



# 位元堂

Wai Yuen Tong Medicine Holdings Limited  
位元堂藥業控股有限公司

Incorporated in Bermuda with limited liability  
於百慕達註冊成立之有限公司

Stock Code  
股份代號 **897**



年報 2020  
Annual Report

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# Corporate Information

## 公司資料

### Board of Directors

#### Executive Directors

Mr. Tang Ching Ho, *SBS, JP*,  
*Chairman and Managing Director*  
Mr. Chan Chun Hong, Thomas  
Ms. Tang Mui Fun  
Ms. Tang Wai Man

#### Independent Non-executive Directors

Mr. Leung Wai Ho, *MH*  
Mr. Siu Man Ho, Simon  
Mr. Cho Wing Mou  
Mr. Li Ka Fai, David

### Audit Committee

Mr. Li Ka Fai, David, *Chairman*  
Mr. Leung Wai Ho, *MH*  
Mr. Siu Man Ho, Simon  
Mr. Cho Wing Mou

### Remuneration Committee

Mr. Siu Man Ho, Simon, *Chairman*  
Mr. Leung Wai Ho, *MH*  
Mr. Cho Wing Mou  
Mr. Tang Ching Ho, *SBS, JP*  
Ms. Tang Wai Man

### Nomination Committee

Mr. Cho Wing Mou, *Chairman*  
Mr. Leung Wai Ho, *MH*  
Mr. Siu Man Ho, Simon  
Mr. Tang Ching Ho, *SBS, JP*  
Ms. Tang Wai Man

### Executive Committee

Mr. Tang Ching Ho, *SBS, JP, Chairman*  
Mr. Chan Chun Hong, Thomas  
Ms. Tang Mui Fun  
Ms. Tang Wai Man

### Authorised Representatives

Mr. Tang Ching Ho, *SBS, JP*  
Mr. Chan Chun Hong, Thomas

### Company Secretary

Ms. Mak Yuen Ming, Anita

### Legal Advisers

DLA Piper Hong Kong  
Gallant

### 董事會

#### 執行董事

鄧清河先生，*SBS*，*太平紳士*，  
*主席兼董事總經理*  
陳振康先生  
鄧梅芬女士  
鄧蕙敏女士

#### 獨立非執行董事

梁偉浩先生，*MH*  
蕭文豪先生  
曹永牟先生  
李家暉先生

### 審核委員會

李家暉先生，*主席*  
梁偉浩先生，*MH*  
蕭文豪先生  
曹永牟先生

### 薪酬委員會

蕭文豪先生，*主席*  
梁偉浩先生，*MH*  
曹永牟先生  
鄧清河先生，*SBS*，*太平紳士*  
鄧蕙敏女士

### 提名委員會

曹永牟先生，*主席*  
梁偉浩先生，*MH*  
蕭文豪先生  
鄧清河先生，*SBS*，*太平紳士*  
鄧蕙敏女士

### 常務委員會

鄧清河先生，*SBS*，*太平紳士*，*主席*  
陳振康先生  
鄧梅芬女士  
鄧蕙敏女士

### 授權代表

鄧清河先生，*SBS*，*太平紳士*  
陳振康先生

### 公司秘書

麥婉明女士

### 法律顧問

歐華律師事務所  
何耀棣律師事務所



### Auditor

Ernst & Young

### Principal Bankers

The Bank of East Asia, Limited  
China Everbright Bank Co., Ltd.  
DBS Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Industrial and Commercial Bank of China (Asia) Limited

### Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### Head Office and Principal Place of Business in Hong Kong

Suite 3101, 31/F., Skyline Tower  
39 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

### Principal Share Registrar and Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited  
4th floor North Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

### Branch Share Registrar and Transfer Office in Hong Kong

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

### Board Lot

5,000 shares

### Investor Relations

Email: [contact@waiyuentong.com](mailto:contact@waiyuentong.com)

### Homepage

[www.wyth.net](http://www.wyth.net)

### Stock Code

897

### 核數師

安永會計師事務所

### 主要往來銀行

東亞銀行有限公司  
中國光大銀行股份有限公司  
星展銀行(香港)有限公司  
香港上海滙豐銀行有限公司  
中國工商銀行(亞洲)有限公司

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 香港總辦事處及主要營業地點

香港  
九龍  
九龍灣  
宏光道39號  
宏天廣場31樓3101室

### 百慕達股份過戶及轉讓登記總處

MUFG Fund Services (Bermuda) Limited  
4th floor North Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

### 香港股份過戶及轉讓登記分處

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心54樓

### 每手股數

5,000股股份

### 投資者關係

電郵: [contact@waiyuentong.com](mailto:contact@waiyuentong.com)

### 網址

[www.wyth.net](http://www.wyth.net)

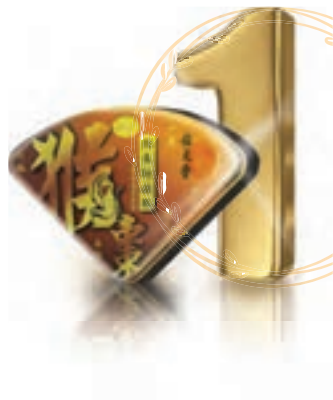
### 股份代號

897



## Awards 獎項 (2019-2020)

### WAI YUEN TONG 位元堂



The Nielsen Company

尼爾森公司

**Wai Yuen Tong Hou Tsao Powder Ranked 1st in Sales Value & Sales Volume for 6 Consecutive Years in Hong Kong\***  
**位元堂猴棗除痰散連續六年銷售額及銷售量全港第一\***

\* Based in part on data reported by Nielsen through its Retail Index Service for the defined Hou Cho Powder segment of Cough Remedy category for the 6-year period ending May 2019 (from June 2013 to May 2019), for Key Account Supermarkets, CVS and Drug Stores in Hong Kong (Copyright © 2019 The Nielsen Company)

\* 根據Nielsen尼爾森公司截至2019年5月止6年期間（自2013年6月至2019年5月）全港連鎖超級市場、便利店及藥房化痰止咳藥零售調查報告（© 2019 尼爾森公司版權所有）

Hong Kong Chinese Medicine Industry Association

香港中藥業協會

**Hong Kong – Excellent Century-old Brand for Promoting Traditional Chinese Medicine**  
**香港 – 百年優質中藥 企業弘揚中藥獎**



GS1 Hong Kong

香港貨品編碼協會

**Consumer Caring Scheme 5 Years + Award**  
**貼心企業嘉許計劃五年+賞**

The Hong Kong Council of Social Service

香港社會服務聯會

**10 Years Plus Caring Company**  
**10年Plus商界展關懷**



Awards 獎項 (2019-2020)

LUXEMBOURG MEDICINE 盧森堡大藥廠

The Nielsen Company  
尼爾森公司

Pearl's Ranked 1st in Sales Value for 9 Consecutive Years  
in Hong Kong\*  
珮氏連續九年全港銷售額冠軍\*



\* Based in part on data reported by Nielsen through its Retail Index Service for the defined Mosquito Repeller (for human) category for the 9-year period ending October 2019 (from November 2010 to October 2019), for Key Account Supermarkets, CVS and Drug Stores in Hong Kong (Copyright © 2020 The Nielsen Company)

\* 根據Nielsen尼爾森公司截至2019年10月止9年期間（自2010年11月至2019年10月）全港連鎖超級市場、便利店及藥房驅蚊用品（應用於人體）零售調查報告（©2020尼爾森公司版權所有）

Focus Media Hong Kong Limited

Hong Kong's White Collars' Most Favourite Brand Award 2019  
香港白領最喜愛品牌大獎 2019



The Hong Kong Council of Social Service  
香港社會服務聯會

10 Years Plus Caring Company  
10年Plus商界展關懷



# Chairman's Statement

## 主席報告

“ We will continue to revitalise the century-old brand of Wai Yuen Tong. By continuously improving our product series and Chinese medical consultation services, we strive to achieve sustainable development with both economic benefits and social value.

I hereby express my heartfelt gratitude to our people for their perseverance in adversity and contribution to the protection of citizens' health.

我們將為位元堂的百年品牌不斷注入活力，透過持續完善產品系列及中醫門診服務，創造經濟效益與社會價值共生的可持續發展。

在此，我衷心感謝公司上下全人在逆境中緊守崗位，為守護市民健康出一分力。

”





Dear Shareholders,

## Business Review

Hong Kong's economy slowed in the second half of 2018 and continued this trend into the first half of 2019. In the second half of the year, large-scale local social events severely dampened the economic atmosphere, which, coupled with the negative impact of Coronavirus Disease 2019 ("COVID-19") epidemic on local consumption and tourism in the first quarter of 2020, caused Hong Kong's retail market to remain in the slump, with business activities in tourist areas the most hard-hit. According to the statistics of the Hong Kong Tourism Board, visitor arrivals to Hong Kong reversed its rising trend and fell in 2019, declining by 14.2% year-on-year, a record annual decline. Moreover, according to the statistics of the Hong Kong Census and Statistics Department, the volume of total retail sales in 2019 fell by 12.3% year-on-year, the largest annual decline since 1998; and the value of total retail sales for the year declined by 11.1% year-on-year, the first decline in the past three years. Leveraging the solid foundation of a century-old traditional Chinese medicine ("TCM") brand, the efficient and scientific management methods, and flexible market strategies, Wai Yuen Tong Medicine Holdings Limited (the "Company", together with its subsidiaries, the "Group") maintained dynamic overall business performance for the year ended 31 March 2020 (the "Financial Year" or the "year under review") in a complicated and ever-changing business environment, with a total revenue of HK\$620.7 million for the year.

Founded in 1897 (the twenty-third year of the Guangxu reign period during the Qing Dynasty), "Wai Yuen Tong" has always upheld its philosophy of "Preparing Medicine with Dedication, Growing Strong with Reputation" throughout its history of over 120 years. Regardless of changes of the times and upheavals in society, the management team and employees always work together with commitment to pursue the mission of enhancing medical care and healthcare of people in the modern society, endeavouring to provide comprehensive and quality products and services amidst turbulence. The Group holds "Wai Yuen Tong", a widely-known Chinese medicine and health food brand, through Wai Yuen Tong Medicine Company Limited ("Wai Yuen Tong" or "WYT Medicine", together with its subsidiaries, the "WYT Medicine Group"), and holds "Madame Pearl's" and "Pearl's", world-renowned Western medicine and health food brands, through Luxembourg Medicine Company Limited ("Luxembourg Medicine", together with its subsidiaries, the "Luxembourg Medicine Group"). The Chinese and western medicines and the healthcare businesses generate synergy, propelling the Group to be one of the leaders of the industry.



致各位股東：

## 業務回顧

二零一九年上半年香港經濟延續由二零一八年下半年開始放緩的趨勢，下半年本地大型社會事件嚴重打擊經濟氣氛，疊加二零二零年第一季度新型冠狀病毒肺炎疫情對本地消費及旅遊業的負面影響，香港零售市場持續低迷，遊客區商戶的生意更是首當其衝。根據香港旅遊發展局之數據顯示，二零一九年訪港旅客人次由升轉跌，全年訪港旅客人次按年下跌14.2%，是有紀錄以來最大的年度跌幅。另外，根據香港政府統計處之數據，二零一九年全年零售業總銷貨數量按年下跌12.3%，是一九九八年以來的最大年度跌幅；全年的零售業總銷貨價值按年下跌11.1%，為近三年來首次錄得跌幅。位元堂藥業控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）憑藉百年傳統中醫藥（「傳統中藥」）品牌的堅實根基、高效科學的管理辦法、靈活變通的市場策略，在複雜多變的經營環境下，本集團截至二零二零年三月三十一日止年度（「財政年度」或「回顧年度」）整體業績表現保持動力，年度總收益達至620,700,000港元。

「位元堂」始創於1897年（清光緒23年），成立逾120年一直貫徹「以誠意用心造藥，憑信譽繼往開來」的宗旨。任憑時代變遷、跌宕起伏，管理團隊及員工始終和衷共濟、緊守崗位，視承擔現代人的醫療與保健需要為己任，在風雨荊棘下致力提供全面兼優質的產品及服務。本集團透過位元堂藥廠有限公司（「位元堂」或「位元堂藥廠」，連同其附屬公司統稱「位元堂藥業集團」）持有家傳戶曉的中藥及保健食品品牌—「位元堂」，以及透過盧森堡大藥廠有限公司（「盧森堡大藥廠」，連同其附屬公司統稱「盧森堡藥業集團」）持有享譽國際的西藥及保健食品品牌—「珮夫人」及「珮氏」，中西醫藥及保健業務產生協同效應，使本集團成為領域的行業翹楚之一。

# Chairman's Statement

## 主席報告

In the face of the COVID-19 epidemic, the Chinese government stresses the combination of Chinese and western medical treatments and the joint use of TCM and western pharmaceutical medicines to treat patients. In multiple editions of the Diagnosis and Treatment Protocol for Novel Coronavirus Pneumonia (Trial Version) released by the National Health Commission of the People's Republic of China (the "PRC" or "China"), "Angong Niu Huang Wan (安宮牛黃丸)" was included for treatment of critically ill patients with the syndrome of "inner blocking causing collapse (內閉外脫証)", drawing widespread attention from domestic and foreign markets to "Angong Niu Huang Wan". Based on the holistic philosophy of emergency-prevention-rehabilitation, the Group launched the "Angong Sanbao (安宮三寶)" series to protect the public against cardiovascular and cerebrovascular diseases, including "Angong Niu Huang Wan", "Angong Jiangya Wan (安宮降壓丸)" and "Angong Zaizao Wan (安宮再造丸)". The entire series are "100% Made in Hong Kong", being manufactured in the TCM and western pharmaceutical medicine Good Manufacturing Practice ("GMP") factory in Yuen Long (the "Yuen Long Factory"), which is invested nearly HK\$600 million and constructed by the Group. The Yuen Long Factory is equipped with a number of advanced automated production equipment. Its six TCM production lines and three western medicine production lines are constructed and operated in accordance with the standard of "The Pharmaceutical Inspection Co-operation Scheme" ("PIC/S"), a stringent manufacturing practice regulation with worldwide recognition. Despite the tepid local consumer sentiment, with the increase in citizens' knowledge and awareness of Chinese healthcare in recent years, and the COVID-19 bringing TCM to the forefront of epidemic prevention and combat, our signature products, including "Angong Niu Huang Wan", "Young Yum Pills (養陰丸)", "Hou Tsao Powder (猴棗除痰散)", and "Wall-Broken Ganoderma Lucidum Spores (破壁靈芝孢子)", have become the health choice for many consumers.

The Group pro-actively seizes market opportunities. In recent years, it has continued to focus on innovation and R&D to launch products catering for the different healthcare needs of urban citizens. During the year under review, the Group launched "Colla Corii Asini Powder (阿膠速溶粉)" and "Ejiao Cake (阿膠糕)" 150g under the Colla Corii Asini (阿膠) series to provide convenient nourishing and healthcare options for urban ladies. In recent years, the Group has also successfully developed and registered the "Gastrointestinal Pills (整腸正氣丸)" and "Stomach Relief Granules (香砂正胃方)" for the treatment of gastrointestinal discomfort, the "Uric Acid Capsules (降酸通)" for uric acid problems, and "Golden Dura-Gizer (金裝剛勁)" that enhances the vitality of men. These products are widely popular in the market and have established a good reputation among consumers. In addition, as more people are keeping cats and dogs as pets, the demand of pet owners for quality pet health products is also on the rise. In view of this, the Group launched "ProVet (位您寵)", Hong Kong's first professional healthcare product series for pets developed by professional TCM veterinarians, who develop tailored healthcare formula for pets based on the health needs of cats and dogs at different ages.

