RMB'000 人民幣千元
Investment property	Term and reversion	Market rent (per s.q.m. and per month)	RMB1.23 to RMB2.20
投資物業	年期及復歸	市場租金 (每月每平方米)	人民幣1.23元至 人民幣2.20元
		Long term vacancy rate	15.0%
		Discount rate	4.6%
		長期空置率	
		貼現率	

A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the fair value of the investment properties is accompanied by a directionally similar change in the market rent and an opposite change in the long term vacancy rate and the discount rate.

市場租金大幅增加(減少)將導致投資物業的公允價值大幅增加(減少)。長期空置率及貼現率單獨大幅增加(減少)將導致投資物業公允價值大幅減少(增加)。一般而言，投資物業的公允價值的變動會伴隨市場租金出現相同方向變動及導致長期空置率及貼現率出現反向變化。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 15. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of plant and machinery, motor vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and machinery generally have lease terms between 2 and 6 years, while motor vehicles generally have lease terms between 2 and 3 years. Other 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. There are lease contracts that include extension and termination options and variable lease payments, which are further discussed below:

(a) Prepaid land lease payments (before 1 January 2019):

### 15. 租賃

#### 本集團作為承租人

本集團就用於其業務營運的各廠房及機器、汽車及其他設備項目訂有租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為50年，而根據該等土地租賃的條款，將不會繼續支付任何款項。廠房及機器的租期通常為2至6年，而汽車的租期通常為2至3年。其他設備的租期通常為12個月或以內及／或個別設備的價值較低。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。含有延長及終止選擇權及可變租賃付款的租賃合約進一步討論如下：

(a) 預付土地租賃付款（於2019年1月1日前）：

		RMB'000 人民幣千元
Carrying amount at 1 January 2018	於2018年1月1日的賬面值	10,710
Recognised in profit or loss during the year (note 6)	年內於損益確認（附註6）	(247)
Carrying amount 31 December 2018	於2018年12月31日的賬面值	10,463



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 15. LEASES (CONTINUED)

#### The Group as a lessee (Continued)

(b) Right-of-use assets:

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Prepaid land lease payments 預付土地 租賃付款 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	10,463	22,943	185	33,591
Additions	增加	-	2,077	91	2,168
Depreciation charge (note 6)	折舊支出(附註6)	(247)	(6,363)	(127)	(6,737)
Exchange realignment	匯兌調整	-	(141)	(1)	(142)
As at 31 December 2019	於2019年12月31日	10,216	18,516	148	28,880

(c) Lease liabilities:

The carrying amount of lease liabilities and the movements during the year are as follows:

		Lease liabilities 租賃負債 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	22,951
New leases	新租賃	2,168
Accretion of interest recognised during the year (note 7)	年內已確認利息增加 (附註7)	1,268
Payments	付款	(6,991)
Exchange realignment	匯兌調整	(127)
Carrying amount at 31 December 2019	於2019年12月31日的賬面值	19,269
Analysed into:	分析為:	
Current portion	流動部分	6,256
Non-current portion	非流動部分	13,013

The maturity analysis of lease liabilities (2018: Nil) is disclosed in note 35 to the financial statements.

租賃負債的到期分析(2018年:無)披露於財務報表附註35。

### 15. 租賃(續)

#### 本集團作為承租人(續)

(b) 使用權資產:

年內本集團使用權資產的賬面值及變動如下:

(c) 租賃負債:

年內租賃負債的賬面值及變動如下:

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 15. LEASES (CONTINUED)

#### The Group as a lessee (Continued)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

		Lease liabilities 租賃負債 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,268
Depreciation charge of right-of-use assets	使用權資產折舊支出	6,737
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in selling and distribution expenses and administrative expense)	與短期租賃及剩餘租期於2019年12月31日或之前屆滿的其他租賃相關的開支(計入銷售及經銷開支及行政開支)	5,368
Total amount recognised in profit or loss		13,373

#### The Group as a lessor

The Group leases its commercial properties (note 14) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB64,000 (2018: Nil), details of which are included in note 5 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		RMB'000 人民幣千元
Within one year	一年內	121
After one year but within two years	一年至兩年	121
After two years but within three years	兩年至三年	61
		303

### 15. 租賃(續)

#### 本集團作為承租人(續)

(d) 於損益確認的租賃相關款項如下：

#### 本集團作為出租人

本集團根據經營租賃安排出租其商用物業(附註14)。租賃條款一般要求租戶支付保證金及規定根據當時現行市況進行定期租金調整。本集團年內確認租金收入人民幣64,000元(2018年：無)，詳情載於財務報表附註5。

於2019年12月31日，本集團於未來期間根據與租戶訂立的不可撤銷經營租賃應收的未貼現租賃付款如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 16. GOODWILL

### 16. 商譽

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
At 1 January	於1月1日		
Cost	成本	<b>147,715</b>	146,134
Accumulated impairment	累計減值	<b>(70,446)</b>	-
Cost at 1 January, net of accumulated impairment	於1月1日的成本，扣除累計減值	<b>77,269</b>	146,134
Impairment during the year (note 6)	年內減值(附註6)	<b>(34,798)</b>	(70,050)
Exchange realignment	匯兌調整	<b>942</b>	1,185
Cost at 31 December, net of accumulated impairment	於12月31日的成本，扣除累計減值	<b>43,413</b>	77,269
Cost at 31 December	於12月31日的成本		
Cost	成本	<b>148,719</b>	147,715
Accumulated impairment	累計減值	<b>(105,306)</b>	(70,446)
Net carrying amount	賬面淨值	<b>43,413</b>	77,269

#### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units (the "CGUs") for impairment testing:

- GHP CGU;
- Hejian CGU;
- LN CGU.

#### 商譽減值測試

透過業務合併所收購的商譽乃分配予以下現金產生單位(「現金產生單位」)以作減值測試：

- GHP現金產生單位；
- 禾健現金產生單位；
- LN現金產生單位。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 16. GOODWILL (CONTINUED)

#### Impairment testing of goodwill (Continued)

The respective carrying amount of goodwill allocated to each of the cash-generating units is as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
GHP CGU	GHP現金產生單位	34,434	33,687
Hejian CGU	禾健現金產生單位	–	34,798
LN CGU	LN現金產生單位	8,979	8,784
		43,413	77,269

The recoverable amount of each CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. Cash flows beyond the forecast period are extrapolated using the estimated growth rates stated below.

For each of the CGUs with a significant amount of goodwill, the key assumptions, long-term growth rates and discount rates used in the value-in-use calculation for 31 December 2019 and 31 December 2018 are as follows:

### 16. 商譽(續)

#### 商譽減值測試(續)

分配予各現金產生單位的商譽的賬面值如下：

各現金產生單位的可收回金額根據使用以高級管理層批准的五年期財政預算為依據的現金流量預測計算的在用價值釐定。預測期以外的現金流量按下列預計增長率進行推算。

對於商譽金額龐大的各現金產生單位，2019年12月31日及2018年12月31日在用價值計算中採用的主要假設、長期增長率及貼現率如下：

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## 財務報表附註

31 December 2019 2019年12月31日

### 16. GOODWILL (CONTINUED)

#### Impairment testing of goodwill (Continued)

		GHP		Hejian		LN	
		GHP		禾健		LN	
		2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年
Sales annual growth rate (%)	銷售年增長率 (%)	2%-9%	2%-10%	3%-33%	0%-3%	2%-25%	2%-20%
Gross margin (% of revenue)	毛利率 (佔收益百分比)	57%-58%	46%	53%-55%	55%	68%-69%	64%
Long-term growth rate	長期增長率	2%	2%	3%	3%	2%	2%
Pre-tax discount rate	除稅前貼現率	19.3%	19.3%	21.5%	23.1%	21.6%	21.2%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

#### Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

#### Discount rates

The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of the cash-generating units and the discount rates are consistent with external information sources.