面對新型冠狀病毒肺炎疫情，中國政府強調中西醫結合、中西藥並用治療患者，中華人民共和國(「中國」)國家衛生健康委員會發佈的多版《新型冠狀病毒肺炎診療方案(試行版)》中，屢次將安宮牛黃丸列入治療危重症「內閉外脫証」患者，令安宮牛黃丸廣受國內外市場關注。本集團以應急一預防一復健的整體概念，推出為社會大眾心腦血管把關的安宮三寶：安宮牛黃丸、安宮降壓丸及安宮再造丸，全系列「百分百香港製造」，在本集團投資近六億港元興建的元朗傳統中藥及西藥良好生產質量管理規範(「GMP」)廠房(「元朗廠房」)生產。元朗廠房配備多部先進自動化生產儀器，六條傳統中藥生產線及三條西藥生產線皆依照全球公認嚴格的製藥規範「國際醫藥品稽查協約組織」(「PIC/S」)的標準興建及運作。儘管本地消費氣氛疲弱，但近年市民對中式保健的知識及意識提高，以及新型冠狀病毒肺炎令中醫藥走上防範及抗擊疫情的前線，皇牌產品一安宮牛黃丸、養陰丸、猴棗除痰散及破壁靈芝孢子成為不少消費者的保健之選。

本集團積極把握市場機遇，近年持續專注於創新研發，推出針對都市人不同保健需求的產品。回顧年度內，阿膠系列全新推出阿膠速溶粉及阿膠糕150克裝，為都市人提供簡單便捷的滋補養生選擇。近年，本集團亦已成功研發並註冊用於調理腸胃的整腸正氣丸及香砂正胃方、應對尿酸問題的降酸通及增強男士活力的金裝剛勁，該等產品深受市場喜愛，已在消費者間建立了良好口碑。另外，飼養貓狗作為寵物的人數不斷增加，飼主對於優質寵物保健品的需求亦持續上升。有見及此，本集團推出全港首個由專業中獸醫研發的專業寵物保健品系列「位您寵」，針對貓狗不同年齡的健康需要，由中獸醫調配配方和劑量，度身訂造出合適的寵物保健配方。



# Chairman's Statement

## 主席報告



With respect to the segment of Western pharmaceutical and health food products, all production facilities were relocated to the Yuen Long GMP/PIC/S Factory at the end of 2018. The aqua products of upper airway product series under “Madame Pearl’s” of Luxembourg Medicine are manufactured in-house with the advanced equipment of the Yuen Long Factory, thereby effectively ensuring product quality and bolstering consumers’ purchase confidence. During the year under review, the production volume of Madame Pearl’s Cough Syrup, a key product under “Madame Pearl’s”, has picked up since 2019, enough for the Group to supply to local clinics and effectively offset the decline in revenue from selling cough syrup to local key accounts caused by weak consumption sentiment. “Pearl’s” continued to maintain its market leading position in the mosquito repeller category. According to Nielsen’s market research report, “Pearl’s” was ranked 1st in sales value in the product sector for 9 consecutive years in Hong Kong.

During the year under review, the Group continuously improved and enhanced its online and offline retail networks to achieve optimal profit performance. Offline, the Group currently has over 55 retail stores in Hong Kong across Hong Kong Island, Kowloon and the New Territories. Among which, around 40 of these retail stores have professional registered TCM practitioners. The Group’s operation scale remained at industry leading position. In addition, the Group continued to widen its distribution partner category. Currently, it has more than 3,000 points of sale in Hong Kong to ensure the coverage of the full range of products over all major distribution channels. Rooted in Hong Kong, the Group seeks development in cities in the Greater Bay Area such as Macao and Shenzhen, where it has established retail stores and multiple points of sale. Its physical retail network has gradually expanded from Hong Kong to key cities in mainland China.

On the online front, the presence on e-commerce channels becomes more important as people staying at home to combat the epidemic amidst the COVID-19 epidemic gives rise to the “indoor economy”. In Hong Kong, the Group has set up its own official online shopping platform, “Wai Yuen Tong E-Shop” ([www.wyateshop.com](http://www.wyateshop.com)), and opened a brand flagship store on [HKTVMall.com](http://HKTVMall.com). For the convenience of consumers in mainland China, the Group has also opened Wai Yuen Tong flagship stores on [Tmall.com](http://Tmall.com) and [JD.com](http://JD.com) in mainland China. In addition, the electronic strategy is also widely applied to Chinese healthcare services and marketing promotion. In particular, Wai Yuen Tong’s mobile application offers an outpatient appointment function.

西藥及保健食品產品分部方面，生產設施已於二零一八年年底全部遷移至元朗GMP/PIC/S廠房。盧森堡大藥廠旗下之「珮夫人」上呼吸道系列水劑產品由元朗廠房的先進設備自行生產，能夠有效確保產品質量，穩固消費者的購買信心。回顧年度內，「珮夫人」重點產品一珮夫人止咳露的生產量已自二零一九年起回升，產量足夠容讓本集團開始向本地診所供貨，並有效抵銷本地主要客戶因消費情緒疲弱導致的止咳露收益減少。「珮氏」繼續保持於驅蚊用品領域的市場領導地位，根據尼爾森的市場研究報告「珮氏」為該產品領域的香港連續九年銷售額冠軍。

回顧年度內，本集團不斷完善及優化線上線下零售網絡，從而達致最佳的盈利表現。於線下，本集團目前在香港擁有超過55間零售門店，遍佈香港島、九龍及新界，其中約40間零售門店設有專業註冊中醫師，營運規模始終保持在行業領先地位。此外，本集團持續擴展分銷夥伴類別，目前在香港設有超過3,000個銷售點，確保全系列產品覆蓋各大主要分銷渠道。本集團紮根香港，放眼澳門及深圳等大灣區城市，已建立零售門店及多個銷售點，實體零售網絡已由香港逐漸拓展至中國內地各重點城市。

於線上，新型冠狀病毒肺炎疫情下，人們留家抗疫造就「宅經濟」抬頭，電子商貿的渠道佈局更顯重要。在香港，本集團已搭建自營的官方網上購物平台—「位易購」([www.wyateshop.com](http://www.wyateshop.com))，亦有於香港電視網上購物([HKTVMall.com](http://HKTVMall.com))開設品牌旗艦店。為便利中國內地的消費者，在國內，本集團亦已在天貓([Tmall.com](http://Tmall.com))及京東([JD.com](http://JD.com))開設位元堂旗艦店。同時，電子化策略亦廣泛應用於中醫保健服務及市場營銷推廣，其中位元堂的手機應用程式設有門診預約功能。

# Chairman's Statement

## 主席報告

In terms of academic and talent exchange, the Group also spared no effort. In August 2017, the Group and Nanjing University of Chinese Medicine jointly established the "Nanjing University of Chinese Medicine and Wai Yuen Tong Industry, Education and Research Base (南京中醫藥大學與位元堂產學研基地)" in Hong Kong and launched a five-year strategic partnership for TCM. The partnership is aimed at promoting talent training in the TCM industry, strengthening technology and product R&D, promoting trade in health services and TCM services, and facilitating the dissemination of TCM wisdom outside China and its launch onto the international stage.

In addition, property investment is also one of the business segments of Wai Yuen Tong. Up to the date of this annual report, the Group owns 10 properties in Hong Kong, some of which are self-used as retail shops, while others are leased out to generate rental income. During the year under review, the Group completed the disposal of five retail shops at (1) Hip Wo Street, Kwun Tong, (2) Sai Yeung Choi Street South, Mong Kok, (3) To Kwa Wan Road, To Kwa Wan, (4) Shau Kei Wan Road, Sai Wan Ho and (5) Jade Plaza, Tai Po, and recognised a gain of HK\$60.9 million in total. During the year, the Group made a pre-conditional voluntary partial cash offer to the shareholders of China Agri-Products Exchange Limited ("**CAP**", stock code: 149, together with its subsidiaries, collectively the "**CAP Group**") to acquire such number of CAP shares at the partial share offer price of HK\$0.091 per CAP share. In February 2020, the Group completed the partial share acquisition offer to CAP and held 53.37% of the issued shares of CAP, becoming a controlling shareholder of CAP. The Group believes that CAP holds quality investment properties and property reserves in Hubei Province, Henan Province, Guangxi Zhuang Autonomous Region, Jiangsu Province and Liaoning Province in the PRC, and has the support of national policies and good prospects for property investment. By having direct shareholding of a majority stake in CAP, the Group can seize the opportunity to make additional investments in quality properties, which complements Wai Yuen Tong's current focus of the property investment business to achieve maximal synergy.

The Group is committed to fulfilling corporate social responsibilities. During the year under review, it actively participated in various charity and public well-fare events, including providing free TCM consultation services, participating in Tung Wah Group of Hospitals' fund-raising and elderly visits and A Drop of Life's charity walks. In 2020, the COVID-19 threatened the health of citizens. From March to April, the Group purposefully provided free consultations and fifty percent discount for the first dose of Chinese medicine in Hong Kong stores with resident registered TCM practitioners. In early April, the Group distributed complimentary health protection gift packs containing anti-epidemic materials such as masks, Pearl's GermsOut Hand Sanitizing Spray and Wai Yuen Tong's Young Yum Pills to 2,000 senior citizens, taking concrete actions to fulfil its service commitment of "protecting health" and hoping to work with Hong Kong citizens to overcome the adversities. In addition, the Group cares about the physical and mental health and career development of its employees. During the year, the Group invited its employees and their family members to join a large-scale outdoor running event, and regularly conducted various on-the-job training and lectures in the hope that employees and the Company grow together.

在學術及人才交流方面，本集團亦不遺餘力。自二零一七年八月起，本集團與南京中醫藥大學攜手在香港設立「南京中醫藥大學與位元堂產學研基地」，展開為期五年的中醫藥戰略合作計劃。該計劃致力促進中醫藥業界的人才培訓、加強科技及產品研發、推廣健康服務及中醫藥服務貿易，助力傳統中醫藥智慧走出國門、登上國際舞台。

此外，物業投資亦為位元堂經營業務分部之一。於本年報日期，本集團在香港擁有10個物業，部分物業自用為零售商舖，而若干物業則出租以產生租金收入。於回顧年度，本集團完成出售位於(1)觀塘協和街、(2)旺角西洋菜南街、(3)土瓜灣土瓜灣道、(4)西灣河筲箕灣道以及(5)大埔翠屏花園的5個零售商舖，已確認收益合計60,900,000港元。年內，本集團以每股中國農產品交易有限公司(「**中國農產品**」；股份代號：149，連同其附屬公司，統稱「**中國農產品集團**」)股份0.091港元的部分股份要約價，向中國農產品股東作出附先決條件的自願性現金部分要約，以收購若干中國農產品股份。於二零二零年二月，本集團完成對中國農產品的部份股份收購要約，持有中國農產品已發行股份之53.37%，成為中國農產品之控股股東。本集團認為，中國農產品擁有位於中國湖北省、河南省、廣西壯族自治區、江蘇省及遼寧省的優質投資物業及物業儲備，具備國策的支持及物業投資的良好前景。本集團通過直接持有中國農產品的多數股權，能把握對優質物業作進一步投資的機會，亦與位元堂的現有的物業投資業務重點相吻合，令協同效應的發揮更臻淋漓盡致。

本集團致力履行企業社會責任，回顧年度內積極參與各類型慈善公益活動，包括提供傳統中醫義診服務、參與東華三院籌款及長者探訪，以及點滴是生命的步行籌款等。二零二零年，新型冠狀病毒肺炎威脅市民健康，於三月至四月期間，本集團特意於有註冊中醫師駐診的香港門市提供免診金及第一劑中藥藥費半價，並在四月初向2,000名長者免費派發包含口罩、佩氏酒精搓手噴霧及位元堂養陰丸等防疫物資的健康防護禮品包，身體力行遵守「衛健康」的服務承諾，冀與香港市民同舟共濟、共度難關。此外，本集團關注員工的身心健康及職業發展，年內組織員工與家人參與大型戶外跑步賽事，並定期舉辦各類型的在職培訓及講座等，望員工與公司同步成長。

## Outlook

In the second half of 2019, Hong Kong was subject to months of large-scale social events that dampened the local consumer sentiment and tourists' desire to visit Hong Kong and affected the retail market in Hong Kong. Up to the first quarter of 2020, the large-scale social events have not yet subsided, and the COVID-19 epidemic has spread across the globe. Hong Kong's economy deteriorated notably, leading to a more cautious local consumer sentiment. Moreover, the mandatory quarantine measures implemented by the government for different countries and regions have further diminished visitor arrivals to Hong Kong, exacerbating the operating environment for the retail industry. According to the statistics of the Hong Kong Census and Statistics Department, in the first two months of 2020, the value of total retail sales fell by 31.8% year-on-year, and the volume of total retail sales fell by 33.9% year-on-year. It is expected that the business environment will remain extremely challenging for the retail industry in the short run.

However, the Group believes that the fundamentals of the long-term improvement of the Chinese economy remain intact, and is optimistic about the growth potential of its business in mainland China and Macao in the long run. Also, the Group believes that once the COVID-19 epidemic is brought under control, Hong Kong's retail market will see a significant recovery as local residents' consumer confidence strengthens and visitor arrivals to Hong Kong rebound, driving the Group's overall business back to the upward trajectory. In view of the daily needs of Hong Kong citizens (especially the elderly market) for TCM products and healthcare services, the Group is seeking suitable locations to open new stores in community districts to serve nearby residents. Meanwhile, the Group is actively recruiting talents to expand its professional registered TCM practitioner team to provide citizens with one-stop services covering consultation-prescription-decoction. In addition, as Macao attracts more and more Chinese and foreign tourists with its gaming and tourism industry, the Group plans to open new stores there in the second half of 2020 to nurture the retail business in Macao into a profit growth engine. With respect to mainland China, as the e-commerce market has matured and cross-border e-commerce has also flourished in recent years, the Group will continue to improve its retail layout on online channels in the PRC to achieve the omni-channel, collaborative operation model that combines online and offline channels and connects the mainland and Hong Kong, so as to drive the Group's business in mainland China to a higher level.

## 未來展望

二零一九年下半年，香港連月經歷大型社會事件，削弱本地消費情緒及旅客訪港旅遊意欲，衝擊香港零售市道。直至二零二零年第一季度，大型社會事件尚未平息、新型冠狀病毒肺炎疫情在全球大流行，香港經濟明顯轉差導致本地消費情緒更趨審慎，同時政府針對不同國家和地區實施各項強制檢疫措施導致訪港旅客人數進一步減少，令零售業的經營環境變得更為艱難。香港政府統計處之數據，二零二零年首兩個月，零售業總銷貨價值按年下跌31.8%；零售業總銷貨數量按年下跌33.9%，料零售業的業務環境短期內依然會極為嚴峻。

然而，本集團認為中國經濟長期向好的基本面不變，長遠看好中國內地及澳門業務的增長潛力，並相信在新型冠狀病毒肺炎疫情得到控制後，隨著本地居民消費信心增強及訪港旅客數字回升，香港零售市道會出現顯著復甦，帶動本集團整體業務重拾升軌。有鑑於香港市民，特別是銀髮市場，對於中醫藥產品及保健服務的日常需求，本集團正在民生區物色合適地點增設新店，服務鄰近居民。與此同時，本集團正積極招攬人才以擴充其專業註冊中醫師團隊，致力為市民提供診症一開藥一煎藥的一站式服務。另外，澳門以博彩旅遊業吸引越來越多中外遊客，本集團計劃於二零二零年下半年在澳門增設新店，培育澳門的零售業務成為盈利增長引擎。在中國內地方面，電商市場發展成熟、跨境電商近年亦發展蓬勃，本集團將不斷完善國內線上零售佈局，實現線上線下、中港互通的全渠道協同營運模式，推動本集團在中國內地的業務更上一層樓。





# Chairman's Statement

## 主席報告

China has always attached great importance to and vigorously promoted the development of TCM. In recent years, it formulated the Law of the People's Republic of China on Traditional Chinese Medicine (《中華人民共和國中醫藥法》), promulgated the Outline of the Strategic Plan on the Development of Traditional Chinese Medicine (《中醫藥發展戰略規劃綱要》), and implemented the "Belt and Road" Development Plan for Traditional Chinese Medicine (《中醫藥「一帶一路」發展規劃》), in order to comprehensively develop Chinese medicine in various aspects including medical care, healthcare, scientific research, education, industry and culture, further give play to the role of TCM in promoting people's health and innovation, and promote TCM across the world. During the year under review, the Opinions of the CPC Central Committee and the State Council on Promoting the Preservation, Innovation and Development of Traditional Chinese Medicine (《中共中央國務院關於促進中醫藥傳承創新發展的意見》) was issued, clearly proposing to "promote the inheritance and open up the innovation and development of traditional Chinese medicine" and "build a highland of traditional Chinese medicine in the Guangdong-Hong Kong-Macao Greater Bay Area", thereby establishing a clear positioning for the development of the TCM industry in the Guangdong-Hong Kong-Macao Greater Bay Area. The governments of Guangdong, Hong Kong and Macao have also entered into the Memorandum of Guangdong-Hong Kong-Macao Greater Bay Area Chinese Medicine Cooperation (《粵港澳大灣區中醫藥合作備忘錄》), proposing to promote the integration and sharing of quality TCM resources in the Guangdong-Hong Kong-Macao Greater Bay Area, jointly participating in the formulation of international standards for TCM, and building the Guangdong-Hong Kong-Macao Greater Bay Area into a TCM standardisation centre. To support the development of the TCM industry and capture the benefits bring by the national policy, the Group has established factory in mainland China in recent years, facilitating collaboration with the Yuen Long Factory. In the future, we will also pro-actively expand the TCM plantation bases in mainland China to ensure the excellent quality of raw materials and products.