During the year ended 31 December 2019, the Group recognised an impairment loss of RMB34,798,000 (2018: RMB52,425,000) in relation to the goodwill of Hejian CGU, arising from the acquisition of Hejian, the principle activity of which is manufacture and sales of Hejian series health food through online call centres. Since the supervision and rectification measures of the Chinese health food industry were strengthened, the operating performances and the growth rate of Hejian CGU were below the expectation which resulted in operating loss. In addition, the expected synergy effect with Group's other business did not happen. Accordingly, the management provided impairment in the year ended 31 December 2019.

### 16. 商譽 (續)

#### 商譽減值測試 (續)

以下描述管理層進行商譽減值測試的現金流量預測時所依據各重大假設：

#### 預算毛利率

用於釐定分配予預算毛利率的價值所採用的基準為緊接預算年度前一年內所實現的平均毛利率，由於預期的效率提升及預期的市場發展而有所提升。

#### 貼現率

所用貼現率未扣除稅項，並反映有關單位的特定風險。

有關現金產生單位市場動態及貼現率的主要假設所賦予的價值與外部信息來源一致。

截至2019年12月31日止年度，本集團確認因收購禾健產生的有關禾健現金產生單位商譽的減值虧損人民幣34,798,000元(2018年：人民幣52,425,000元)，主要業務為透過在線呼叫中心製造及銷售禾健系列保健品。由於中國保健品行業的監管整頓力度得以加強，禾健現金產生單位的營運表現及增長率低於預期，產生營運虧損。此外，與本集團其他業務的預期協同效應並未發生。因此，管理層截至2019年12月31日止年度計提減值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 17. OTHER INTANGIBLE ASSETS

### 17. 其他無形資產

		Trademarks	Distribution network	Licence and health food certificates	Customer relationships	Total
		商標	分銷網絡	許可證及 保健食品證書	客戶關係	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note b)		(note b)	(note a)	
		(附註b)		(附註b)	(附註a)	
<b>31 December 2019</b>	<b>於2019年12月31日</b>					
Cost at 1 January 2019, net of accumulated amortisation	於2019年1月1日的成本，扣除累計攤銷	55,390	2,244	1,907	10,166	69,707
Amortisation provided during the year (note 6)	年內計提攤銷(附註6)	(1,759)	(346)	(250)	(1,312)	(3,667)
Impairment during the year (note 6)	年內減值(附註6)	(30,680)	-	-	(5,386)	(36,066)
Exchange realignment	滙兌調整	299	38	25	25	387
		<b>23,250</b>	<b>1,936</b>	<b>1,682</b>	<b>3,493</b>	<b>30,361</b>
At 31 December 2019, net of accumulated amortisation and impairment	於2019年12月31日，扣除累計攤銷及減值					
At 31 December 2019:	於2019年12月31日：					
Cost	成本	62,257	3,574	2,370	13,590	81,791
Accumulated amortisation and impairment	累計攤銷及減值	(39,007)	(1,638)	(688)	(10,097)	(51,430)
		<b>23,250</b>	<b>1,936</b>	<b>1,682</b>	<b>3,493</b>	<b>30,361</b>
Net carrying amount	賬面淨值					

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 17. OTHER INTANGIBLE ASSETS (CONTINUED)

### 17. 其他無形資產(續)

		Trademarks	Distribution network	Licence and health food certificates 許可證及保健食品證書	Customer relationships 客戶關係	Total
		商標	分銷網絡	保健食品證書	客戶關係	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note b)		(note b)	(note a)	
		(附註b)		(附註b)	(附註a)	
<b>31 December 2018</b>	<b>於2018年12月31日</b>					
Cost at 1 January 2018, net of accumulated amortisation	於2018年1月1日的成本，扣除累計攤銷	57,310	2,614	1,772	11,490	73,186
Addition	增加	-	-	365	-	365
Amortisation provided during the year (note 6)	年內計提攤銷(附註6)	(1,768)	(348)	(221)	(1,314)	(3,651)
Exchange realignment	滙兌調整	(152)	(22)	(9)	(10)	(193)
At 31 December 2018	於2018年12月31日	55,390	2,244	1,907	10,166	69,707
At 31 December 2018:	於2018年12月31日：					
Cost	成本	61,754	3,497	2,345	13,556	81,152
Accumulated amortisation	累計攤銷	(6,364)	(1,253)	(438)	(3,390)	(11,445)
Net carrying amount	賬面淨值	55,390	2,244	1,907	10,166	69,707



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 17. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes:

- (a) During the year ended 31 December 2019, since the supervision and rectification measures of the Chinese health food industry were strengthened, the Sinolife CGU and Hejian CGU suffered from operation losses. Accordingly, impairment indicators were identified for the two CGU's non-current assets, including property, plant and equipment and other intangible assets. The Group performed impairment test for the relevant CGUs, for which impairment indicators were identified. The carrying amounts of the two CGUs were comparable to the recoverable amounts of the CGUs based on fair value less costs of disposal. Fair value of the items of property, plant and equipment and other intangible assets for the two CGUs were based on the valuation performed by Asia-Pacific Consulting and Appraisal Limited, an independent professionally qualified valuers on the basis of market value of the underlying non-current assets.

Based on the assessment, the Group recognised an impairment loss of RMB5,386,000 in relation to Customer Relationships of Hejian CGU (2018: Nil) during the year ended 31 December 2019.

(b) **Impairment testing of other intangible assets with indefinite useful lives**

The trademarks acquired as part of business combinations in 2016 are regarded as having indefinite useful lives because the products with the trademarks are expected to generate net cash flows indefinitely.

The licence acquired as part of the business combination in 2016 is regarded as having indefinite useful life because the licence term can be renewed annually and is expected to generate net cash flows indefinitely.

### 17. 其他無形資產(續)

附註：

- (a) 截至2019年12月31日止年度，由於中國保健品行業的監管整頓力度得以加強，中生現金產生單位及禾健現金產生單位產生營運虧損。因此，兩個現金產生單位的非流動資產(包括物業、廠房及設備以及其他無形資產)存在減值跡象。當識別出減值跡象時，本集團就相關現金產生單位進行減值測試。根據公允價值減出售成本計算，兩個現金產生單位的賬面值與現金產生單位的可收回金額相若。兩個現金產生單位的物業、廠房及設備以及其他無形資產項目的公允值乃基於獨立專業合資格估值師亞太評估諮詢有限公司根據相關非流動資產的市值進行的估值得出。

根據評估，截至2019年12月31日止年度，本集團確認與禾健現金產生單位客戶關係有關的減值虧損人民幣5,386,000元(2018年：無)。

(b) **其他無限年期無形資產的減值測試**

2016年作為業務合併一部分所收購的商標被視為具有無限期的使用壽命，因為有商標產品預計會無限期地產生淨現金流。

2016年作為業務合併一部分所收購的許可證被認為具有無限期的使用壽命，因為許可證可每年更新及預計會無限期地產生淨現金流。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 17. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

**(b) Impairment testing of other intangible assets with indefinite useful lives (continued)**

Trademarks and licence with indefinite useful lives are allocated to the following CGUs for impairment testing:

- Hejian CGU; and
- LN CGU.

The net carrying amounts of other intangible assets with indefinite useful lives allocated to each of the cash-generating units are as follows:

		Hejian 禾健 2019 2019年 RMB'000 人民幣千元	LN LN 2019 2019年 RMB'000 人民幣千元	Total 總計 2019 2019年 RMB'000 人民幣千元
Trademarks	商標	8,720	4,697	13,417
Licence	許可證	-	1,127	1,127
		<b>8,720</b>	<b>5,824</b>	<b>14,544</b>

		Hejian 禾健 2018 2018年 RMB'000 人民幣千元	LN LN 2018 2018年 RMB'000 人民幣千元	Total 總計 2018 2018年 RMB'000 人民幣千元
Trademarks	商標	39,400	4,595	43,995
Licence	許可證	-	1,103	1,103
		39,400	5,698	45,098

### 17. 其他無形資產(續)

附註：(續)

**(b) 其他具有無限期使用壽命的無形資產的減值測試(續)**

具有無限期使用壽命的商標及許可證乃分配予以下現金產生單位以作減值測試：

- 禾健現金產生單位；及
- LN現金產生單位。

分配予各現金產生單位的其他具有無限期使用壽命的無形資產的賬面淨值如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 17. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

**(b) Impairment testing of other intangible assets with indefinite useful lives (continued)**

The values of trademarks and licence with indefinite useful lives are assessed annually by using the relief from the royalty method calculated based on a five-year cash flow projection approved by senior management. The fair values of the trademarks and the licence were equal to the future royalty savings resulting from ownership of the assets.

The key assumptions, including royalty saving rates, long term growth rates and discount rates used in the annual impairment testing of trademarks and licence with indefinite useful lives in 2019 are as follows:

Sales annual growth rate (%)	銷售年增長率 (%)
Royalty saving rates (%)	特許權使用費節約率 (%)
Long term growth rate	長期增長率
Pre-tax discount rate	除稅前貼現率

The sales annual growth rate is the average annual growth rate over the forecast period. It is based on past performance and management's expectations of market development.

The royalty saving rates used are with reference to comparable intangible assets and the related royalty rates that the buyers typically pay for the use of such assets.

The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to key assumptions are consistent with external information sources.

During the year ended 31 December 2019, the Group recognised an impairment loss of RMB30,680,000 (2018: Nil) in relation to Trademarks of Hejian CGU, arising from the business combinations. With details set out note 16, the operating performances and the growth rate of Hejian CGU were below the expectation, accordingly based on the impairment test, management provided impairment in the year ended 31 December 2019.

### 17. 其他無形資產(續)

附註：(續)

**(b) 其他具有無限期使用壽命的無形資產的減值測試(續)**

具有無限期使用壽命的商標及許可證每年採用減免特許權使用費的方法進行評估，計算乃基於經高級管理層批准的五年現金流量預測。商標及許可證的公允值等於擁有資產產生的日後特許權使用費節約。

2019年，關鍵假設，包括具有無限期使用壽命的商標及許可證的年度減值測試中所採用的特許權使用費節約率、長期增長率及貼現率如下：

Hejian 禾健 Trademark 商標	LN LN Trademark 商標	LN LN Licence 許可證
---------------------------------	-----------------------------	----------------------------

3%-33%	2%-25%	2%-25%
3%	4%	1%
3%	2%	2%
23.7%	22.3%	23.0%

銷售年增長率乃為預測期間內的平均年度增長率。銷售額乃基於過往績效及管理層對市場發展的預期。

所採用的特許權使用費節約率乃參照可資比較無形資產及買方就使用有關資產通常支付的有關特許權使用費。

所採用的貼現率乃除稅前貼現率並反映與相關單元的特定風險。

分配予主要假設的價值與外部資料來源相一致。

截至2019年12月31日止年度，本集團確認因業務合併產生的與禾健現金產生單位商標有關的減值虧損人民幣30,680,000元(2018年：無)。憑藉載於附註16的詳情，禾健現金產生單位的營運表現及增長率低於預期，因此根據減值測試，管理層截至2019年12月31日止年度計提減值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 18. INVENTORIES

### 18. 存貨

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	<b>19,924</b>	25,655
Work-in-progress	在製品	<b>2,231</b>	756
Finished goods	製成品	<b>62,643</b>	61,920
Goods merchandise	採購品	<b>4,953</b>	22,573
		<b>89,751</b>	110,904

### 19. TRADE RECEIVABLES

### 19. 貿易應收款項

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	<b>48,724</b>	62,574
Impairment	減值	<b>(4,324)</b>	(4,920)
		<b>44,400</b>	57,654

In general, the entities in the Group have no credit period granted to the retail customers, and invoices would be due once they have been issued. The credit period offered by the Group to its distributors is generally 30 to 90 days, and the credit term granted to TV shopping platforms is 30 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

總體而言，本集團的實體不授予零售客戶信貸期，一經出具發票即須支付。本集團提供予分銷商的信貸期一般為30天至90天，及授予電視購物平台的信貸期為30天。高級管理層定期檢討逾期結餘。鑒於上文所述及本集團的貿易應收款項與多名分散客戶有關，本集團概無重大信貸集中風險。本集團並無就其貿易應收款項結餘持有任何抵押品或其他信貸增強。貿易應收款項為免息。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 19. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of trade receivables as at the end of reporting period, based on the invoice date and net of loss allowance, is as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內	<b>17,106</b>	34,277
Over 1 month but within 3 months	1個月至3個月	<b>15,293</b>	15,584
Over 3 months but within 1 year	3個月至1年	<b>11,444</b>	6,875
Over 1 year	超過1年	<b>557</b>	918
		<b>44,400</b>	57,654

The movements in the loss allowance for impairment of trade receivables are as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
At beginning of the year	年初	<b>4,920</b>	709
Impairment losses recognised	已確認減值虧損	-	4,201
Impairment losses reversed	已轉回減值虧損	<b>(663)</b>	-
Amount written off as uncollectible	因不可收回撇銷之金額	<b>(43)</b>	-
Exchange realignment	匯兌調整	<b>110</b>	10
		<b>4,324</b>	4,920

### 19. 貿易應收款項(續)

於報告期末按發票日期及扣除虧損撥備的貿易應收款項的賬齡分析如下：

貿易應收款項的減值虧損撥備變動如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 19. TRADE RECEIVABLES (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

#### As at 31 December 2019

		Past due 逾期				Total 總計
		Less than 1 month	1 to 3 months	Over 3 months		
Current 即期	1 個月以內	1 至 3 個月	3 個月以上			
Expected credit loss rate	預期信貸虧損率	2.5%	6.9%	11.0%	63.1%	8.9%
Gross carrying amount	總賬面值	30,384	7,429	7,336	3,575	48,724
Expected credit losses	預期信貸虧損	746	515	806	2,257	4,324