In the face of extremely challenging business prospects, the Group will continue to strictly control costs, better coordinate procurement, production, sales, pricing and promotion strategies, and give full play to the synergy of TCM and western pharmaceutical medicine and health food. Meanwhile, the Group will continue to identify suitable M&A opportunities to further diversify its business portfolio and create greater value for shareholders and customers.

中國一直高度重視並着力推動中醫藥發展，近年先後制定了《中華人民共和國中醫藥法》，頒佈了《中醫藥發展戰略規劃綱要》，實施了《中醫藥「一帶一路」發展規劃》等，讓中醫藥在醫療、保健、科研、教育、產業以及文化等方面可全面發展，進一步發揮中醫藥在促進人民健康和創新的地位，並逐步走向世界。回顧年度內，《中共中央國務院關於促進中醫藥傳承創新發展的意見》出台，明確提出「促進中醫藥傳承與開放創新發展」及「打造粵港澳大灣區中醫藥高地」，為粵港澳大灣區中醫藥產業發展明確定位。粵港澳三地政府亦簽訂了《粵港澳大灣區中醫藥合作備忘錄》，提出推動粵港澳大灣區優質中醫藥資源整合共享，共同參與中醫藥國際標準制定，將粵港澳大灣區打造成為中醫藥標準化中心。為配合中醫藥業發展及捕捉國策紅利，本集團近年已在中國內地開設廠房，與元朗廠房互惠協同，未來亦將積極拓展於中國內地的傳統中藥種植基地，保證原材料及產品的優良品質。

在極具挑戰的經營前景下，本集團將繼續嚴格控制成本，更好地協調採購、生產、銷售、定價及推廣策略，充分發揮傳統中藥及西藥和保健食品的協同價值。同時，本集團會繼續物色合適的併購機會，進一步豐富業務組合，為股東和客戶創造更大價值。



# Chairman's Statement 主席報告

## Appreciation

I hereby extend my heartfelt gratitude to our business partners and shareholders for staying with us through the adversity, and extend appreciation to colleagues for their commitment in hardship, which allows Wai Yuen Tong to fully leverage the business and social value of a century-old well-established brand at a critical moment and continue to protect the health of the citizens. I firmly believe that as long as we all work together towards the same goal with the indomitable spirit of the lion rock, we will surely overcome adversity and embrace better development prospects.

## Tang Ching Ho

Chairman and Managing Director  
Hong Kong, 30 June 2020

## 鳴謝

在此，我衷心感謝一直支持我們的業務夥伴和股東在逆勢中同甘共苦、感激公司上下全人在逆市中堅守崗位，讓位元堂能夠在關鍵時刻充分發揮百年老字號的商業和社會價值，繼續守護市民健康。我深信，只要各方目標一致、齊心協力，發揮不屈不撓的獅子山精神，定能跨過逆境，迎接更美好的發展前景。

## 鄧清河

主席兼董事總經理  
香港，二零二零年六月三十日





# Management Discussion and Analysis

## 管理層討論及分析

“ For over the past century, Wai Yuen Tong has been an internationally renowned brand with roots in Hong Kong. Looking forward, we will continue to develop our core business with flexible operational mechanisms and give full play to the synergy of TCM and western pharmaceutical medicine and health food.

超過一個世紀以來，位元堂紮根香港、蜚聲國際。未來，我們將繼續以靈活的營運機制發展核心業務，充分發揮傳統中藥及西藥和保健食品的協同價值。

”



# Management Discussion and Analysis

## 管理層討論及分析

### Consolidated Results

For the financial year ended 31 March 2020, total revenue of the Group decreased by 17.4% to HK\$620.7 million. As a result of the massive social unrest in Hong Kong as well as outbreak of the global COVID-19 pandemic since early 2020, revenue of both Chinese pharmaceutical and health food products and Western pharmaceutical and health food products dropped by 25.2% to HK\$467.0 million and by 13.5% to HK\$100.3 million, respectively. During the year, the Group has further expanded its scope of business into management and sale of properties in agricultural produce exchange markets in mainland China through the acquisition of 53.37% equity interests in China Agri-Products Exchange Limited (“CAP”) (stock code: 149) which was completed in February 2020. Since the acquisition, this new business contributed revenue of HK\$44.2 million to the Group for the year ended 31 March 2020.

For the year ended 31 March 2020, the Group recorded a profit attributable to owners of the parent amounting to HK\$95.8 million (2019: HK\$74.6 million). Such improvement was mainly attributable to a provisional gain on bargain purchase arising from the acquisition of CAP, gain on disposal/redemption of financial assets and gains on disposal of property, plant and equipment and an investment property, netting off the decrease in gross profit of the Group and impairment losses on items of property, plant and equipment.

### Dividends

The board of directors of the Company (the “Board” or the “Directors”) does not recommend the payment of any final dividend for the year ended 31 March 2020 (2019: Nil). No interim dividend was made for the six months ended 30 September 2019 (30 September 2018: Nil).

### Business Review

#### (1) Chinese Pharmaceutical and Health Food Products

During the year under review, revenue of the Chinese pharmaceutical and health food products decreased by 25.2% year-on-year to HK\$467.0 million. According to the latest retail sales figures released by the Census and Statistics Department of Hong Kong, the estimated retail sales in Hong Kong for the full year 2019 dropped by approximately 12.3% year over year. The continuous social unrest and COVID-19 pandemic have unavoidably hurt the inbound tourism and directly affected our retail sales, particularly for those districts where were originally very popular with mainland tourists. Notwithstanding the subdued economic outlook, we have implemented various initiatives during the year for the long-term growth of the Group, including enriching the product range, advocating our high quality Chinese medical services provided by our professional Chinese doctors and consolidating distribution channel, etc. Revenue of this business segment accounted for 75.2% of total revenue of the Group.

### 綜合業績

截至二零二零年三月三十一日止財政年度，本集團總收益減少17.4%至620,700,000港元。由於香港重大社會動盪以及自二零二零年初起爆發之全球新型冠狀病毒肺炎疫情，中藥及保健食品產品以及西藥及保健食品產品之收益分別下降25.2%至467,000,000港元及13.5%至100,300,000港元。於年內，本集團透過收購 China Agri-Products Exchange Limited 中國農產品交易所有限公司（「中國農產品」，股份代號：149）53.37%股權（於二零二零年二月完成），進一步拓展其業務範圍至管理及銷售中國內地農產品交易所市場之物業。自收購起，該新業務於截至二零二零年三月三十一日止年度向本集團貢獻收益44,200,000港元。

截至二零二零年三月三十一日止年度，本集團錄得母公司擁有人應佔溢利95,800,000港元（二零一九年：74,600,000港元）。有關改善乃主要歸因於收購中國農產品產生之議價購買之暫定收益、出售／贖回財務資產之收益及出售物業、廠房及設備以及一項投資物業之收益，抵銷了本集團之毛利減少及物業、廠房及設備項目之減值虧損。

### 股息

本公司董事會（「董事會」或「董事」）不建議派付截至二零二零年三月三十一日止年度之任何末期股息（二零一九年：無）。並無就截至二零一九年九月三十日止六個月派付中期股息（二零一八年九月三十日：無）。

### 業務回顧

#### (1) 中藥及保健食品產品

於回顧年度內，中藥及保健食品產品之收益比去年同期減少25.2%至467,000,000港元。根據香港政府統計處發佈的最新零售業銷貨額數字，香港二零一九年全年之估計零售銷售額同比下降約12.3%。持續不斷的社會動盪及新型冠狀病毒肺炎疫情不免對入境旅遊造成打擊，並直接影響我們（尤其是該等原先非常吸引內地遊客之地區）的零售銷售額。儘管經濟前景低迷，本集團於年內已實施多項措施以推動長期增長，包括豐富產品範圍、推廣由我們專業中醫提供之優質中醫服務及鞏固分銷渠道等。本業務分類之收益佔本集團總收益之75.2%。

# Management Discussion and Analysis

## 管理層討論及分析

Again, Angong Sanbao (安宮三寶) is regarded as our key Chinese pharmaceutical products: Angong Niu Huang Wan (安宮牛黃丸), Angong Jiangya Wan (安宮降壓丸), Angong Zaizao Wan (安宮再造丸), which are gatekeepers of cardiovascular health of the public based on the overall concept of emergency-prevention-rehabilitation. The series is registered in Hong Kong according to ancient prescriptions/nationally recognised prescription and its whole production process is carried out at our GMP factory in Yuen Long, Hong Kong. We have launched a series of product promotion, which successfully drew public attention on cerebrovascular health through health talks and event promotional vehicles in various districts. During the existing pandemic environment, our Angong Niu Huang Wan is considered as good for health product with growing popularity. Despite the weak consumer sentiment and subdued economic conditions, the sales of TCM healthcare products for common diseases of urban people remained strong for the year ended 31 March 2020.

The Group targeted better cost efficiency through further optimisation of its retail sales network and distribution channels. We had enhanced the distribution channel by partnering with a strong distributor since the fourth quarter of 2018 which focuses on distributing our products to the key accounts in Hong Kong. By the end of the year, we had over 55 retail outlets in Hong Kong. We review the distribution of our retail shops and aim to relocate our retail shops to a more successful location to capture customers. The optimisation of distribution network helps strengthen the Group's sales and brand recognition. A strong network has been laid down for a sustainable growth in the future.

The Group is well aware of the importance of networks nowadays and therefore has intensified its efforts to explore other sales channels, major customers, distributors as well as overseas regions to expand and enrich its marketing capacity. The Group is also in the process of exploring collaboration with casinos, commercial banks and insurance companies to broaden the customer base in the future.

Last but not least, the Group will continue to work with renowned universities and research institutes to promote and develop new Chinese medicine health products, in particular for the elderly. In the face of future challenges, the Group will insist on strict monitor on product quality and a sincere service attitude.

再者，本集團之主要中藥產品安宮三寶：安宮牛黃丸、安宮降壓丸及安宮再造丸，以應急一預防一復健的整體概念為社會大眾心腦血管健康把關。該系列是根據古方名藥／國家認可處方在香港註冊中成藥，整個生產過程在本集團旗下位於香港元朗之GMP廠房進行。我們已進行一系列產品上市推廣，透過地區健康講座及各區的活動宣傳車，成功推動大眾關注腦血管健康。在當前疫情大流行之環境下，我們的安宮牛黃丸被視為益身保健品，日益受到大眾喜愛。儘管消費情緒疲弱、經濟環境嚴峻，應付都市人常見疾病的傳統中藥保健產品於截至二零二零年三月三十一日止年度之銷量依然強勁。

本集團通過進一步優化其零售銷售網絡及分銷渠道，以達到更佳的成本效益。我們自二零一八年第四季度起與強大的分銷商合作以加強分銷渠道，並專注於把我們的產品分銷至香港的主要客戶。於年末前，我們於香港擁有超過55間零售分店。我們檢討了零售店的分佈，並計劃將零售店遷往更成功的地點以吸引客戶。優化分銷網絡有助於鞏固本集團的銷售及品牌知名度。強大的網絡為未來的可持續增長奠定基礎。

本集團深知當今網絡的重要性，加大力度開拓其他銷售渠道、主要客戶、分銷商以及海外地區等，藉此擴大及豐富其營銷能力。本集團亦正探討與賭場、商業銀行及保險公司開展合作以擴闊日後的客戶基礎。

最後，本集團會繼續與各著名院校及科研機構合作，推動及開發新中醫藥保健產品，特別是長者適用之中醫藥保健產品。面對未來挑戰，本集團繼續堅持嚴格的产品品質監控以及秉持待人以誠的服務態度。

# Management Discussion and Analysis

## 管理層討論及分析

### (2) Western Pharmaceutical and Health Food Products

Revenue of the Western pharmaceutical and health food products decreased by 13.5% to HK\$100.3 million since the consumer sentiment stayed weak for the year ended 31 March 2020.

The two major product series, namely “Madame Pearl’s” and “Pearl’s” under this business segment encountered different challenges during the year. Last year, the segment’s prime product – cough syrup – under the Madame Pearl’s brand was affected by the relocation of production facilities to the Group’s PIC/S factory in Yuen Long which led to the decline in production volume of Madame Pearl’s cough syrup. As the relocation of production completed by the end of 2018, the production volume of Madame Pearl’s cough syrup started picking up in 2019. In order to better utilise the increased production capacity, we started supplying local clinics and we are aiming to cover more than 400 local clinics by the end of 2020. Despite the increase in sales of cough syrup through this new channel, revenue of this business segment still decreased due to weak consumption sentiment.

The Pearl’s product series, which comprises MosquitOut spray, hand cream and itch-relief products, faced with severe price competition. Despite a highly competitive market environment, Pearl’s MosquitOut remained as a leading brand in this product category.

During the year, the Group placed substantial resources in revamping its Western pharmaceutical and health food product distribution channels in order to improve efficiency. More resources were put on branding with an aim to strengthening the brand loyalty for both “Madame Pearl’s” and “Pearl’s” product series. To comply with mainland China’s relevant regulations, the Group has engaged various local industry players to rejuvenate the penetration of its upper airway product series under the “Madame Pearl’s” brand into mainland China.

Capitalising on state-of-the-art technology and advanced equipment of the Group’s Yuen Long factory, the Group continued to carry out research and development of products for core medical solution targeting at institutional clients.

### (2) 西藥及保健食品產品

截至二零二零年三月三十一日止年度，由於消費情緒仍然疲弱，西藥及保健食品產品的收益下降13.5%至100,300,000港元。

本業務分類下的兩個主要產品系列「珮夫人」及「珮氏」於年內遇到不同挑戰。去年，因本集團的生產設施搬遷至位於元朗的PIC/S廠房，本分類的珮夫人品牌重點產品—止咳露的生產量減少。由於生產設施於二零一八年年底已搬遷完畢，珮夫人止咳露的生產量於二零一九年開始回升。為了更好利用獲提升的產能，我們開始向本地診所供貨並計劃於二零二零年年底前覆蓋超過400間本地診所。儘管止咳露銷量透過此渠道得以提升，本業務分類之收益仍因消費情緒疲弱而減少。

珮氏產品系列，包括驅蚊爽噴霧、護手霜及止癢產品，面臨嚴峻價格競爭。儘管市場環境競爭激烈，但珮氏驅蚊爽仍為該產品領域的領先品牌。

於年內，本集團投放大量資源改進其西藥及保健食品產品分銷渠道以提高效率。於品牌推廣方面投放更多資源，旨在加強人們對「珮夫人」及「珮氏」產品系列的品牌忠誠度。為遵守中國內地的相關規定，本集團已聘用當地多個業內人士重振其「珮夫人」品牌之上呼吸道產品系列在中國內地的滲透。

憑藉本集團元朗廠房的先進技術及設備，本集團繼續以機構客戶為目標進行核心藥劑產品的研發。





# Management Discussion and Analysis

## 管理層討論及分析

### (3) Property Investment

As at 31 March 2020, the Group owned 10 properties in Hong Kong, which are all retail properties. The majority of those properties was self-use as retail shops while some were leased out for generating rental income. The net fair value loss on investment properties amounted to HK\$99.2 million (2019: fair value gain of HK\$17.4 million) as a result of the deteriorated retail market condition.

During the year ended 31 March 2020, the Group completed the sales of five properties in Hong Kong, which are retail shops at (1) Hip Wo Street, Kwun Tong, (2) Sai Yeung Choi Street South, Mong Kok, (3) To Kwa Wan Road, To Kwa Wan, (4) Shau Kei Wan Road, Sai Wan Ho, and (5) Jade Plaza, Tai Po. The gain from these five properties disposals amounted to HK\$60.9 million and was recognised during the year ended 31 March 2020.

### (4) Investment in CAP and Management and Sale of Properties in Agricultural Produce Exchange Markets

CAP (stock code: 149), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), is principally engaged in the management and sale of properties in agricultural produce exchange markets in mainland China.