#### As at 31 December 2018

		Past due 逾期				Total 總計
		Less than 1 month	1 to 3 months	Over 3 months		
Current 即期	1 個月以內	1 至 3 個月	3 個月以上			
Expected credit loss rate	預期信貸虧損率	0.3%	5.2%	10.4%	41.9%	7.9%
Gross carrying amount	總賬面值	36,546	14,109	2,917	9,002	62,574
Expected credit losses	預期信貸虧損	110	734	303	3,773	4,920

### 19. 貿易應收款項(續)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別(即地區、產品類別、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍)的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，貿易應收款項如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險敞口：

#### 於2019年12月31日

#### 於2018年12月31日

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

31 December 2019 2019年12月31日

#### 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

#### 20. 預付款項、按金及其他應收款項

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Prepayments	預付款項	<b>5,283</b>	12,576
Right-of-return assets	退貨權資產	<b>569</b>	-
Deposits and other receivables	按金及其他應收款項	<b>6,556</b>	7,075
Interest receivable	應收利息	<b>4</b>	116
Value-added tax recoverable	可收回增值稅	<b>5,022</b>	4,367
		<b>17,434</b>	24,134

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.

概無前述資產逾期或減值。計入前述結餘的金融資產涉及並無近期違約記錄的應收款項。

#### 21. CASH AND CASH EQUIVALENTS

#### 21. 現金及現金等價物

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
		Note	
		附註	
Cash and bank balances	現金及銀行結餘	<b>93,206</b>	92,678
Time deposits	定期存款	<b>16,000</b>	110,337
		<b>109,206</b>	203,015
Less: Pledged deposits in current assets	減：流動資產內的有抵押存款	<b>(1,685)</b>	(434)
Pledged deposits in non-current assets	非流動資產內的有抵押存款	-	(1,170)
Cash and cash equivalents	現金及現金等價物	<b>107,521</b>	201,411



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 21. CASH AND CASH EQUIVALENTS (CONTINUED)

### 21. 現金及現金等價物(續)

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Denominated in RMB	以人民幣計值	<b>72,024</b>	141,264
Denominated in NZD	以紐西蘭元計值	<b>23,053</b>	34,943
Denominated in HKD	以港元計值	<b>2,280</b>	25,124
Denominated in AUD	以澳元計值	<b>2,298</b>	73
Denominated in USD	以美元計值	<b>7,860</b>	1
Denominated in EUR	以歐元計值	<b>6</b>	6
Total	總計	<b>107,521</b>	201,411

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

人民幣並非可自由兌換作其他幣種。然而，根據中國大陸外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率計息。短期定期存款具有不同期限，包括一日至三個月，取決於本集團的即時現金需求，並按相關短期定期存款利率計息。銀行結餘及有抵押存款存置於具有信譽且近期並無違約紀錄的銀行。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

31 December 2019 2019年12月31日

#### 22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Within 1 month	1個月內	<b>4,487</b>	9,021
Over 1 month but within 3 months	1個月至3個月	<b>4,760</b>	5,490
Over 3 months but within 1 year	3個月至1年	<b>2,477</b>	320
Over 1 year	超過1年	<b>1,771</b>	847
		<b>13,495</b>	15,678

The trade payables are non-interest-bearing and the credit terms are normally between 30 and 40 days.

#### 22. 貿易應付款項

於報告期末的貿易應付款項(按發票日期)的賬齡分析如下:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Within 1 month	1個月內	<b>4,487</b>	9,021
Over 1 month but within 3 months	1個月至3個月	<b>4,760</b>	5,490
Over 3 months but within 1 year	3個月至1年	<b>2,477</b>	320
Over 1 year	超過1年	<b>1,771</b>	847
		<b>13,495</b>	15,678

貿易應付款項為免息及信貸期一般為30至40天。

#### 23. OTHER PAYABLES AND ACCRUALS

			<b>2019</b>	2018
			<b>2019年</b>	2018年
			<b>RMB'000</b>	RMB'000
		Note	<b>人民幣千元</b>	人民幣千元
		附註		
Contract liabilities	合約負債	(a)	<b>10,958</b>	7,957
Refund liabilities	退款負債		<b>9,315</b>	17,509
Other payables	其他應付款項	(b)	<b>19,291</b>	22,364
Accrued payroll	應計薪酬		<b>18,353</b>	19,771
Other tax payables	其他應付稅項		<b>1,376</b>	5,569
Interest payable	應付利息		<b>25</b>	41
			<b>59,318</b>	73,211

#### 23. 其他應付款項及應計費用

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

### 23. 其他應付款項及應計費用(續)

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 合約負債詳情如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Short-term advances received from customers	向客戶收取的短期墊款	10,958	7,957

(b) Other payables are non-interest-bearing.

(b) 其他應付款項並無計息。

### 24. INTEREST-BEARING BANK BORROWINGS

### 24. 計息銀行借款

		2019 2019年			2018 2018年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Bank loans — secured	銀行貸款 — 有抵押	LPR+0.2575*	2020	20,000	-	-	-
Current portion of long term bank loans — secured	長期銀行貸款的 即期部份 — 有抵押	5.70**	2020	7,500	5.70	2019	20,000
				27,500			20,000
<b>Non-current</b>	<b>非即期</b>						
Bank loans — secured	銀行貸款 — 有抵押	-	-	-	5.70	2020	7,500

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 24. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

### 24. 計息銀行借款(續)

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans repayable:	應償還銀行貸款：		
Within one year or on demand	一年內或按要求	27,500	20,000
In the second year, inclusive	第二年(包括第二年)	-	7,500
		<b>27,500</b>	27,500

\* The Group's bank loan at the effective interest rate of LPR (Loan Prime Rate within one year) +0.2575% is secured by the pledge over the Group's building located at Changjiang Road 188, Nanjing, the PRC. Further details are contained in note 13.

\* 本集團按最優惠貸款利率(一年內的最優惠貸款利率)+0.2575%實際利率計息的銀行貸款以本集團位於中國南京長江路188號的樓宇的抵押作擔保。進一步詳情載於附註13。

\*\* The Group's bank loan at the effective interest rate of 5.70% is secured by the mortgages over the Group's 100% equity interests of Shanghai Weiyi Investment & Management Limited Company (上海惟翊投資管理有限公司).

\*\* 本集團按5.70%實際利率計息的銀行貸款以本集團於上海惟翊投資管理有限公司100%股權的按揭作擔保。

### 25. PROVISION

### 25. 撥備

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At 1 January	於1月1日	714	678
Increase in discounted amounts arising from the passage of time	隨時間過去而增加之貼現額	21	41
Exchange realignment	匯兌調整	(7)	(5)
At 31 December	於12月31日	<b>728</b>	714

GHP, a subsidiary of the Group, has a restoration obligation under a property lease agreement.