The Group subscribed and acquired the unlisted 5-year bond due 27 November 2019 with coupon rate of 10.0% per annum issued by CAP (the “**2019 CAP Bonds**”) in 2014 and 2016. On 26 September 2019, CAP and Winning Rich Investments Limited (“**Winning Rich**”), an indirect wholly-owned subsidiary of the Company, entered into a conditional loan agreement, pursuant to which Winning Rich granted a new loan to CAP in the principal amount of HK\$621.0 million for a term of three years (the “**CAP Loan**”) for the purpose of refinancing the outstanding indebtedness of CAP owed to Winning Rich under the 2019 CAP Bonds.

### (3) 物業投資

於二零二零年三月三十一日，本集團在香港擁有10項物業，均為零售物業。該等物業大部分自用作零售店，而部分出租以產生租金收入。投資物業的公平值虧損淨額為99,200,000港元（二零一九年：公平值收益17,400,000港元），此乃由於零售市場狀況惡化。

於截至二零二零年三月三十一日止年度，本集團完成出售位於香港之五個物業，即是位於(1)觀塘協和街、(2)旺角西洋菜南街、(3)土瓜灣土瓜灣道、(4)西灣河筲箕灣道及(5)大埔翠屏花園的零售店舖。來自上述五個物業出售事項的收益為60,900,000港元，已於截至二零二零年三月三十一日止年度確認。

### (4) 投資於中國農產品以及管理及銷售農產品交易市場之物業

中國農產品（股份代號：149）為一間於香港聯合交易所有限公司（「**聯交所**」）主板上市的公司，主要在中國內地從事農產品交易市場之物業管理及銷售。

本集團於二零一四年及二零一六年認購及收購由中國農產品發行、於二零一九年十一月二十七日到期且票面年利率為10.0%的非上市五年期債券（「**二零一九年中國農產品債券**」）。於二零一九年九月二十六日，中國農產品與本公司之間接全資附屬公司Winning Rich Investments Limited（「**Winning Rich**」）訂立有條件貸款協議，據此，Winning Rich向中國農產品授出本金額為621,000,000港元之新貸款，為期三年（「**中國農產品貸款**」），藉以為中國農產品根據二零一九年中國農產品債券結欠Winning Rich的未償還債務進行再融資。





# Management Discussion and Analysis

## 管理層討論及分析



On 26 September 2019, Goal Success Investments Limited, an indirect wholly-owned subsidiary of the Company (the “Offeror”), announced (as supplemented by the announcement dated 28 November 2019) that Kingston Securities Limited, on behalf of the Offeror, proposed to put forward a proposal (subject to the satisfaction of certain pre-conditions) to:

- (a) make a pre-conditional voluntary partial cash offer to the shareholders of CAP to acquire such number of CAP shares which resulted in the Offeror and parties acting in concert with it holding a maximum of 75% of the CAP shares in issue at the partial share offer price of HK\$0.091 per CAP share; and
- (b) extend an appropriate offer to acquire a maximum of 46.86% of the outstanding principal amount of the 7.5% convertible note(s) due 2021 issued by CAP on 19 October 2016 (the “Convertible Notes”) (subject to adjustment in the event of a change in the issued share capital of CAP) at the partial Convertible Notes offer price of HK\$0.2275 for each outstanding HK\$1 face value of the Convertible Notes,

items (a) and (b) above (collectively the “CAP Acquisition”).

The cash consideration paid by the Offeror under the CAP Acquisition amounted to approximately HK\$483.4 million. The CAP Acquisition completed on 12 February 2020, which led the Group to record a provisional gain on bargain purchase of HK\$230.8 million. CAP was accounted for as a subsidiary of the Company upon the completion of the CAP Acquisition.

The CAP Group managed 11 agricultural produce exchange markets in the PRC, across five provinces. For the period from February to March 2020, CAP recorded a turnover of HK\$44.2 million which included HK\$26.5 million generated from rental income from investment properties and HK\$17.7 million generated from management services provided in agricultural produce exchange markets.

於二零一九年九月二十六日，本公司的間接全資附屬公司Goal Success Investments Limited（「要約人」）宣佈（經日期為二零一九年十一月二十八日的公佈補充），金利豐證券有限公司代表要約人擬提呈一項建議（須待達成若干先決條件後方告作實）：

- (a) 以每股中國農產品股份0.091港元的部分股份要約價向中國農產品股東作出附先決條件的自願性現金部分要約，以收購若干中國農產品股份（令要約人及其一致行動人士持有最多75%的已發行中國農產品股份）；及
- (b) 按每份面值1港元的尚未轉換可換股票據的部分可換股票據要約價0.2275港元作出適當要約，以收購最多46.86%之由中國農產品於二零一六年十月十九日發行且於二零二一年到期的7.5%可換股票據（「可換股票據」）未償還本金額（可根據中國農產品之已發行股本變動予以調整），

上文(a)及(b)項（統稱「中國農產品收購事項」）。

要約人根據中國農產品收購事項已付的現金代價約483,400,000港元。中國農產品收購事項已於二零二零年二月十二日完成，使本集團錄得議價購買之暫定收益230,800,000港元。完成中國農產品收購事項後，中國農產品入賬為本公司之附屬公司。

中國農產品集團於中國五個省管理11個農產品交易市場。於二零二零年二月至三月期間，中國農產品錄得營業額44,200,000港元，其中包括投資物業之租金收入產生之26,500,000港元及於農產品交易市場提供管理服務產生之17,700,000港元。

# Management Discussion and Analysis

## 管理層討論及分析

In order to achieve long term growth, CAP strives for diversification of income streams via operating its wholly-owned agricultural produce exchange markets, entering into cooperation projects with local partners, making small amount of investment and providing management services to local partners to operate agricultural markets under CAP's brand name, and provision of food and agricultural by-products merchandising services to customers.

The main agricultural produce exchange markets in the PRC of CAP are Wuhan Baisazhou Agricultural and By-Product Exchange Market ("**Wuhan Baisazhou Market**"), Yulin Hongjin Agricultural and By-Product Exchange Market ("**Yulin Market**") and Luoyang Hongjin Agricultural and By-Product Exchange Market ("**Luoyang Market**").

### **Wuhan Baisazhou Market**

Wuhan Baisazhou Market is one of the largest agricultural produce exchange operators in the PRC. It is situated in the Hongshan District of Wuhan City, the PRC with a site area of approximately 310,000 square metres and a total gross floor area of approximately 190,000 square metres. Rental income from properties letting is the major income generated from Wuhan Baisazhou Market.

### **Yulin Market**

Yulin Market is one of the largest agricultural produce exchange markets in Guangxi Zhuang Autonomous Region, the PRC with a site area of approximately 415,000 square metres and a total gross floor area of approximately 196,000 square metres. Sale of properties is the major income generated from Yulin Market.

### **Luoyang Market**

Luoyang Market is the flagship project of CAP in Henan Province, the PRC, with a site area and a gross floor area of approximately 255,000 square metres and approximately 223,000 square metres, respectively. Sale of properties is the major income generated from Luoyang Market.

CAP has three agricultural produce exchange markets in Hubei Province, the PRC. The operating performance of these markets was affected by the COVID-19 pandemic. During the pandemic, the PRC government implemented different measures to constraint the spread of the virus, including the limitation of people and vehicle movement and strengthening the markets' hygiene controls. These measures lowered the market trading activities and related commission income. However, since COVID-19 began to be under control, the performance of these markets has gradually returned to normal.

為達致長期增長，中國農產品透過經營其全資擁有的農產品交易市場、與當地合作夥伴開展合作項目、進行小額投資以及向當地合作夥伴提供管理服務以中國農產品的品牌名稱經營農產品市場及向客戶提供食品及農副產品採購服務，力求多元化收入來源。

中國農產品於中國的主要農產品交易市場為武漢白沙洲農副產品交易市場（「**武漢白沙洲市場**」）、玉林宏進農副產品交易市場（「**玉林市場**」）及洛陽宏進農副產品交易市場（「**洛陽市場**」）。

### **武漢白沙洲市場**

武漢白沙洲市場乃全中國最大的農產品交易市場營運商之一，位於中國武漢市洪山區，佔地面積約310,000平方米及總建築面積約190,000平方米。物業出租之租金收入乃武漢白沙洲市場產生之主要收入。

### **玉林市場**

玉林市場是中國廣西壯族自治區最大的農產品交易市場之一，佔地面積約415,000平方米及總建築面積約196,000平方米。銷售物業乃玉林市場產生之主要收入。

### **洛陽市場**

洛陽市場為中國農產品於中國河南省之旗艦項目，其佔地面積及總建築面積分別為約255,000平方米及約223,000平方米。銷售物業乃洛陽市場產生之主要收入。

中國農產品於中國湖北省擁有三個農產品交易市場。該等市場之經營表現因新型冠狀病毒肺炎疫情而受到影響。於疫情期間，中國政府採取不同措施遏制病毒傳播，包括限制人員及車輛活動及加強市場衛生控制。該等措施降低了市場交易活動及相關佣金收入。然而，自新型冠狀病毒肺炎開始受控以來，該等市場之表現已逐漸恢復正常。

# Management Discussion and Analysis

## 管理層討論及分析



### (5) Investment in Easy One Financial Group Limited (“Easy One”)

Easy One (stock code: 221), a company listed on the Main Board of the Stock Exchange, is principally engaged in the businesses of provision of finance and securities brokerage services in Hong Kong and property development in the PRC.

As at 31 March 2020, the Group held 29.06% (2019: 29.06%) of the issued shares of Easy One. Easy One is an associate of the Group. The Group's share of profit of Easy One during the year amounted to HK\$12.0 million (2019: share of profit of HK\$49.0 million). Last year, the share of profit included a gain on bargain purchase from the acquisition of additional equity interests of Easy One of HK\$38.0 million. Impairment on investment in Easy One of HK\$8.7 million was recorded as other expenses during the year (2019: Nil).

On 4 May 2020, Caister Limited, a company wholly owned by Mr. Tang Ching Ho, the controlling shareholder of the Company, requested the board of Easy One, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, to put forward a proposal of privatisation of Easy One (the **“Proposed Privatisation”**) to the other shareholders of Easy One for the privatisation of Easy One by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act 1981 (the **“Companies Act”**).

Pursuant to the Proposed Privatisation, all the ordinary shares of HK\$0.01 each in Easy One (the **“Scheme Share(s)”**) will be cancelled in exchange for the consideration comprising the cash consideration of HK\$0.3 per Scheme Share and the consideration shares on the basis of eight (8) ordinary share of Wang On Group Limited (**“Wang On”**, the ultimate holding company of the Company, whose shares are listed and traded on the Main Board of the Stock Exchange) as held by Caister Limited, for each Scheme Share. The Proposed Privatisation, upon implementation, will constitute a major and connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**), details of which were set out in the joint announcement published by the Company, Wang On, Easy One and Caister Limited dated 4 May 2020.

### (5) 投資於易易壹金融集團有限公司(「易易壹」)

易易壹(股份代號：221)為一間於聯交所主板上市的公司，主要於香港提供融資及證券經紀服務及於中國從事物業發展業務。

於二零二零年三月三十一日，本集團持有易易壹已發行股份的29.06%(二零一九年：29.06%)。易易壹為本集團的聯營公司。於年內，本集團分佔易易壹的溢利為12,000,000港元(二零一九年：分佔溢利49,000,000港元)。去年，分佔溢利包括收購易易壹額外股權之議價購買收益38,000,000港元。於易易壹之投資減值8,700,000港元(二零一九年：無)於年內列作其他開支。

於二零二零年五月四日，Caister Limited(由本公司之控股股東鄧清河先生全資擁有之公司)要求易易壹(一間於開曼群島註冊成立並於百慕達存續之獲豁免有限公司)董事會向易易壹其他股東提呈將易易壹私有化之建議(「**建議私有化**」)，擬根據百慕達一九八一年公司法(「**公司法**」)第99條按照安排計劃方式將易易壹私有化。

根據建議私有化，易易壹所有每股面值0.01港元之普通股(「**計劃股份**」)將被註銷，以換取支付代價(包括現金代價(按每股計劃股份0.3港元計算)及代價股份(按每股計劃股份獲轉讓Wang On Group Limited(宏安集團有限公司)(「**宏安**」，本公司之最終控股公司，其股份於聯交所主板上市及買賣)八(8)股普通股(由Caister Limited持有)之基準)。建議私有化於實施後將構成本公司於聯交所證券上市規則(「**上市規則**」)項下之主要及關連交易，詳情載於本公司、宏安、易易壹及Caister Limited刊發日期為二零二零年五月四日之聯合公佈。

# Management Discussion and Analysis

## 管理層討論及分析

### (6) Financial Assets at Fair Value through Other Comprehensive Income

The Group has maintained a portfolio of listed equity securities and bonds in Hong Kong which are held for long term investment purpose with an aim to generating stable income. During the year, the Group's investment in listed bonds decreased by HK\$43.8 million and the remaining bonds as at 31 March 2020 carried annual interest rates ranging from 6.00% to 11.75%.

As at 31 March 2020, the fair value of financial assets at fair value through other comprehensive income was HK\$173.2 million (2019: HK\$939.4 million). During the year, the Group has recorded a net loss on change in fair value of financial assets at fair value through other comprehensive income of HK\$52.0 million (2019: net loss of HK\$41.3 million).

### (7) Convertible Notes

On 19 October 2016, CAP issued Convertible Notes with an aggregate principal amount of HK\$500 million which will mature on 18 October 2021. The Convertible Notes can be convertible into ordinary shares of CAP at a conversion price of HK\$0.4 per ordinary share of CAP. From the completion of the CAP Acquisition to 31 March 2020, no Convertible Notes were converted into ordinary shares of CAP by the Convertible Notes' holders. As at 31 March 2020, the Convertible Notes had an outstanding principal amount of HK\$264.8 million.

### (8) Unsecured Notes Due in 2024 ("Unsecured Notes")

In May 2014, CAP established a HK\$1,000 million medium term note program. The Unsecured Notes issued under the program are listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). As at 31 March 2020, the Unsecured Notes had an outstanding principal amount of HK\$290.0 million.

### (6) 按公平值經其他全面收益入賬之財務資產

本集團於香港持有上市股本證券及債券組合作長期投資目的，旨在產生穩定收入。於年內，本集團上市債券投資減少43,800,000港元，而於二零二零年三月三十一日之剩餘債券之年利率介乎6.00%至11.75%。

於二零二零年三月三十一日，按公平值經其他全面收益入賬之財務資產之公平值為173,200,000港元(二零一九年：939,400,000港元)。於年內，本集團錄得按公平值經其他全面收益入賬之財務資產公平值變動之虧損淨額52,000,000港元(二零一九年：虧損淨額41,300,000港元)。

### (7) 可換股票據

於二零一六年十月十九日，中國農產品發行本金總額為500,000,000港元並將於二零二一年十月十八日到期之可換股票據。可換股票據可按換股價每股中國農產品普通股0.4港元轉換為中國農產品普通股。自完成中國農產品收購事項起至二零二零年三月三十一日，可換股票據持有人概無將可換股票據轉換為中國農產品普通股。於二零二零年三月三十一日，可換股票據之尚未償還本金額為264,800,000港元。

### (8) 於二零二四年到期之無抵押票據(「無抵押票據」)

於二零一四年五月，中國農產品設立1,000,000,000港元的中期票據計劃。根據該計劃發行之無抵押票據以僅向專業投資者發行債務之方式於聯交所上市(股份代號：5755)。於二零二零年三月三十一日，無抵押票據之尚未償還本金額為290,000,000港元。

# Management Discussion and Analysis

## 管理層討論及分析

### Financial Review

#### (1) Liquidity, Gearing and Financial Resources

As at 31 March 2020, the Group had total assets of HK\$7,730.2 million (2019: HK\$3,454.7 million) which were financed by current liabilities of HK\$2,515.8 million (2019: HK\$381.3 million), non-current liabilities of HK\$1,863.1 million (2019: HK\$625.2 million) and shareholders' equity of HK\$3,351.3 million (2019: HK\$2,448.1 million).

As at 31 March 2020, the Group's cash and cash equivalents were HK\$475.7 million (2019: HK\$171.2 million).

As at 31 March 2020, the Group's total interest-bearing debts amounted to HK\$1,800.8 million (2019: HK\$852.2 million), which bore interest at fixed and floating interest rates and were denominated in Hong Kong dollars and Renminbi ("RMB").

### 財務回顧

#### (1) 流動資金、負債比率及財務資源

於二零二零年三月三十一日，本集團總資產為7,730,200,000港元（二零一九年：3,454,700,000港元），融資來源為流動負債2,515,800,000港元（二零一九年：381,300,000港元）、非流動負債1,863,100,000港元（二零一九年：625,200,000港元）及股東權益3,351,300,000港元（二零一九年：2,448,100,000港元）。

於二零二零年三月三十一日，本集團現金及現金等同項目為475,700,000港元（二零一九年：171,200,000港元）。

於二零二零年三月三十一日，本集團計息債務總額為1,800,800,000港元（二零一九年：852,200,000港元），按固定及浮動利率計息並以港元及人民幣（「人民幣」）列值。

|                                      |          | At 31 March 2020      |               | At 31 March 2019      |               |
|--------------------------------------|----------|-----------------------|---------------|-----------------------|---------------|
|                                      |          | 於二零二零年三月三十一日          |               | 於二零一九年三月三十一日          |               |
|                                      |          | Approximate effective |               | Approximate effective |               |
|                                      |          | HK\$ Million          | interest rate | HK\$ Million          | interest rate |
|                                      |          | 百萬港元                  | 概約實際利率        | 百萬港元                  | 概約實際利率        |
| Unsecured bonds and notes            | 無抵押債券及票據 | 181                   | 12%           | -                     | -             |
| Convertible notes                    | 可換股票據    | 250                   | 12%           | -                     | -             |
| Financial institution borrowings     | 金融機構借貸   | 1,295                 | 4%            | 852                   | 3%            |
| Non-financial institution borrowings | 非金融機構借貸  | 75                    | 10%           | -                     | -             |
| Total                                | 總計       | 1,801                 |               | 852                   |               |

The current ratio, being a ratio of total current assets to total current liabilities, was 1.2 (2019: 3.5). The gearing ratio, being the ratio of total interest-bearing debts net of cash and cash equivalents to equity attributable to owners of the parent, was 57.6% (2019: 27.9%). The Group always adopts a conservative approach in its financial management.

流動比率（即總流動資產對總流動負債之比率）為1.2（二零一九年：3.5）。負債比率（即計息債務總額扣除現金及現金等同項目對母公司擁有人應佔權益之比率）為57.6%（二零一九年：27.9%）。本集團一向奉行謹慎之財務管理。



# Management Discussion and Analysis

## 管理層討論及分析

### (2) Significant Investments Held

As at 31 March 2020, the Group had financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of HK\$173.2 million and HK\$56.7 million respectively, details of which were set out as follows:

### (2) 所持重大投資

於二零二零年三月三十一日，本集團分別擁有按公平值經其他全面收益入賬之財務資產及按公平值經損益表入賬之財務資產173,200,000港元及56,700,000港元，有關詳情載列如下：

| Name of Investments   | 投資名稱  | As at 31 March 2020 |                                  | For the year ended 31 March 2020 |                      |                    | Fair value/carrying amount |                     |                  |
|---|---|---------------------|----------------------------------|----------------------------------|----------------------|--------------------|----------------------------|---------------------|------------------|
|   |   | Amount held         | Percentage to Group's net assets | Fair value gain/(loss)           | Bond interest income | Dividends received | As at 31 March 2020        | As at 31 March 2019 | Investment costs |
|   |   | HK\$'000            | %                                | HK\$'000                         | HK\$'000             | HK\$'000           | HK\$'000                   | HK\$'000            | HK\$'000         |
|   |   | 千港元                 | %                                | 千港元                              | 千港元                  | 千港元                | 千港元                        | 千港元                 | 千港元              |
| <b>Financial assets at fair value through other comprehensive income:</b> | <b>按公平值經其他全面收益入賬之財務資產：</b>                  |                     |                                  |                                  |                      |                    |                            |                     |                  |
| <b>A. Equity investments</b>  | <b>A. 股權投資</b>                              | 51,866              | 1.55                             | (35,522)                         | -                    | 4,371              | 51,866                     | 87,388              | 73,422           |
| <b>B. Debt investments</b>  | <b>B. 債務投資</b>                              |                     |                                  |                                  |                      |                    |                            |                     |                  |
| 2019 CAP Bonds  | 二零一九年中國農產品債券                                | -                   | -                                | 10,864                           | 45,642               | -                  | -                          | 686,877             | -                |
| Others  | 其他  | 121,354             | 3.62                             | (27,292)                         | 14,718               | -                  | 121,354                    | 165,146             | 141,846          |
| <b>Sub-total</b>  | <b>小計</b>                                   | <b>173,220</b>      | <b>5.17</b>                      | <b>(51,950)</b>                  | <b>60,360</b>        | <b>4,371</b>       | <b>173,220</b>             | <b>939,411</b>      | <b>215,268</b>   |
| <b>Financial assets at fair value through profit or loss:</b>             | <b>按公平值經損益表入賬之財務資產：</b>                     |                     |                                  |                                  |                      |                    |                            |                     |                  |
| <b>A. Rockpool Capital SPC ("Rockpool")</b>                               | <b>A. Rockpool Capital SPC ("Rockpool")</b> | 48,602              | 1.45                             | (9,898)                          | -                    | -                  | 48,602                     | -                   | 58,500           |
| <b>B. Unlisted mutual funds</b>   | <b>B. 非上市互惠基金</b>                           | 1,780               | 0.05                             | (106)                            | -                    | -                  | 1,780                      | 1,886               | 1,614            |
| <b>C. Others</b>  | <b>C. 其他</b>                                | 6,293               | 0.19                             | 823                              | -                    | -                  | 6,293                      | -                   | 5,470            |
| <b>D. Listed perpetual notes</b>  | <b>D. 上市永續票據</b>                            | -                   | -                                | 1,278                            | 1,026                | -                  | -                          | 19,403              | -                |
| <b>Sub-total</b>  | <b>小計</b>                                   | <b>56,675</b>       | <b>1.69</b>                      | <b>(7,903)</b>                   | <b>1,026</b>         | <b>-</b>           | <b>56,675</b>              | <b>21,289</b>       | <b>65,584</b>    |
| <b>Total</b>  | <b>總計</b>                                   | <b>229,895</b>      | <b>6.86</b>                      | <b>(59,853)</b>                  | <b>61,386</b>        | <b>4,371</b>       | <b>229,895</b>             | <b>960,700</b>      | <b>280,852</b>   |



# Management Discussion and Analysis

## 管理層討論及分析



The principal activities of the securities are as follows:

**(a) Rockpool**

Rockpool, an exempted company registered as a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability.

**(b)** Save as disclosed above, the Group also invested in other listed equity securities and listed bonds in Hong Kong, the fair value of each of which represented less than 1.00% of the net assets of the Group as at 31 March 2020.

**(c)** Save as disclosed above, the Group also invested in other unlisted funds and derivative financial instruments, the fair value of each of which represented less than 1.00% of the net assets of the Group as at 31 March 2020.

**(3) Financial Review and Prospect of Significant Investments Held**

**(a) Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include listed equity securities and listed debt investments. The Group has always adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary. The Group intended to hold these investments for long term purpose aiming to generating a stable income.

As at 31 March 2020, the fair value of the Group's investments in listed bonds and listed equity securities amounted to HK\$121.4 million (2019: HK\$165.1 million) and HK\$51.9 million (2019: HK\$87.4 million), respectively.

The Group had recorded a net loss on change in fair value of financial assets at fair value through other comprehensive income of HK\$52.0 million in the other comprehensive income for the year (2019: loss of HK\$41.3 million).

證券之主要業務如下：

**(a) Rockpool**

Rockpool為一間根據開曼群島法律註冊成立的獲豁免有限責任獨立投資組合公司。

**(b)** 除上文披露者外，本集團亦投資於香港其他上市股本證券及上市債券，於二零二零年三月三十一日，其各自的公平值佔本集團淨資產的1.00%以下。

**(c)** 除上文披露者外，本集團亦投資於其他非上市基金及衍生財務工具，於二零二零年三月三十一日，其各自的公平值佔本集團淨資產的1.00%以下。

**(3) 所持重大投資之財務回顧及前景展望**

**(a) 按公平值經其他全面收益入賬之財務資產**

按公平值經其他全面收益入賬之財務資產包括上市股本證券及上市債務投資。本集團始終採取審慎投資策略，並會密切關注市場變動，於必要時調整其投資組合。本集團擬持該等投資作長期用途，旨在產生穩定收入。

於二零二零年三月三十一日，本集團於上市債券及上市股本證券投資之公平值分別為121,400,000港元(二零一九年：165,100,000港元)及51,900,000港元(二零一九年：87,400,000港元)。

於本年度，本集團就按公平值經其他全面收益入賬之財務資產之公平值變動於其他全面收益錄得虧損淨額52,000,000港元(二零一九年：虧損41,300,000港元)。

# Management Discussion and Analysis

## 管理層討論及分析

### (b) Financial assets at fair value through profit or loss

As at 31 March 2020, the Group maintained an investment portfolio of unlisted funds and derivative financial instruments. The Group has always adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary.

The Group had recorded a net loss on change in fair value of financial assets at fair value through profit or loss of HK\$7.9 million for the year (2019: gain of HK\$0.6 million).

### (4) Foreign Exchange

The Board is of the opinion that the Group has material foreign exchange exposure in RMB. All bank borrowings are denominated in Hong Kong dollars and RMB. The revenue of the Group, mostly denominated in Hong Kong dollars and RMB, matches the currency requirements of the Group's operating expenses. Currently, the Group does not have a foreign currency hedging policy.

The activities of the Group are exposed to foreign currency risks mainly arising from its operations in mainland China. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our mainland subsidiaries. The re-translation of these net assets denominated in RMB into HKD using the exchange rate as of the reporting date resulted in a re-translation loss of HK\$83.8 million (2019: loss of HK\$13.3 million). The re-translation loss was recognised in other comprehensive income/exchange reserve.

### (5) Treasury Policy

With an aim to ensuring adequate financial resources are available for business growth whilst maintaining a prudent capital structure, the Group manages its financial risks including currency risk, interest rate risk and price risk. The Group invests its surplus funds in listed debt investments to maximise assets efficiency.

### (6) Capital Commitment

As at 31 March 2020, the Group had capital commitment of HK\$399.6 million (2019: HK\$2.5 million) in respect of the acquisition of property, plant and equipment and construction contracts, which were contracted for but not provided for in the consolidated financial statements.

### (b) 按公平值經損益表入賬之財務資產

於二零二零年三月三十一日，本集團持有一個非上市基金及衍生財務工具的投資組合。本集團始終採取審慎投資策略，並會密切關注市場變動，於必要時調整其投資組合。

於本年度，本集團就按公平值經損益表入賬之財務資產之公平值變動錄得虧損淨額7,900,000港元(二零一九年：收益600,000港元)。

### (4) 外匯

董事會認為本集團有重大人民幣外匯風險。所有銀行借貸均以港元及人民幣列值。本集團之收益(大部份以港元及人民幣列值)與本集團經營開支貨幣需求相稱。目前，本集團並無制定外幣對沖政策。

本集團的業務面臨外幣風險，主要因其中國內地業務所致。本集團的人民幣風險主要產生自我們內地附屬公司的淨資產所產生的貨幣換算風險。採用截至報告日期的匯率將該等以人民幣列值的淨資產重新換算為港元產生重新換算虧損83,800,000港元(二零一九年：虧損13,300,000港元)。重新換算虧損已於其他全面收益／匯兌儲備中確認。

### (5) 庫務政策

本集團管理其財務風險，包括匯率風險、利率風險及價格風險，以確保有充足財務資源可供業務增長使用，同時維持審慎的資本架構。本集團將其盈餘資金投資於上市債務投資，以將資產效益最大化。

### (6) 資本承擔

於二零二零年三月三十一日，本集團就收購物業、廠房及設備及建築合約之已訂約但未於綜合財務報表內撥備之資本承擔為399,600,000港元(二零一九年：2,500,000港元)。

# Management Discussion and Analysis

## 管理層討論及分析

### (7) Pledge of Assets

As at 31 March 2020, certain bank loans of the Group are secured by the Group's property, plant and equipment, owned investment properties and certain rental income generated therefrom, properties held for sale, financial assets at fair value through other comprehensive income, with a total carrying value of HK\$2,498.5 million (2019: HK\$1,241.0 million).

### (8) Financial Guarantee

As at 31 March 2020, the Group provided guarantees of approximately HK\$63.5 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2019: Nil).

## Litigation

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited ("**Baisazhou Agricultural**") from independent third parties, Ms. Wang Xiu Qun ("**Ms. Wang**") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd ("**Tian Jiu**") for their respective 70% and 20% interest in Baisazhou Agricultural (the "**Baisazhou Acquisition**").

Since 2011, the CAP Group has been involved in a number of civil proceedings in mainland China and Hong Kong. The key civil proceedings in mainland China and Hong Kong in respect of the Baisazhou Acquisition are set out below:

### In mainland China, proceedings concerning Ms. Wang, Tian Jiu and the CAP Group:

Major allegations of Ms. Wang and Tian Jiu included the following:

- (a) it is alleged that Baisazhou Agricultural forged share transfer agreements (the "**Contended Agreements**") in relation to the Baisazhou Acquisition wherein the related consideration was understated and the manner of settlement of the consideration was inaccurately described;
- (b) it is alleged that Baishazhou Agricultural forged the related documentation for filing with the PRC Ministry of Commerce ("**MOFCOM**") and the Hubei Administration For Industry and Commerce (the "**Hubei AIC**"), and that such documentation and the Contended Agreement involved forged signatures; and
- (c) it is alleged that MOFCOM and the Hubei AIC approved the Baisazhou Acquisition and processed the related filings on the basis of the above documents that are allegedly forged.

### (7) 資產抵押

於二零二零年三月三十一日，本集團之若干銀行貸款由總賬面值2,498,500,000港元(二零一九年：1,241,000,000港元)之本集團物業、廠房及設備、自用投資物業及該等物業所得若干租金收入、持作出售物業及按公平值經其他全面收益入賬之財務資產作抵押。

### (8) 財務擔保

於二零二零年三月三十一日，本集團就若干銀行向所出售物業之客戶提供之貸款以該等銀行為受益人向客戶提供擔保約63,500,000港元(二零一九年：無)。

## 訴訟

於二零零七年，中國農產品集團向獨立第三方王秀群女士(「**王女士**」)及武漢天九工貿發展有限公司(「**天九**」)收購彼等分別於武漢白沙洲農副產品大市場有限公司(「**白沙洲農副產品**」)之70%及20%權益(「**白沙洲收購事項**」)。

自二零一一年起，中國農產品集團於中國內地及香港面臨若干民事訴訟。於中國內地及香港有關白沙洲收購事項之主要民事訴訟載列如下：

### 於中國內地，有關王女士、天九及中國農產品集團之訴訟：

王女士及天九的主要包括下列各項：

- (a) 指控白沙洲農副產品偽造有關白沙洲收購事項之股份轉讓協議(「**爭議協議**」)，此協議內相關代價被低報，且對代價支付方式之描述亦不準確；
- (b) 指控白沙洲農副產品偽造於中國商務部(「**商務部**」)及湖北工商行政管理局(「**湖北工商局**」)存檔之相關文件，並指控有關文件及爭議協議涉及偽造簽名；及
- (c) 指控商務部與湖北工商局根據上述被指控偽造的文件批准白沙洲收購事項及處理相關文檔。



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In March 2020, CAP noted the judgment of the Supreme People's Court dated 31 December 2019 ("**31 December Judgment**"). In the 31 December Judgment, the Supreme People's Court dismissed the application of Ms. Wang and Tian Jiu for retrial and for dismissal of (i) the judgment of the Beijing Second Intermediate People's Court dated 31 March 2017 ("**31 March Judgment**") (which dismissed the application made by Ms. Wang and Tian Jiu to revoke the decision issued by MOFCOM that its approval issued in relation to the Contended Agreements shall not be revoked and shall remain to be in force), and (ii) the judgment of the Beijing High People's Court dated 20 December 2018 (which upheld the ruling of the Beijing Second Intermediate People's Court in the 31 March Judgment).

In other words, in the opinion of the Directors and as advised by the PRC legal adviser, the approval issued by MOFCOM in 2007 in relation to the Contended Agreements shall not be revoked and remain to be in force, and the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural under the PRC Laws.