本集團一間附屬公司GHP根據物業租賃協議有復原責任。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 26. DEFERRED TAX

(a) Details of the deferred tax assets recognised in the consolidated statement of financial position and movements during the year are as follows:

### 26. 遞延稅項

(a) 於年內，在綜合財務狀況表確認的遞延稅項資產以及變動詳情如下：

		Taxable loss	Unrealised profit arising from intra-group transactions	Write-down of inventories	Impairment of trade receivables	Accrued expense	Financial assets at fair value through other comprehensive income 指定按公允價值計入其他全面收益的金融資產	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>31 December 2019</b>	<b>於2019年12月31日</b>							
At 1 January 2019	於2019年1月1日	18,665	4,201	7,297	1,377	2,831	500	34,871
Deferred tax charged to profit or loss during the year	於年內損益扣除遞延稅項	(11,264)	(3,507)	(5,882)	(403)	(1,165)	-	(22,221)
Exchange realignment	匯兌調整	51	-	35	18	9	-	113
Gross deferred tax at 31 December 2019	於2019年12月31日的遞延稅項總額	7,452	694	1,450	992	1,675	500	12,763
		Taxable loss	Unrealised profit arising from intra-group transactions	Write-down of inventories	Impairment of trade receivables	Accrued expense	Financial assets at fair value through other comprehensive income 指定按公允價值計入其他全面收益的金融資產	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>31 December 2018</b>	<b>於2018年12月31日</b>							
At 1 January 2018	於2018年1月1日	7,918	5,545	237	198	1,638	500	16,036
Deferred tax credited/(charged) to profit or loss during the year	於年內損益計入/(扣除)遞延稅項	10,786	(1,344)	7,060	1,176	1,195	-	18,873
Exchange realignment	匯兌調整	(39)	-	-	3	(2)	-	(38)
Gross deferred tax at 31 December 2018	於2018年12月31日的遞延稅項總額	18,665	4,201	7,297	1,377	2,831	500	34,871

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 26. DEFERRED TAX (CONTINUED)

- (b) Details of the deferred tax liabilities recognised in the consolidated statement of financial position and movements during the year are as follows:

		Fair value adjustments arising from acquisition of a subsidiary 收購一間附屬公司產生的公允值調整 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	14,021
Deferred tax credited to profit or loss during the year	於年內計入損益的遞延稅項	(9,349)
Exchange realignment	匯兌調整	43
Gross deferred tax liabilities at 31 December 2019		4,715
		Fair value adjustments arising from acquisition of a subsidiary 收購一間附屬公司產生的公允值調整 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	14,345
Deferred tax credited to profit or loss during the year	於年內計入損益的遞延稅項	(333)
Exchange realignment	匯兌調整	9
Gross deferred tax liabilities at 31 December 2018		14,021

The Group has tax losses arising in Mainland China of RMB164,914,000 (2018: RMB43,403,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the losses of RMB38,939,000 (2018: RMB5,656,000) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團於中國大陸稅務虧損為人民幣164,914,000元(2018年：人民幣43,403,000元)，且將於一至五年內到期，以抵銷未來應課稅溢利。並無確認虧損人民幣38,939,000元(2018年：人民幣5,656,000元)所涉及遞延稅項資產，乃因其來自於一段時間內錄得虧損的附屬公司，且並無認為可能將有應課稅溢利用於抵銷稅務虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 27. SHARE CAPITAL

#### Shares

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Issued and fully paid:	已發行及悉數繳足：		
946,298,370 (2018: 946,298,370) ordinary shares	946,298,370 股 (2018 年： 946,298,370 股) 普通股	<b>94,630</b>	94,630

### 27. 股本

#### 股份

### 28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 121 to 122 of the financial statements.

#### (i) Statutory surplus reserve

In accordance with the PRC regulations, certain companies in the PRC are required to transfer part of their profits after tax determined under the PRC accounting standards to the statutory surplus reserve fund, before profit distributions are made. The statutory surplus reserve fund is non-distributable and may be used either to offset losses, or for capitalisation issues by way of paid-up capital.

#### (ii) Capital reserve

The amounts represented the balance of the credit amount arising from the excess of the par value of the shares from the paid-in capital contribution. These arose from (i) the share issue in 2012 when the Company was reformed into a stock limited company, (ii) the share issue in 2014 under the initial public offering, (iii) the share issue in 2016 for the acquisition of a subsidiary and (iv) the H share issue in 2016.

### 28. 儲備

本集團於本年度及過往年度的儲備金額及其變動於財務報表第 121 至 122 頁的綜合權益變動表呈報。

#### (i) 法定盈餘儲備

根據中國法規，中國境內若干公司須在作出利潤分派前，將其部分根據中國會計準則釐定的除稅後利潤轉撥至法定盈餘儲備金。法定盈餘儲備金不可分派，可用於抵銷虧損或以實繳股本形式作出資本化發行。

#### (ii) 資本儲備

相關金額指實繳股本供款超出股份面值的進賬金額結餘。該等金額來自 (i) 2012 年的股份發行 (當時本公司正改革為股份制公司)；(ii) 2014 年根據首次公開發售進行的股份發行；(iii) 就收購一間附屬公司於 2016 年的股份發行及 (iv) 於 2016 年的 H 股發行。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 28. RESERVES (CONTINUED)

#### (iii) Merger reserve

On 24 December 2012, the Group acquired the entire equity interest in Australia Cobayer Health Food Co Pty Ltd. ("Australia Cobayer") from Gui Pinghu (桂平湖) ("Mr. Gui"). This transaction has been accounted for using the principles of merger accounting as a result of common control transaction. The excess of consideration paid over the carrying amounts of the net assets acquired was directly debited into the merger reserve.

#### (iv) Exchange fluctuation reserve

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

#### (v) Other reserve

On 2 August 2017, the Company acquired the 40% equity interest in Shanghai Weiyi from the non-controlling shareholder. The excess of consideration paid over the company amounts of the equity interest acquired was debited into the other reserve.

#### (vi) Asset revaluation reserve

The asset revaluation reserve arose from a change in use from an owner-occupied property to an investment property carried at fair value in 2019.

### 28. 儲備(續)

#### (iii) 合併儲備

於2012年12月24日，本集團向桂平湖(「桂先生」)收購Australia Cobayer Health Food Co Pty Ltd. (「Australia Cobayer」)的全部股權。因共同控制交易所致，此項交易已按合併會計法原則入賬。所支付的代價超出所收購資產淨值賬面值部分直接計入合併儲備。

#### (iv) 匯兌波動儲備

該儲備包括所有換算海外業務財務報表產生的匯兌差額。

#### (v) 其他儲備

於2017年8月2日，本公司向非控股股東收購上海惟翊40%股權。所支付的代價超出所收購股權的公司款項計入其他儲備。

#### (vi) 資產重估儲備

資產重估儲備是由於2019年將業主自用物業變更為按公允值列賬之投資物業而產生。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 29. PLEDGED DEPOSITS

### 29. 已抵押按金

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Pledged deposits in non-current assets* (note 21)	非流動資產內的已抵押按金* (附註21)	-	1,170
Pledged deposits in current assets* (note 21)	流動資產內的已抵押按金* (附註21)	<b>1,685</b>	434
		<b>1,685</b>	1,604

\* During the year of 2019, a subsidiary of the Group entered into a lease arrangement as the lessee. Pursuant to the lease agreement, a bank deposit equivalent to RMB1,184,000 (AUD242,000) (2018: RMB1,170,000 (AUD242,000), included in pledged deposits) was pledged for four years and will be due on 15 June 2020.