This is consistent with the judgment issued by the Higher People's Court of Hubei Province in December 2019 which dismissed the counterclaims made by Ms. Wang and Tian Jiu against CAP therein for orders that (i) the share transfer agreements in relation to the acquisition of an aggregate 90% interest in Baisazhou Agricultural from Ms. Wang as to 70% thereof and Tian Jiu as to 20% thereof (the "**Contended Interests**") were void and invalid from the beginning, (ii) costs of the legal proceedings be paid to Ms. Wang and Tian Jiu, and (iii) the Contended Interests be returned to Ms. Wang and Tian Jiu.

於二零二零年三月，中國農產品注意到最高人民法院日期為二零一九年十二月三十一日之判決(「**十二月三十一日判決**」)。於十二月三十一日判決中，最高人民法院駁回王女士及天九關於重審及駁回(i)北京第二中級人民法院日期為二零一七年三月三十一日之判決(「**三月三十一日判決**」)，駁回王女士及天九申請撤銷商務部作出之決定，當中就爭議協議發出之批准將不予撤銷並繼續有效，及(ii)北京市高級人民法院日期為二零一八年十二月二十日之判決(維持北京第二中級人民法院於三月三十一日判決的判決)的申請。

換言之，董事認為及據中國法律顧問所告知，商務部於二零零七年就有關爭議協議發出之批准將不予撤銷並繼續有效，且中國農產品集團根據中國法律仍為白沙洲農副產品之合法實益擁有人。

這與湖北省高級人民法院於二零一九年十二月作出之判決一致。該法院於判決中駁回王女士及天九針對中國農產品提出之反申索，當中要求判令(i)有關向王女士(70%權益)及天九(20%權益)收購彼等於白沙洲農副產品的合共90%權益(「**爭議權益**」)的股份轉讓協議無效並自一開始便屬無效，(ii)法律訴訟費用由王女士及天九承擔，及(iii)爭議權益返還予王女士及天九。

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### In Hong Kong, CAP as plaintiff against Ms. Wang and Tian Jiu as defendant:

In 2011, CAP issued a Writ of Summons in the Hong Kong Court of First Instance (the “**Court**”) against Ms. Wang and Tian Jiu. CAP (as purchaser) sought damages from Ms. Wang and Tian Jiu (as vendors) for their breach of various provisions of the sales and purchase agreements for the Baisazhou Acquisition (the “**SPA**”).

In 2012, CAP obtained a court order from the Court to effect that undertakings (the “**Undertakings**”) were given by Ms. Wang and Tian Jiu not to (i) indorse, assign, transfer or negotiate the two instruments (purportedly described as promissory notes in the SPA) (the “**Instruments**”); and (ii) enforce payment by presentation of the Instruments until the final determination of the court action or further court order. Pursuant to the Undertakings, the Instruments will no longer fall due for payment by CAP on 5 December 2012. The parties are waiting for the Court to hand down the judgement.

For details with regard to the civil proceedings which the CAP Group has been involved in, please refer to the interim/annual reports and announcements issued by the CAP Group.

### Relationship with Employees, Suppliers and Customers

The Group recognises our employees as the key element that contributes to the Group’s success. As at 31 March 2020, the Group had 1,803 (2019: 685) employees, of whom 29.5% (2019: 78.8%) were located in Hong Kong and the rest were located in mainland China. The Group remunerated its employees based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options would also be granted to selected staff by reference to the Group’s performance as well as the individual’s performance. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong. Other benefits such as medical and retirement benefits and structured training programs were also provided. Meanwhile, the Group endeavours to provide a safe workplace to our employees. The Board believes that the Group maintains admirable relations with the employees.



於香港，中國農產品(作為原告)針對王女士及天九(作為被告)提出之訴訟：

於二零一一年，中國農產品於香港原訟法院(「法院」)向王女士及天九發出傳票令狀。由於王女士及天九(作為賣方)對白沙洲收購事項違反買賣協議(「買賣協議」)多項條文，中國農產品(作為買方)正向彼等尋求損害賠償。

於二零一二年，中國農產品接獲法院之法院令狀，令王女士及天九給予之承諾(「承諾」)生效，彼等向中國農產品承諾不會(i)對兩份文據(據稱是買賣協議之承兌票據)(「文據」)背書、分配、轉讓或磋商；及(ii)於出具文據時須強制付款，直至法院作出最終判決或進一步發出法院令狀為止。根據承諾，文據將不再到期，而令中國農產品於二零一二年十二月五日作出支付。訂約方正在等待法院作出判決。

有關中國農產品集團面臨之民事訴訟詳情，請參閱中國農產品集團發佈之中期／年度報告及公佈。

### 與僱員、供應商及客戶之關係

本集團認為僱員為本集團成功之關鍵所在。於二零二零年三月三十一日，本集團僱用1,803名(二零一九年：685名)僱員，其中29.5%(二零一九年：78.8%)僱員於香港工作，餘下僱員於中國內地工作。本集團按行業慣例以及個人表現及經驗給予僱員報酬。除定期報酬外，經參考本集團業績及個人表現後，選定之僱員會獲得酌情花紅及購股權。本集團亦根據香港法例第485章《強制性公積金計劃條例》規定就香港合資格僱員對強制性公積金作出定額供款。本集團亦向僱員提供醫療及退休福利以及系統之培訓課程等其他福利。此外，本集團竭力為僱員提供安全之工作環境。董事會認為本集團與僱員關係良好。

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Besides, the Group understands that it is important to maintain good relationship with the stakeholders, including business partners, suppliers, customers, shareholders, investors and bankers (the “**Stakeholder(s)**”) to achieve its long-term business growth and development. With an aim to enhancing the competitiveness of the brands of the Group, it endeavours to provide consistently high quality and large range of products to its customers and to build up and maintain a trustworthy and long-term relationship with its suppliers.

### Principle Risks and Uncertainties

The Group has examined the principal risks facing the Group through our risk management and internal control system and we consider that the major risks and uncertainties that may affect the Group included:

- (i) industrial policy risk: (a) with the deepening of medical system reform and the issuance of a number of industrial policies and laws in respect of medical charge control and control of medicines and certification for TCM significant effect may be brought to the future development of the pharmaceutical industry; and (b) the development, construction, operations and acquisition of agricultural produce exchange markets;
- (ii) low growth of customer base: due to the decrease in the number of mainland tourists and Hong Kong economy recession this year, the potential of our retail sales growth may face challenges;
- (iii) supply chain disruption: due to industrial issues, risks of supplier control and flexibilities, to deal with competitive pricings;
- (iv) cost control: may not always be able to implement cost control measures to effectively counter the effect of rising product cost and/or decrease in income;

另一方面，本集團意識到與業務夥伴、供應商、客戶、股東、投資者及銀行等持份者（「持份者」）維持良好關係，對促進本集團業務長期增長及發展至關重要。本集團致力為客戶提供質量可靠及種類豐富之產品組合，藉此提升本集團品牌競爭力，並與供應商建立長期可靠之合作關係。

### 主要風險及不確定因素

本集團已透過風險管理及內部監控系統檢討本集團面對的主要風險，並認為可能對本集團造成影響之主要風險及不確定因素包括：

- (i) 行業政策風險：(a) 隨著醫療系統改革深化及多項涉及醫療費用控制、醫藥控制及傳統中藥認證等方面之行業政策及法律之出台，可能會對醫藥行業未來發展產生深遠影響；及(b) 發展、建設、經營及收購農產品交易市場；
- (ii) 客戶基礎增長緩慢：由於年內內地遊客人數減少及香港經濟不景氣所致，我們零售銷售之增長潛力可能面臨挑戰；
- (iii) 供應鏈中斷：由於行業事件、供應商控制及靈活性風險，以具競爭力價格交易；
- (iv) 成本控制：未必總是能夠實施成本控制措施以有效抵銷產品成本上升及／或收入下降之影響；

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|---|--|
| (v) allowance for obsolete of inventory: allowance for obsolete of inventory due to weather, expiry date of unsold products and other damages;  | (v) 陳舊存貨撥備：天氣、未售出產品之到期日及其他損毀等造成之陳舊存貨撥備；                  |
| (vi) environmental protection policies: environmental impact, efficiency and security of key infrastructure;  | (vi) 環保政策：主要基礎設施之環境影響、效率及安全；                             |
| (vii) inability to penetrate emerging markets: may not be able to effectively penetrate traditional industries and traditional products into emerging markets;  | (vii) 無法搶佔新興市場：未必能夠快速搶佔新興市場之傳統行業及傳統產品；                   |
| (viii) respond to customer behaviour: may not be able to respond effectively to economy recession, consumers reduced consumption, reduction in consumer spending and change of impulsive shopping behavior; | (viii) 對客戶行為作出反應：未必能夠有效應對經濟低迷、消費者縮減消費、消費開支減縮及衝動性購物行為變化；  |
| (ix) volatility in retail rental: continuously increases in retail shops' rental may reduce our profitability if we are unable to pass on the effect of such increases to our customers; and                | (ix) 零售租金波動：如果我們無法將零售店租金持續上漲之影響轉嫁至客戶，則有關上漲可能會降低我們的盈利能力；及 |
| (x) foreign exchange: unfavourable fluctuations in the exchange rate may adversely affect the Group's cash flow and profits.  | (x) 匯率：匯率的不利波動可能會對本集團之現金流及盈利狀況造成不利影響。                    |

In response to the above mentioned possible risks, the Group has been closely monitoring the changes in the policies in Hong Kong and mainland China, and would strengthen our interpretation and analysis of policies and adjust strategies in advance to cope with the ever-changing operating environment. In particular, the Group will strengthen the marketing management to cope with changes in consumer behaviour and needs, closely control inventories, establish our own sales policies and product development, safety management and environmental protection level, and push forward the construction of lean management and risk control system. For possible risks, the Company would actively propose solutions to lower their impacts on the business of the Company.

針對上述潛在風險，本集團密切關注香港及國內的政策走向，加強政策分析研判，預先調整業務策略，以應付不斷變化之營商環境。特別是，本集團將加強營銷管理以應對消費者行為及需求變化，嚴格控制庫存水平，制定自身之銷售政策及產品開發、安全管理及環保水平及推進精簡管理風險控制系統建設。對於潛在之風險，本公司積極制定解決方案，降低有關風險對本公司業務之影響。





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### Prospects

The continuous social unrest in Hong Kong and outbreak of COVID-19 pandemic across continents and the Sino-US trade war have created unprecedented risks and challenges to both the PRC and Hong Kong's economy. The retail and trading environment in the PRC, Hong Kong and Macau will become very challenging as full of uncertainties are expected during this critical moment. Looking forward, we anticipate that slower or even negative economic growth, as reduced mainland inbound tourists to Hong Kong and rigid industry policies continue to negatively impact our retail performance, in particular in the individual visit zone of Hong Kong. We consider that retail sales in those areas will likely remain in the doldrums in the near term, while we do believe that the impact of these events on local consumption to be less severe. Facing this challenging environment, we will closely monitor the performance of our distribution channels and retail network in order to maintain competitive advantage through restructuring and integration of retail outlets together with developing and managing a team of experienced and well-trained Chinese doctors to serve our customers. We wish to become the largest Chinese doctor team in Hong Kong. Besides, we will make good use of our recognised brand to promote more business partners to join us as franchisees so as to maintain our strong retail presence in the market as well as lowering our overall operational risk and costs.

In addition, the Group will accelerate the development of its TCM products in mainland China and Macau which can diversify the risk of market uncertainty and explore on the aged group market, in particular the silver hair group, in Hong Kong. The national policy for Guangdong-Hong Kong-Macau Greater Bay Area, as a key development area, provides a bright prospect for TCM development. With the reputation "Wai Yuen Tong" brand established in Hong Kong and overseas over the past centuries, and given that its production factory was granted the certificate of GMP for Proprietary Chinese Medicine of Hong Kong and the standard certificate of the PIC/S by the Therapeutic Goods Administration of Australia, in the future when product regulation and market sale of Proprietary Chinese Medicine in the Greater Bay Area integrate, the Group will realise its great potential.

### 前景

香港持續不斷的社會動盪及各大洲爆發新型冠狀病毒肺炎疫情，以及中美貿易戰為中國及香港經濟帶來前所未有的風險與挑戰。由於預期這嚴峻時刻將充滿不確定因素，中國、香港及澳門之零售及貿易環境將變得舉步維艱。展望未來，由於內地訪港遊客減少以及嚴格的行業政策繼續對我們(尤其是香港個人遊區域)的零售表現造成負面影響，我們預計經濟增長放緩甚至負增長。我們認為，短期內該等地區之零售額或會保持低迷，但我們深信該等事件對本地消費影響較小。在這充滿挑戰的環境中，我們將密切監察分銷渠道及零售網絡之表現，透過重組及整合零售網點，以及發展及管理一支經驗豐富且訓練有素之中醫團隊服務客戶，維持競爭優勢。我們矢志成為香港最大規模的中醫團隊。此外，我們將善用我們的知名品牌，以吸引更多業務合作夥伴成為我們的專營商，從而維持我們於市場上的強大零售實力，同時降低我們的整體營運風險及成本。

此外，本集團將加快於中國內地及澳門開發其中醫藥產品，以分散市場不確定因素所造成的風險，並開拓香港的長者(尤其是銀髮族)市場。粵港澳大灣區作為重點開發區，其相關國家政策為中醫藥的發展帶來光明的前景。憑著「位元堂」品牌在香港地區及海外擁有百年信譽，生產廠房持有香港中成藥GMP認證及達到澳洲藥物管理局的PIC/S歐盟標準，於未來，當大灣區內中成藥產品規管和市場銷售融合，本集團將能發揮極大的潛力。



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In Macau, the Group will expand its retail market through opening more retail outlets in the coming years. We will also enhance the distribution channel by partnering with distributors and casino operators, etc, which will focus on distributing our TCM products to the key accounts in Macau.

Regarding our Western pharmaceutical business, we expect a favourable growth in the sale of cough syrup to the private clinic market in Hong Kong and to the PRC through other distributors.

The Group will continuously expand cooperation with scientific research institutes and, based on TCM formulas and taking quality control measures as "Made in Hong Kong" products, promote scientific development in terms of regulation of Chinese Medicine. We will continue to enhance our distribution network by penetrating into more local communities and diversify our product range to meet the needs of customers.

During early 2020, CAP has experienced challenges posed by COVID-19. In view of this, most of our agricultural produce exchange markets implemented health and hygiene measures to ensure the safety of all its employees, tenants and visitors. The epidemic has caused adverse impact to the performance of our markets, especially in Hubei Province, the PRC. However, as COVID-19 began to be under control, the performance of our markets has been returned to normal.

Agricultural development is the PRC central government's first priority policy for the next consecutive five years. The PRC government promises to promote investments in agricultural produce markets, expand agricultural produce network, build logistic infrastructure and storage facilities of agricultural products and improve regional cold storage infrastructure. We believe we could make use of the support from the PRC government to sustain the long term growth with the aim to delivering long term benefits to the shareholders of the Company.

本集團將於未來數年在澳門開設更多零售網點以擴展零售市場。我們亦將與分銷商及賭場營運商等合作改善分銷渠道，著重向澳門主要客戶分銷我們的中醫藥產品。

就我們的西藥業務而言，我們預期向香港私家診所市場銷售止咳露並透過其他分銷商售往中國將會帶來可觀的增長。

本集團不斷探索與不同科研機構合作，以中醫藥古方作為根基，以「香港製造」產品作為品質監控措施，推動中醫藥規管邁向科學化。我們將滲透到更多本地社區，以繼續加強我們的分銷網絡，並拓寬我們的產品範圍，以滿足客戶的需求。

於二零二零年初，中國農產品歷經新型冠狀病毒肺炎帶來的重重挑戰。有鑒於此，我們大部份的農產品交易市場均已採取健康及衛生措施，以確保我們所有員工、租戶及訪客的安全。該疫情已對我們的市場(尤其是中國湖北省的市場)表現構成不利影響。然而，隨著新型冠狀病毒肺炎開始受控，我們的市場表現已恢復正常。

農業發展是中國中央政府未來連續五年的首要政策。中國政府承諾推動農產品市場投資，擴展農產品網絡，建設物流基礎設施及農產品儲存設施，並完善區域性冷藏基礎設施。我們相信，我們可藉助中國政府的支持以維持長期增長，以期為本公司股東帶來長期利益。



# Board of Directors and Senior Management 董事會及高級管理層

“ The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy.

董事會須就本集團之業務及表現向持份者負責，其主要職能包括制訂整體策略。

”





# Board of Directors and Senior Management 董事會及高級管理層



## Board of Directors

### Executive Directors

**Mr. Tang Ching Ho**, SBS, JP, aged 58, was appointed as the Chairman of the Company in August 2001 and also assumed the role of Managing Director with effect from 1 April 2018. He is also an authorised representative and a member of the remuneration committee, the nomination committee and the executive committee of the Company. He is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of Wang On. Mr. Tang is the committee member of the 12th and 13th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") and is also appointed as a standing committee member and convener of the 10th to the 12th plenary sessions of the CPPCC Guangxi Zhuang Autonomous Region Committee. Mr. Tang is also appointed as the first executive chairman of the Federation of Hong Kong Guangdong Community Organisations and the chairman of Federation of Hong Kong Shenzhen Association. He is the brother of Ms. Tang Mui Fun and the father of Ms. Tang Wai Man, both are executive Directors.

**Mr. Chan Chun Hong, Thomas**, aged 56, was appointed as the Managing Director in August 2001 and was re-designed as an executive Director with effect from 1 April 2018. He is also an authorised representative and a member of the executive committee of the Company. He is responsible for managing the corporate matters of the Group. He is also the managing director of Wang On, the non-executive chairman of Wang On Properties Limited ("WOP") (stock code: 1243), the chairman and managing director of Easy One, the chairman and chief executive officer of CAP, all companies are listed on the Main Board of the Stock Exchange. He graduated from the Hong Kong Polytechnic University with a degree in Accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

## 董事會

### 執行董事

**鄧清河先生**，SBS，太平紳士，五十八歲，於二零零一年八月獲委任為本公司主席，並於二零一八年四月一日兼任為董事總經理。彼亦為本公司授權代表以及薪酬委員會、提名委員會及常務委員會成員。彼專責本集團策略規劃、制訂政策及業務發展。彼在企業管理方面具有豐富經驗，亦為宏安之主席。鄧先生為中國人民政治協商會議（「政協」）第十二屆及第十三屆全國委員會委員，亦獲委任為政協第十屆至第十二屆廣西壯族自治區政協常務委員會委員兼召集人。鄧先生同時獲委任為香港廣東社團總會首任執行主席及香港深圳社團總會會長。彼為執行董事鄧梅芬女士之胞兄及執行董事鄧蕙敏女士之父親。

**陳振康先生**，五十六歲，於二零零一年八月獲委任為董事總經理，並於二零一八年四月一日調任為執行董事。彼亦為本公司授權代表以及常務委員會成員。彼專責管理本集團企業事宜。彼亦為宏安董事總經理、宏安地產有限公司（「宏安地產」）（股份代號：1243）之非執行主席、易易壹之主席兼董事總經理及中國農產品之主席兼行政總裁，所有公司均為聯交所主板上市公司。彼畢業於香港理工大學，持有會計學學士學位，且為英國特許公認會計師公會資深會員及香港會計師公會會員。





# Board of Directors and Senior Management

## 董事會及高級管理層

**Ms. Tang Mui Fun**, aged 49, joined the Group in 2003 and was appointed as the executive Director in September 2007. Ms. Tang is a member of the executive committee of the Company. She is responsible for the overall strategic planning and development and policy making for the core business of the Group. Ms. Tang has extensive experience in pharmaceutical industry and has been re-appointed as a member of each of the Pharmacy and Poisons (Listed Sellers of Poisons) Committee and the Committee on Research and Development of Chinese Medicines on an ad personam basis, she is also elected as a member of each of Chinese Medicine Council of Hong Kong, Chinese Medicines Board and Chinese Medicines Committee. She graduated from the University of Hull (England) with a Bachelor degree in accounting. Prior to joining the Group, she had over two years of experience in the accounting and auditing fields and five years of experience in general management. She is a sister of Mr. Tang Ching Ho, the Chairman and Managing Director.

**Ms. Tang Wai Man**, aged 29, joined the Group in January 2016 and was appointed as an executive Director on 1 April 2018. She is also a member of the executive committee, the nomination committee and the remuneration committee of the Company. Ms. Tang is responsible for sales and marketing, channel sales and retail operation in Hong Kong and Macau of the Group. She graduated from University of Edinburgh, UK with a Master of Arts with Honors in Business Studies. Prior to joining the Group, she has worked for Wang On since July 2014 as an assistant to Wang On's chairman and other experience in financial analysis, sales and marketing and business development in a number of corporate bodies in Hong Kong and the United Kingdom. She is the daughter of Mr. Tang Ching Ho, the Chairman and Managing Director and the substantial and controlling shareholder (as defined in the Listing Rules) of the Company and a niece of Ms. Tang Mui Fun, an executive Director.

**鄧梅芬女士**，四十九歲，於二零零三年加入本集團，並於二零零七年九月獲委任為執行董事。鄧女士為本公司常務委員會成員。彼負責本集團核心業務之整體策略規劃及發展以及制定政策。鄧女士於藥劑業擁有豐富經驗，彼以個人身份再度獲委任為藥劑業及毒藥(列載毒藥銷售商)委員會以及中藥研究及發展委員會的成員。彼亦獲選為香港中醫藥管理委員會、中藥組以及中藥管理小組的成員。彼畢業於英格蘭赫爾大學，持有會計學學士學位。加入本集團前，鄧女士擁有逾兩年會計及核數經驗及五年常務管理經驗。彼為本公司主席兼董事總經理鄧清河先生之胞妹。

**鄧蕙敏女士**，二十九歲，於二零一六年一月加入本集團，並於二零一八年四月一日獲委任為執行董事。彼亦為本公司常務委員會、提名委員會及薪酬委員會成員。彼負責本集團於香港及澳門的策略銷售與市場推廣、渠道銷售及零售營運。彼畢業於英國愛丁堡大學，持有商業研究(榮譽)文學碩士學位。加入本集團前，彼自二零一四年七月起效力於宏安，擔任宏安主席助理並於若干香港及英國法團擁有財務分析、銷售及市場推廣，以及業務發展的其他經驗。彼為本公司主席兼董事總經理、主要及控股股東(定義見上市規則)鄧清河先生之女兒，亦為執行董事鄧梅芬女士之侄女。



# Board of Directors and Senior Management

## 董事會及高級管理層



### Independent Non-Executive Directors

**Mr. Leung Wai Ho, MH**, aged 70, was re-designated as an Independent Non-executive Director in April 2006 from a non-executive Director and he joined the Group in 1994. Mr. Leung is a member of the audit committee, the remuneration committee and the nomination committee of the Company. He has more than 55 years and 24 years of experiences in the watch industry and financial industry respectively. He is a member of the 11th and 12th plenary session of the National Committee of the CPPCC, the chairman of Greater Bay Area Committee (also being a Standing Committee Member) of The Chinese General Chamber of Commerce, a Committee Member of The Chinese Manufacturers' Association of Hong Kong, the Honorary President of the Hong Kong Chamber of Commerce in China – Guangdong and the Chartered President of the Dongguan City Association of Enterprises with Foreign Investment. Mr. Leung is also appointed as a candidate of 2016 Election Committee of HKSAR Chief Executive, Subsector – CPPCC.

**Mr. Siu Man Ho, Simon**, aged 46, joined the Company as an Independent Non-executive Director in August 2001. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Siu is a practising solicitor of the High Court of Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong in 1996 and is a partner of a law firm, namely Sit, Fung, Kwong & Shum, and a China-Appointed Attesting Officer. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu is also an independent non-executive director of each of Brilliant Circle Holdings International Limited (stock code: 1008), Shuang Yun Holdings Limited (stock code: 1706) and HKE Holdings Limited (stock code: 1726), all of which are listed on the Main Board of the Stock Exchange. Mr. Siu was appointed as the independent non-executive director of Weiye Holdings Limited (stock code: 1570) with effect from March 2016 and resigned from the position in December 2018.

### 獨立非執行董事

**梁偉浩先生, MH**, 七十歲, 於二零零六年四月由非執行董事調任為獨立非執行董事。梁先生於一九九四年加入本集團, 現為本公司審核委員會、薪酬委員會及提名委員會成員。彼於鐘錶業及金融業分別累積逾55年及24年豐富經驗。彼現時為政協第十一屆及第十二屆全國委員會委員、香港中華總商會粵港澳大灣區委員會主席(亦為常務會董)、香港中華廠商聯合會會董、中國香港(地區)商會—廣東區榮譽會長及東莞市外商投資企業協會榮譽會長。梁先生亦獲委任為二零一六年香港特別行政區行政長官選舉委員會(政協界別分組)的候選人。

**蕭文豪先生**, 四十六歲, 於二零零一年八月加入本公司, 出任獨立非執行董事, 為本公司審核委員會及提名委員會成員, 兼任本公司薪酬委員會主席。蕭先生為香港高等法院執業律師, 於一九九六年取得香港大學法律學士學位, 現為薛馮鄺岑律師行合夥人及中國委託公證人, 其專業包括企業融資、資本市場、證券、合併及收購、合營及一般商業事宜。蕭先生亦為貴聯控股國際有限公司(股份代號: 1008)、雙運控股有限公司(股份代號: 1706)及HKE Holdings Limited(股份代號: 1726)(均為聯交所主板上市公司)之獨立非執行董事。蕭先生自二零一六年三月起獲委任為偉業控股有限公司(股份代號: 1570)之獨立非執行董事並於二零一八年十二月辭去該職務。



# Board of Directors and Senior Management

## 董事會及高級管理層

**Mr. Cho Wing Mou**, aged 79, joined the Company as an Independent Non-executive Director in September 2001. He is a member of the audit committee and the remuneration committee of the Company and the chairman of the nomination committee of the Company. Mr. Cho was formerly a director and deputy general manager of Hua Chiao Commercial Bank Limited and a deputy general manager of The China State Bank Limited. He was a committee member of the 8th Political Consultative Conference Guangxi and is also a committee member of the 4th plenary session of the Guangxi Yulin Committee of the CPPCC, Life Chairman of Hong Kong Guangxi Yulin Friendship Association, the Life chairman and the advisor of Hong Kong Guangxi Yulin City CPPCC Association and Life Chairman of Gee Tuck General Association Hong Kong Limited.

**Mr. Li Ka Fai, David**, aged 65, joined the Company as an Independent Non-executive Director on 17 March 2015. He is the chairman of the audit committee of the Company. Mr. Li is currently the senior advisor of SHINEWING (HK) CPA Limited. He is a fellow member of The Association of Chartered Certified Accountants, U.K., Mr. Li is an independent non-executive director and the chairman of the audit committee of Shanghai Industrial Urban Development Group Limited (stock code: 563). Mr. Li is also an independent non-executive director, the chairman of the audit committee, member of the nomination committee and member of the remuneration committee of China-Hongkong Photo Products Holdings Limited (stock code: 1123), Cosmopolitan International Holdings Limited (stock code: 120) and Goldlion Holdings Limited (stock code: 533), an independent non-executive director, member of the audit committee, member of the nomination committee and the chairman of the remuneration committee of China Merchants Port Holdings Company Limited (stock code: 144), an independent non-executive director, member of the audit committee and member of the remuneration committee of AVIC International Holding (HK) Limited (stock code: 232), and an independent non-executive director, chairman of the remuneration committee of CR Construction Group Holdings Limited (stock code: 1582), all of such companies are being listed in Hong Kong.

**曹永牟先生**，七十九歲，於二零零一年九月加入本公司，出任獨立非執行董事，為本公司審核委員會及薪酬委員會成員兼本公司提名委員會主席。曹先生曾任職華僑商業銀行有限公司董事及副總經理，以及國華銀行有限公司副總經理。彼曾為政治協商會議第八屆廣西委員會委員，現為政協第四屆廣西玉林市委員會委員，香港廣西玉林市同鄉聯誼會永遠會長、香港廣西玉林市政协同鄉聯誼會永遠會長兼顧問以及香港至德總會永遠會長。

**李家暉先生**，六十五歲，於二零一五年三月十七日加入本公司，出任獨立非執行董事，為本公司審核委員會主席。李先生為信永中和（香港）會計師事務所有限公司之資深顧問及英國特許公認會計師公會資深會員。彼為上海實業城市開發集團有限公司（股份代號：563）之獨立非執行董事兼審核委員會主席。李先生亦為中港照相器材集團有限公司（股份代號：1123）、四海國際集團有限公司（股份代號：120）及金利來集團有限公司（股份代號：533）之獨立非執行董事、審核委員會主席、提名委員會成員兼薪酬委員會成員，招商局港口控股有限公司（股份代號：144）之獨立非執行董事、審核委員會成員、提名委員會成員兼薪酬委員會主席、中國航空工業國際控股（香港）有限公司（股份代號：232）之獨立非執行董事、審核委員會成員兼薪酬委員會成員，以及華營建築集團控股有限公司（股份代號：1582）之獨立非執行董事兼薪酬委員會主席（此等皆為香港上市公司）。





# Board of Directors and Senior Management

## 董事會及高級管理層



### Senior Management

**Mr. Chan Kin Man** is currently an Associate Director, Traditional Chinese Medicine Strategic Development of WYT Medicine Group. He is responsible for overall strategic planning on product marketing field and new product development. Prior to the joining the Group in 2004, he has more than 8 years of experience in 4A advertising agency Leo Burnett and DY&R. Mr. Chan graduated from the University of Hong Kong with a Bachelor of Chinese Medicine (BChinMed), and obtained a MBA at the University of Wales, Aberystwyth (UK). He is a Registered Chinese Medicine Practitioner under the Chinese Medicine Practitioners Board of the Chinese Medicine Council of Hong Kong.

**Mr. Tang Shiu Cheong, Sammy** joined the Group in April 2018, as the Sales & Marketing Director for Western Medicine of the Group. Sammy is responsible for overall strategy for Western Medicine including marketing, sales and new product planning. He is also one of the key persons to define the long term strategy and direction for Western Medicine business of the Group. Prior to joining the Group, he has over 20 years of experience in multinational companies. Most of his experience was with Eli Lilly Asia, Inc. with various positions including sales, marketing management, business development and also as senior management for more than 15 years. He also has extensive pharmaceutical marketing & sales experience in both Hong Kong and China with proven track records. Mr. Tang holds Bachelor degree of Science and BBA in Management from universities in Hong Kong.

**Dr. Tsang Yuen Wo** joined the Group in September 2018 and he is currently the Director (Technical) of both the WYT Medicine Group and the Luxembourg Medicine Group, principal subsidiaries of the Group. He is responsible for technical operations of the Group including quality assurance, quality control, production, research and development, engineering and logistic issues. Dr. Tsang received his BSc(Pharm)(Hons) degree at the Aston University and the PhD degree at the University of Sydney. He is a registered pharmacist and a registered Authorized Person of the Pharmacy and Poisons Board of Hong Kong. He has more than 20 years of experience in the pharmaceutical industry. Academically, Dr. Tsang is currently the Honorary Associate Professor of the Department of Pharmacology and Pharmacy, Li Ka Shing Faculty of Medicine, the University of Hong Kong and the Adjunct Associate Professor, College of Life Sciences and Technology, the School of Professional and Continuing Education, the University of Hong Kong. He is also the Managing Editor of the Hong Kong Pharmaceutical Journal.

### 高級管理層人員

**陳健民先生**現為位元堂藥業集團中藥戰略發展部副主任。彼負責產品推廣領域及新產品開發的整體戰略規劃。於二零零四年加入本集團之前，彼於4A廣告公司Leo Burnett及DY&R任職逾八年。陳先生畢業於香港大學，取得中醫全科醫學士學位，並從英國威爾斯亞伯里斯威斯大學取得工商管理碩士學位。彼為香港中醫藥管理委員會中醫組的註冊中醫師。

**鄧兆昌先生**於二零一八年四月加入本集團，出任本集團的西藥銷售及市場推廣總監。彼負責西藥的整體策略，包括營銷、銷售和新產品規劃。彼亦為確定本集團西藥業務長期策略及方向的關鍵人員之一。加入本集團前，彼於跨國公司擁有逾20年經驗。當中，彼主要於Eli Lilly Asia, Inc.擔任銷售、市場推廣管理及業務發展等多個職位，亦任職高級管理層逾15年。彼亦具有豐富的香港和中國醫藥市場推廣和銷售經驗，並擁有良好的往績記錄。鄧先生持有香港之大學的理學學士學位及管理學學士學位。

**曾遠和博士**於二零一八年九月加入本集團，現為本集團主要附屬公司位元堂藥業集團及盧森堡藥業集團的技術總監。彼負責本集團的技術運作，包括質量保證、質量控制、生產、研發、工程及物流事宜。曾博士獲阿斯頓大學頒發藥劑學士(榮譽)學位及悉尼大學博士學位。彼為香港藥劑業及毒藥管理局的註冊藥劑師及註冊認可人士。彼從事製造業擁有逾20年經驗。學術方面，曾博士目前為香港大學李嘉誠醫學院藥理及藥劑學系的名譽副教授及香港大學專業進修學院健康及應用科學部客席副教授。彼亦為香港藥學雜誌行政編輯。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

“ We are committed to gradually integrating principles of sustainable development into our daily operations, shouldering our corporate social responsibility while improving the Group’s operational efficiency and competitiveness.