\* 於2019年，本集團的一間附屬公司以承租人身份訂立租賃安排。根據租賃協議，相當於人民幣1,184,000元(242,000澳元)(2018年：人民幣1,170,000元(242,000澳元))(計入已抵押按金)的銀行存款已作抵押，為期四年並將於2020年6月15日到期。

### 30. OTHER NON-CURRENT ASSETS

### 30. 其他非流動資產

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Long-term deposits for leased properties	用於租賃物業的長期存款	<b>4</b>	522
Prepayment for acquisition of health food certificates	收購保健食品證書的預付款項	<b>5,450</b>	6,212
		<b>5,454</b>	6,734

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

**(a) Major non-cash transactions:**

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,168,000 and RMB2,168,000, respectively, in respect of lease arrangements for plant and equipment and motor vehicles (2018: Nil).

**(b) Changes in liabilities arising from financing activities:**

**2019**

At 31 December 2018	於2018年12月31日
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響
At 1 January 2019 (restated)	於2019年1月1日(經重列)
Changes from financing cash flows	融資現金流量變動
New leases	新租賃
Exchange realignment	匯兌調整
At 31 December	於12月31日

### 31. 綜合現金流量表附註

**(a) 主要非現金交易：**

年內，本集團就廠房及設備以及汽車的租賃安排分別有使用權資產及租賃負債的非現金添置人民幣2,168,000元及人民幣2,168,000元(2018年：無)。

**(b) 融資活動負債變動：**

**2019年**

<b>Bank borrowings</b>	<b>Lease liabilities</b>
<b>銀行借款</b>	<b>租賃負債</b>
<b>RMB'000</b>	<b>RMB'000</b>
<b>人民幣千元</b>	<b>人民幣千元</b>
<b>27,500</b>	<b>-</b>
<b>-</b>	<b>22,951</b>
<b>27,500</b>	<b>22,951</b>
<b>-</b>	<b>(5,723)</b>
<b>-</b>	<b>2,168</b>
<b>-</b>	<b>(127)</b>
<b>27,500</b>	<b>19,269</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### 31. 綜合現金流量表附註(續)

#### (b) Changes in liabilities arising from financing activities: (continued)

#### (b) 融資活動負債變動：(續)

2018

2018年

		Bank borrowings 銀行借款 RMB'000 人民幣千元
At 1 January	於1月1日	77,000
Changes from financing cash flows	融資現金流量變動	(49,500)
At 31 December	於12月31日	27,500

### 32. COMMITMENTS

### 32. 承擔

#### (a) The Group had the following capital commitments at the end of the reporting period:

#### (a) 本集團於報告期末擁有以下資本承擔：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contracted, but not provided for: Land and buildings	已訂約但尚未撥備： 土地及樓宇	-	38,844

#### (b) Operating lease commitments as at 31 December

#### (b) 於12月31日的經營租賃承擔

2018:

2018年:

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃的未來最低租賃付款總額到期如下：

		2018 2018年 RMB'000 人民幣千元
Within one year	一年內	11,751
In the second to fifth years, inclusive	兩年至五年(包括首尾兩年)	17,912
After five years	五年以後	932
		30,595

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 33. RELATED PARTY DISCLOSURES

Details of the Group's principal related party are as follows:

Compensation of key management personnel of the Group:

		<b>2019</b>	2018
		<b>2019年</b>	2018年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Basic salaries and bonus	基本薪資及花紅	<b>3,266</b>	1,036
Social insurance and housing fund	社會保險及住房公積金	<b>212</b>	229
		<b>3,478</b>	1,265

### 33. 關聯方披露

本集團主要關聯方詳情如下：

本集團主要管理層人員的薪酬：

### 34. 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:

**2019**

**Financial assets**

		<b>Financial assets at amortised cost</b>	<b>Total</b>
		按攤銷成本計的金融資產	總計
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	<b>44,400</b>	<b>44,400</b>
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	<b>6,560</b>	<b>6,560</b>
Cash and cash equivalents	現金及現金等價物	<b>107,521</b>	<b>107,521</b>
Pledged deposits	已抵押按金	<b>1,685</b>	<b>1,685</b>
Deposits included in other non-current assets	計入其他非流動資產的存款	<b>4</b>	<b>4</b>
		<b>160,170</b>	<b>160,170</b>

### 34. 按類別劃分的金融工具

於報告期末的各類別金融工具賬面值如下：

**2019年**

**金融資產**

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### 34. 按類別劃分的金融工具(續)

2019 (continued)

Financial liabilities

2019年(續)

金融負債

		Financial liabilities at amortised cost 按攤銷成本計的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	13,495	13,495
Interest-bearing bank borrowings	計息銀行借款	27,500	27,500
Lease liabilities	租賃負債	19,269	19,269
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	19,316	19,316
		<b>79,580</b>	<b>79,580</b>

2018

Financial assets

2018年

金融資產

		Financial assets at amortised cost 按攤銷成本計的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables	貿易應收款項	57,654	57,654
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	7,191	7,191
Cash and cash equivalents	現金及現金等價物	201,411	201,411
Pledged deposits	已抵押按金	1,604	1,604
Deposits included in other non-current assets	計入其他非流動資產的存款	522	522
		<b>268,382</b>	<b>268,382</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2018

#### Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本計的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	15,678	15,678
Interest-bearing bank borrowings	計息銀行借款	27,500	27,500
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	22,405	22,405
		65,583	65,583

### 34. 按類別劃分的金融工具(續)

2018年

#### 金融負債

### 35. FINANCIAL RISK MANAGEMENT

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including credit risk, liquidity risk, foreign currency risk and interest rate risk. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as follows:

### 35. 金融風險管理

本集團並無訂明書面風險管理政策及指引。然而，董事會定期舉行會議，分析及制訂措施以管理本集團所面對的市場風險，包括信貸風險、流動資金風險、外幣風險及利率風險。由於本公司董事認為本集團所面對的市場風險維持於最低水平，本集團並無應用任何衍生或其他工具以作對沖用途。本集團的風險管理目標及政策主要側重於透過密切監控以下獨立風險，降低此等風險對本集團的潛在不利影響：



### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit rates assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk. Trade receivables consist of a number of customers which had no recent history of default.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 19.

#### (b) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

### 35. 金融風險管理(續)

#### (a) 信貸風險

本集團的信貸風險主要來自其貿易及其他應收款項。為儘量降低信貸風險，本集團管理層持續監控風險水平，以確保採取後續行動收回逾期債務。此外，本集團在各報告期末會檢討各獨立債務可收回金額，以確保對不可收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅下降。

現金及銀行結餘的信貸風險有限，原因為交易對手為獲國際信貸評級機構給予高信貸評級的銀行。

本集團並無重大集中的信貸風險。貿易應收款項包括少量近期並無違約記錄的客戶。

有關本集團貿易應收款項所產生的信貸風險的進一步定量披露載於附註19。

#### (b) 流動資金風險

本集團的政策為定期監控即期及預期流動資金需求，以及遵守借貸契諾的情況，以確保維持充裕的現金儲備及取得主要金融機構足夠的承諾信貸融資，以應付長短期流動資金需求。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Liquidity risk (continued)

The following table details the Group's remaining contractual maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

### 35. 金融風險管理(續)

#### (b) 流動資金風險(續)

下表詳列本集團金融負債餘下合同的到期情況。下表乃根據金融負債的未貼現現金流量編製，該等金融負債乃根據本集團可能須付款的最早日期分類。金融負債的到期日乃按協定還款日期釐定。

		Carrying amount	Total contractual undiscounted cash flows	On demand or within one year	Over one year
		賬面值	總合同未貼現金流量	於要求時或一年內	一年以上
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 31 December 2019	於2019年12月31日				
Trade payables	貿易應付款項	13,495	13,495	13,495	-
Other payables	其他應付款項	19,316	19,316	19,316	-
Interest-bearing bank borrowings	計息銀行借款	27,500	27,796	27,796	-
Lease liabilities	租賃負債	19,269	21,678	6,699	14,979
		<b>79,580</b>	<b>82,285</b>	<b>67,306</b>	<b>14,979</b>
As at 31 December 2018	於2018年12月31日				
Trade payables	貿易應付款項	15,678	15,678	15,678	-
Other payables	其他應付款項	22,405	22,405	22,405	-
Interest-bearing bank borrowings	計息銀行借款	27,500	29,001	21,268	7,733
		65,583	67,084	59,351	7,733

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 35. 金融風險管理(續)

#### (c) Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

#### (c) 金融工具公允值及公允值等級

本集團金融工具(賬面值與公允值合理相若者除外)的賬面值及公允值如下:

		Carrying amounts 賬面值		Fair values 公允值	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>				
Pledged deposits	已抵押按金	1,685	1,604	1,685	1,604
Deposits included in other non-current assets	計入其他非流動資產之存款	4	522	4	522
		<b>1,689</b>	2,126	<b>1,689</b>	2,126

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals. The differences are immaterial since the fair values are mainly equal to their carrying amounts.

管理層評估現金及現金等價物、貿易應收款項、貿易應付款項、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項及應計費用的金融負債的公允值。由於公允值大致上等於其賬面值，故差額並不重大。

#### (d) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 23% (2018: 17%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 18% (2018: 14%) of costs were denominated in the units' functional currencies. The Group also has certain bank balances denominated in NZD, USD and HKD.

#### (d) 外匯風險

本集團承受交易帶來的外匯風險。相關風險因以經營單位功能貨幣以外的幣值買賣而產生。本集團銷售額中約23%(2018年:17%)以作出銷售經營單位功能貨幣以外的幣值呈列，而約18%(2018年:14%)的成本以相關單位功能貨幣呈列。本集團亦擁有若干以紐西蘭元、美元及港元計值的銀行結餘。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rates against NZD, USD, AUD and HKD, with all other variables held constant, of the Group's loss before tax and equity (due to changes in the fair values of monetary assets and liabilities).

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下降) %	Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in in equity* 權益增加/ (減少)* RMB'000 人民幣千元
<b>2019</b>	<b>2019年</b>			
If NZD weakens against RMB	倘紐西蘭元兌人民幣貶值	<b>(1%)</b>	<b>311</b>	<b>(1,863)</b>
If NZD strengthens against RMB	倘紐西蘭元兌人民幣升值	<b>1%</b>	<b>(311)</b>	<b>1,863</b>
If USD weakens against RMB	倘美元兌人民幣貶值	<b>(1%)</b>	<b>79</b>	-
If USD strengthens against RMB	倘美元兌人民幣升值	<b>1%</b>	<b>(79)</b>	-
If AUD weakens against RMB	倘澳元兌人民幣貶值	<b>(1%)</b>	-	<b>(257)</b>
If AUD strengthens against RMB	倘澳元兌人民幣升值	<b>1%</b>	-	<b>257</b>
If HKD weakens against RMB	倘港元兌人民幣貶值	<b>(1%)</b>	<b>23</b>	-
If HKD strengthens against RMB	倘港元兌人民幣升值	<b>1%</b>	<b>(23)</b>	-
<b>2018</b>	<b>2018年</b>			
If NZD weakens against RMB	倘紐西蘭元兌人民幣貶值	<b>(1%)</b>	<b>349</b>	<b>(1,418)</b>
If NZD strengthens against RMB	倘紐西蘭元兌人民幣升值	<b>1%</b>	<b>(349)</b>	<b>1,418</b>
If USD weakens against RMB	倘美元兌人民幣貶值	<b>(1%)</b>	-	-
If USD strengthens against RMB	倘美元兌人民幣升值	<b>1%</b>	-	-
If HKD weakens against RMB	倘港元兌人民幣貶值	<b>(1%)</b>	<b>251</b>	-
If HKD strengthens against RMB	倘港元兌人民幣升值	<b>1%</b>	<b>(251)</b>	-

\* Excluding retained profits

\* 不包括保留利潤

### 35. 金融風險管理(續)

#### (d) 外匯風險(續)

下表載列在所有其他變量保持不變的情況下，於報告期末人民幣兌紐西蘭元、美元、澳元及港元的匯率合理可能變動對本集團除稅前虧損及權益的敏感度(由於金融資產及負債公允值變動)。

### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (e) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (note 24). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (note 24). Management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

The Group is also exposed to cash flow interest rate risk relating to pledged bank deposits and bank balances carried at prevailing market rates. However, such exposure is minimal to the Group as these bank balances are all short-term in nature.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

The sensitivity analysis has been determined based on the exposure to interest rates for variable-rate bank borrowings, which is prepared assuming that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

For variable-rate bank borrowings, if the interest rates had been 30 basis points higher and all other variables were held constant, the Group's loss after tax for the year ended 31 December 2019 would have decreased by approximately RMB82,500 (2018: RMB97,500).

#### (f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

### 35. 金融風險管理(續)

#### (e) 利率風險

本集團面臨固定利率銀行借款的公允價值利率風險(附註24)。本集團亦面臨與浮息銀行借款有關的現金流量利率風險(附註24)。管理層監控利率風險並於有需要時將考慮對沖重大利率風險。

本集團亦面對有關按當前市場利率計息之已抵押銀行存款及銀行結餘之現金流量利率風險。然而，由於該等銀行結餘均屬短期性質，該風險對本集團而言屬輕微。

本集團之現金流量利率風險主要集中來自本集團之人民幣借款按中國人民銀行訂明之利率波動。

以下敏感度分析乃基於就浮息銀行借款而言之利率風險而釐定。所呈列分析假設於報告期末未償還負債金額於整個年度內一直尚未償還。

就浮息銀行借款而言，倘利率上升30個基點，而所有其他變數維持不變，本集團於截至2019年12月31日止年度之除稅後虧損將減少約人民幣82,500元(2018年：人民幣97,500元)。

#### (f) 資本管理

本集團資本管理之基本目標為保障本集團之持續經營能力及維持穩健資本比率支持業務發展並實現股東價值最大化。

本集團管理其資本架構，並根據經濟環境變化及相關資產風險性質作出調整。為維持或調整資本架構，本集團可能調整向股東派息、向股東退還股本或發行新股。本集團不受任何外部施加的資本要求規限。截至2019年12月31日及2018年12月31日止年度，資本管理的目標、政策或程序概無變動。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 35. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (f) Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain the gearing ratio between 10% and 30%. Net debt includes interest-bearing bank and other borrowings, lease liabilities, trade payables, other payables and accruals. The gearing ratios as at the end of the reporting periods were as follows:

		31 December 2019 2019年 12月31日 RMB'000 人民幣千元	1 January 2019 2019年 1月1日 RMB'000 人民幣千元	31 December 2018 2018年 12月31日 RMB'000 人民幣千元
Interest-bearing bank and other borrowings (note 24)	計息銀行及其他借款(附註24)	27,500	27,500	27,500
Lease liabilities (note 15)	租賃負債(附註15)	19,269	22,951	-
Trade payables (note 22)	貿易應付款項(附註22)	13,495	15,678	15,678
Other payables and accruals (note 23)	其他應付款項及應計費用(附註23)	59,318	73,211	73,211
Net debt	債務淨額	119,582	139,340	116,389
Equity attributable to owners of the parent	母公司擁有人應佔權益	411,150	603,554	603,554
Capital and net debt	資本及債務淨額	530,732	742,894	719,943
Gearing ratio	資產負債比率	23%	19%	16%

### 36. EVENTS AFTER THE REPORTING PERIOD

The wide spread of the novel Coronavirus in China since the beginning of 2020 is a fluid and challenging situation facing all the industries of the society. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future. The Group does not have other significant subsequent events.

### 35. 金融風險管理(續)

#### (f) 資本管理(續)

本集團使用資產負債比率(即債務淨額除以經調整資本加債務淨額)監察資本。本集團的政策是將資產負債比率維持介乎10%至30%。債務淨額包括計息銀行及其他借款、租賃負債、貿易應付款項、其他應付款項及應計費用。報告期末的資產負債比率如下：

### 36. 報告期後事項

2020年初以來，新型冠狀病毒於中國廣泛蔓延，社會各行各業現正面臨多變不穩且充滿挑戰的境況。本集團已評估該情況對本集團營運狀況的整體影響，並採取所有可能的有效措施，以限制有關影響並將其維持在可控範圍內。本集團將繼續留意情況的變動，並於未來作出適時回應及調整。本集團並無其他重大期後事項。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 37. 本公司財務狀況表

Information about the statement of the financial position of the Company at the end of the reporting period is as follows:

於報告期末，有關本公司財務狀況表的資料如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	8,506	10,158
Investment properties	投資物業	2,630	2,606
Investments in subsidiaries	於附屬公司投資	209,003	342,404
Deferred tax assets	遞延稅項資產	-	11,045
Total non-current assets	非流動資產總值	220,139	366,213
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	18,263	50,940
Trade receivables	貿易應收款項	7,392	14,224
Due from subsidiaries	應收附屬公司款項	287,087	241,704
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	7,682	8,947
Cash and cash equivalents	現金及現金等價物	69,406	147,775
Total current assets	流動資產總值	389,830	463,590
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade payables	貿易應付款項	147	39
Interest-bearing bank borrowings	計息銀行借款	27,500	20,000
Due to subsidiaries	應付附屬公司款項	103,654	72,304
Other payables and accruals	其他應付款項及應計費用	17,501	16,728
Total current liabilities	流動負債總額	148,802	109,071
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	241,028	354,519
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Interest-bearing bank borrowings	計息銀行借款	-	7,500
Total non-current liabilities	非流動負債總額	-	7,500
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	461,167	720,732
<b>NET ASSETS</b>	<b>資產淨值</b>	461,167	713,232
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	94,630	94,630
Other reserves (note)	其他儲備(附註)	366,537	618,602
Total equity	權益總額	461,167	713,232



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2019 2019年12月31日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

### 37. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

		Capital reserve	Statutory surplus reserve	Asset revaluation reserve	Retained profits/ (accumulated losses)	Total
		資本儲備	法定 盈餘儲備	資產 重估儲備	保留利潤/ (累計虧損)	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
At 1 January 2018	於2018年1月1日	544,223	47,315	-	46,237	637,775
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(19,173)	(19,173)
At 31 December 2018	於2018年12月31日	544,223	47,315	-	27,064	618,602
At 1 January 2019	於2019年1月1日	<b>544,223</b>	<b>47,315</b>	-	<b>27,064</b>	<b>618,602</b>
Total comprehensive loss for the year	年內全面虧損總額	-	-	<b>101</b>	<b>(252,166)</b>	<b>(252,065)</b>
At 31 December 2019	於2019年12月31日	<b>544,223</b>	<b>47,315</b>	<b>101</b>	<b>(225,102)</b>	<b>366,537</b>

### 38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2020.

### 38. 批准綜合財務報表

綜合財務報表由董事會於2020年3月27日批准及授權刊發。

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and re-presented as appropriate, is set out below.

摘錄自己刊發經審核財務報表並經重列(倘適用)的本集團最近五個財政年度之業績、資產、負債及非控股權益概要載列如下。

		Year ended 31 December 截至12月31日止年度				
		2015	2016	2017	2018	2019
		2015年	2016年	2017年	2018年	2019年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>RESULTS</b>	<b>業績</b>					
REVENUE	收益	397,064	466,241	472,490	453,199	<b>322,613</b>
Cost of sales	銷售成本	(77,138)	(139,549)	(166,893)	(204,229)	<b>(165,775)</b>
Gross profit	毛利	319,926	326,692	305,597	248,970	<b>156,838</b>
Other income and gains	其他收入及收益	15,008	13,407	7,252	9,053	<b>8,673</b>
Selling and distribution expenses	銷售及經銷開支	(90,054)	(131,905)	(190,761)	(225,550)	<b>(185,436)</b>
Administrative expenses	行政開支	(59,488)	(85,385)	(83,090)	(79,768)	<b>(85,187)</b>
Other expenses	其他開支	(1,212)	(3,719)	(23,319)	(76,465)	<b>(72,841)</b>
Finance costs	融資成本	-	-	(1,815)	(3,363)	<b>(3,601)</b>
Share of profits of a joint venture	分佔一間合營企業利潤	327	426	224	-	-
PROFIT/(LOSS) BEFORE TAX	除稅前利潤/(虧損)	184,507	119,516	14,088	(127,123)	<b>(181,554)</b>
Income tax (expense)/credit	所得稅(開支)/抵免	(45,557)	(28,870)	(3,245)	14,286	<b>(13,104)</b>
PROFIT/(LOSS) FOR THE YEAR	本年度利潤/(虧損)	138,950	90,646	10,843	(112,837)	<b>(194,658)</b>
Attributable to:	歸屬於:					
Owners of the parent	母公司擁有人	136,233	87,232	4,209	(112,837)	<b>(194,658)</b>
Non-controlling interests	非控股權益	2,717	3,414	6,634	-	-
		138,950	90,646	10,843	(112,837)	<b>(194,658)</b>

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務概要

#### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

#### 資產、負債及非控股權益

		As at 31 December				
		於 12 月 31 日				
		2015	2016	2017	2018	2019
		2015 年	2016 年	2017 年	2018 年	2019 年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
TOTAL ASSETS	總資產	779,759	983,664	874,968	740,981	542,720
TOTAL LIABILITIES	總負債	(64,046)	(102,855)	(159,940)	(137,427)	(131,570)
NON-CONTROLLING INTERESTS	非控股權益	(51,193)	(57,585)	-	-	-
TOTAL	總計	664,520	823,224	715,028	603,554	411,150



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