我們致力將可持續發展原則  
逐步融入至日常營運，  
在肩負企業社會責任的同時，  
改善本集團之營運效率及競爭力。

”



# Environmental, Social and Governance Report

## 環境、社會及管治報告



### About the Report

The fourth “Environmental, Social and Governance Report” (the “**Report**”) issued by the Company aims to fulfil the Group’s commitments and allow stakeholders to better understand the Group’s development direction by continuing to report on the Group’s latest policies, measures and performance in environment, social and governance aspects. The Report has been prepared in both Chinese and English versions and will be uploaded to the website of HKEX news ([www.hkexnews.hk](http://www.hkexnews.hk)) and the “Investor Relations” section of the Company’s website ([www.wyth.net](http://www.wyth.net)).

### Reporting Year and Scope

As CAP (stock code: 0149) is listed separately and will issue an ESG Report, the Report focuses on the main measures and performance of Group’s two core businesses, operating income of which accounted for 91.4% of the Group’s total revenue, on environmental, social, and governance aspects during the financial year from 1 April 2019 to 31 March 2020 (the “**Year**”). The Report currently covers the Group’s headquarters office and the Yuen Long Factory in Hong Kong, as well as the office in Shenzhen (collectively referred to as “**Operating Sites**”), and does not include the Wai Yuen Tong retail shops. As the factories and dormitory buildings now located in mainland China are managed by production contractors, they are not included in the scope of the Report.

### 關於本報告

本公司發表的第四份「環境、社會及管治報告」（「**本報告**」），旨在繼續透過匯報本集團於環境、社會及管治方面的最新政策、措施及成效，以實踐本集團的承諾並讓持份者更加了解本集團的發展方向。本報告以中、英文編寫，並已上載至披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.wyth.net](http://www.wyth.net))中「投資者關係」一欄。

### 報告年度及範圍

由於中國農產品(股份代號：0149)獨立上市並將自行發佈《環境、社會及管治報告》，本報告聚焦本集團於二零一九年四月一日至二零二零年三月三十一日之財政年度(「**年內**»)的下列兩大核心業務在環境、社會及管治方面的主要舉措和績效，有關營運收益佔本集團總收益91.4%。本報告目前覆蓋本集團位於香港的總部辦公室和元朗廠房，以及位於深圳的辦公室(統稱「**各營運點**」)，暫不包括位元堂零售店舖。由於現時位於中國內地的廠房及宿舍大樓由生產外判商管理，故不納入本報告範圍。

#### Production and sale of Chinese pharmaceutical and health food products

生產及銷售中藥及保健食品產品業務

- Operated by WYT Medicine Company Limited  
由位元堂藥廠有限公司營運
- Holds the widely-known century-old Chinese medicine brand “Wai Yuen Tong”  
持有家傳戶曉「位元堂」之百年中藥品牌

#### Production and sale of Western pharmaceutical and health food products

生產及銷售西藥及保健食品產品業務

- Operated by Luxembourg Medicine Group  
由盧森堡大藥業集團營運
- Holds the renowned Western medicine health brands “Madame Pearl’s” and “Pearl’s”  
持有著名的「珮夫人」及「珮氏」西藥保健品牌

The Group’s revenue from Property Investments and the investments in Easy One (stock code: 221)<sup>1</sup> and CAP (stock Code: 149)<sup>1</sup> accounted for less than 10% of the Group’s total revenue, and therefore are not included in the scope of the Report. The Group will review the scope of the Report on a regular basis in accordance with the reporting principle of materiality to ensure that investors and other stakeholders are provided with more comprehensive information.

本集團的物業投資及於易易壹(股份代號：221)<sup>1</sup>及中國農產品(股份代號：149)<sup>1</sup>的投資收益佔本集團總收益不足10%，故未納入本報告範圍。本集團將定期以重要性為原則檢視報告範圍，確保為投資者及其他持份者提供更為全面的資訊。

<sup>1</sup> Easy One is an associate of the Group and principally engaged in the businesses of property development in mainland China and provision of finance and securities brokerage services in Hong Kong. CAP is a subsidiary of the Group and principally engaged in the businesses of management and sale of properties in agricultural produce exchange markets in mainland China. Such companies are listed on the Main Board of the Stock Exchange and will independently publish the Environmental, Social and Governance Report.

<sup>1</sup> 易易壹為本集團的聯營公司，主要於中國內地從事物業發展業務及於香港提供融資及證券經紀服務。中國農產品為本集團的附屬公司，主要於中國內地從事農產品交易市場物業管理及銷售。該等公司於聯交所主板上市並將獨立發佈《環境、社會及管治報告》。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Reporting Standards

The Report is prepared in accordance with the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (the “Guide”) under Appendix 27 to the Listing Rules. The four reporting principles set forth therein underpin the preparation of the Report. In addition to compliance with the “comply or explain” requirements, the Report also discloses selected social KPIs under the “recommended disclosures” in the Guide. A complete content index is inserted in the last chapter of the Report for readers’ reference to the Guide.

### 報告準則

本報告遵從上市規則附錄二十七《環境、社會及管治報告指引》(「指引」)中有關「不遵守就解釋」的條文規定，並以其載列的四項匯報原則作為編寫報告的基礎。在遵守有關「不遵守就解釋」規定之上，本報告亦匯報部份《指引》中「建議披露」的社會關鍵績效指標。本報告最後一章附有完整索引，以便讀者按《指引》閱讀本報告。

| Reporting principles<br>匯報原則 | Definitions<br>釋義  | Application of the Group<br>本集團的應用  |
|------------------------------|--|---|
| Materiality                  | The report should disclose the significant impacts of the organization on the environment and society, or aspects substantively influence the stakeholders’ assessments of the organisation and their decision-making. | Taking into account the nature of the Group’s business and the way it operates, the Board has determined six material issues and made primary disclosure thereon in the Report. For details about the evaluation process, please refer to the section headed “STAKEHOLDER ENGAGEMENT”.  |
| 重要性                          | 報告應匯報機構對環境及社會的重要影響，或實質上影響持份者評估機構及作出決策的範疇。  | 考慮到本集團的業務性質及營運方式，董事會釐定六項重要議題，並於報告中進行重點匯報。具體評估過程請參閱「持份者溝通」章節。  |
| Quantitative                 | The report should disclose KPIs in quantitative terms. Comparable data should be provided where appropriate.   | Wherever possible, the Group would record, calculate and disclose quantitative information. In addition, the Group has commissioned an external consulting company to conduct carbon assessment in accordance with domestic and international standards such as Guidelines for Accounting and Reporting Greenhouse Gas Emissions – Food, Tobacco, Alcohol, Beverage and Purified Tea Manufacturing Enterprises in China (Trial), Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, and ISO14064-1. For details, please refer to the section headed “SUMMARY OF KEY PERFORMANCE INDICATORS”. |
| 量化                           | 報告應以可予計量的方式披露關鍵績效指標。並在適當情況下提供比較數據。   | 在可行情況下，本集團紀錄、計算及披露量化資訊。此外，本集團委託外部顧問公司進行碳評估，碳評估根據《中國食品、煙草及酒飲料和精製茶企業溫室氣體排放核算方法與報告指南(試行)》、《香港建築物(商業、住宅或公共用途)的溫室氣體排及減除的核算和報告指引》，以及ISO14064-1等國內及國際標準進行。詳情請參閱「關鍵績效指標總覽」章節。   |

# Environmental, Social and Governance Report

## 環境、社會及管治報告



| Reporting principles<br>匯報原則 | Definitions<br>釋義   | Application of the Group<br>本集團的應用  |
|------------------------------|---|---|
| Balance                      | The organisation should prepare the report in an unbiased manner, to ensure it gives a clear picture of positive and negative impacts, enabling stakeholders to reasonably evaluate the overall performance of the organisation.      | The Group not only describes the measures and performance in environmental, social and governance aspects in the Report, but also states the challenges it faces and the solutions thereto.   |
| 平衡                           | 機構應以不偏不倚的態度編制報告，確保清晰反映其正面及負面影響，讓持份者可合理地評估機構的整體績效。   | 本集團不僅於本報告闡述在環境、社會及管治方面的措施和績效，亦陳述所面對的挑戰及解決方案。  |
| Consistency                  | Consistent methodologies should be adopted for disclosure in the Report to help stakeholders analyse and evaluate the historical and current performance of the organisation. The organisation should explain changes in any methods. | Unless otherwise stated, the Group adopts the same methods as the previous year for data collection. For details, please refer to the section headed "SUMMARY OF KEY PERFORMANCE INDICATORS". |
| 一致性                          | 報告披露應採用一致的披露統計方法，以助持份者分析及評估機構過往及現時的績效。機構應就任何方法的變更作出解釋。  | 除特別註明外，本集團採用與上年度一致的方法統計數據。詳情請參閱「關鍵績效指標總覽」章節。  |

### Confirmation and Approval

Information contained herein is sourced from the official documents and statistical data of the Group. The Report had been confirmed and approved by the Board on 30 June 2020.

### 確認及批准

本報告引用的所有資料均來自本集團的官方文件及統計數據。本報告已於二零二零年六月三十日獲董事會確認及批准。

### Opinion and Feedback

Stakeholders' opinions help the Group develop a more detailed and comprehensive sustainability strategy in the future. Comments or recommendations of stakeholders in respect of the Group's environmental, social and governance performance are greatly valued by the Group. If you have any questions or suggestions regarding the contents or reporting format of the Report, please contact the Company by email (pr@waiyuentong.com).

### 意見反饋

持份者的意見有助本集團於未來建立更仔細和健全的可持續發展策略。本集團歡迎各持份者就本集團於環境、社會及管治方面的表現提出任何意見或建議。如閣下對本報告的內容或匯報形式有任何疑問或建議，歡迎透過電郵 (pr@waiyuentong.com) 與本公司聯絡。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SUSTAINABILITY PERFORMANCE OVERVIEW

### 可持續發展績效一覽

| Environmental  | 環境  |
|--|---|
| <b>Emissions</b>   | <b>排放物</b>                                      |
| Total carbon emissions   | 碳排放總量   |
| 3,830.9 tonnes CO <sub>2</sub> e   | 3,830.9公噸二氧化碳當量                                 |
| Total waste generation   | 產生廢物總量  |
| 653.8 tonnes   | 653.8公噸   |
| <b>Resources</b>   | <b>資源</b>                                       |
| Total energy consumption   | 能源消耗總量  |
| 8,134.1 MWh  | 8,134.1兆瓦時                                      |
| Total water consumption  | 耗水總量  |
| 37,577 m <sup>3</sup>  | 37,577立方米                                       |
| Total packaging material consumption   | 包裝材料消耗總量  |
| 396.9 tonnes   | 396.9公噸   |
| Electric vehicles have been introduced into the company fleet to reduce exhaust gas and carbon emissions generated by traditional vehicles   | 公司車隊引入電動車，減少傳統汽車產生的廢氣及碳排放                       |
| The Yuen Long Factory is equipped with grey water treatment facilities to recycle wastewater and enhance utilisation of water resource       | 元朗廠房設棕水處理設施循環廢水，增加水資源利用率                        |
| Social   | 社會  |
| <b>Employee</b>  | <b>員工</b>                                       |
| Number of employees  | 僱員數目  |
| 507 (Hong Kong)  | 507(香港)   |
| 125 (Mainland China)   | 125(中國內地)                                       |
| Female to male ratio   | 女性：男性比例   |
| 1:0.56   | 1:0.56  |
| <b>Customer</b>  | <b>顧客</b>                                       |
| The Yuen Long Factory holds a number of quality certifications:  | 元朗廠房持有多項品質認證：                                   |
| GMP (issued by Chinese Medicine Council of Hong Kong)  | GMP(由香港中醫藥管理委員會頒發)                              |
| PIC/S (issued by the Therapeutic Goods Administration of Australia)  | PIC/S(由澳洲藥物管理局頒發)                               |
| ISO 22000 Food Safety Management System  | ISO 22000食品安全管理體系                               |
| HACCP Hazard Analysis and Critical Control Points  | HACCP危害分析和關鍵控制點                                 |
| <b>Community</b>   | <b>社區</b>                                       |
| Donation   | 捐款  |
| HK\$1,798,000  | 1,798,000港元                                     |
| <b>Donations</b>   | <b>捐款</b>                                       |
| During the year, the Group made charitable and other donations totaling approximately HK\$1.8 million (2019: approximately HK\$0.5 million). | 年內，本集團之慈善及其他捐款合共約1,800,000港元(二零一九年：約500,000港元)。 |

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### SUSTAINABILITY GOVERNANCE

Good corporate governance practices can effectively lead the Group in establishing and realising long-term strategies and objectives. The Board is committed to upholding high standards of corporate governance by maintaining appropriate and effective risk management and internal control systems in daily operations and gradually establishing a sustainability governance system to constantly enhance sustainable development performance and seize and respond to related opportunities and risks.

#### Management Approach

During the Year, the Group reviewed the existing policies and measures and formulated the Environmental, Social and Governance Policy. The policy sets out the Group's management policies in the areas of environmental protection, employment management, operational responsibility and community investment to provide a unified framework for business departments when formulating and refining work guidelines and specific measures applicable to actual operations, so as to jointly integrate sustainable development into daily management.

### 可持續發展管治

良好的企業管治常規能有效領導本集團建立和實現長遠策略和目標。董事會致力秉持高水平的企業管治，在日常營運中維持合適而有效的風險管理及內部監控系統，並逐步建立可持續發展管治體系，以提升可持續發展表現，把握和應對相關機遇與風險。

#### 管理方針

年內，本集團檢視現行政策及措施，並制定了《環境、社會及管治政策》。該政策列明本集團在環境保護、僱傭管理、營運責任及社區投資等範疇的管理方針，旨在為業務部門於訂立和完善適用於實際營運的工作指引和具體措施時，提供統一框架，以共同將可持續發展融入日常管理。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

| Area<br>範疇                         | Management policy<br>管理方針   |
|------------------------------------|---|
| Environmental protection<br>環境保護   | The Group complies with all applicable laws and regulations and industry norms, adheres to the philosophy of "green development and operation", and strives to improve the environmental performance of the Group through measures such as increasing the efficiency of resource use, in order to ensure the harmonious development of corporate operations and the ecological environment.<br>本集團遵守所有適用的法律法規和行業規範，堅持「綠色發展及營運」的理念，致力通過增加資源使用效率等措施，提高本集團的環境表現，確保企業營運與生態環境的和諧發展。  |
| Employment management<br>僱傭管理      | The Group attaches great importance to the comprehensive development of employees and strives to create a happy, secure, diverse and safe working environment that enables employees to fully realize their self-worth. In addition, the Group pays attention to the development and cultivation of talents, providing comprehensive training and development plans and building a competitive employment and training system that protects the rights and interests of employees. Meanwhile, the Group strictly prohibits employment of child labour or forced labour in corporate operations or by its business partners.<br>本集團重視員工的全面發展，致力打造幸福、安心、多元化且安全的工作環境，讓員工充分實現自我價值。此外，本集團關注人才的開發與培養，提供綜合培訓和發展計劃，建構具競爭力且保護員工權益的就業和培訓體系。同時，本集團嚴禁企業營運或其商業夥伴，僱用童工或強迫勞動。  |
| Operational responsibility<br>營運責任 | The Group ensures that suppliers comply with the Group's requirements on quality, environment and safety by working closely with them. To provide customers with high-quality and safe products and services, the Group has formulated and continuously reviewed the quality management system and guidelines. The Group also strives to protect the privacy of customer data and maintain communication with external stakeholders using accurate information. To prevent corruption and violations of professional ethics, the Group requires employees to abide by relevant laws and regulations and establishes channels for reporting corruption cases, practicing responsible business operations.<br>本集團通過與供應商緊密合作，確保其遵守本集團於質量、環境和安全等方面的要求。為向顧客提供優質安全的產品和服務，本集團制定並持續檢討質量管理體系及指引。本集團亦致力保障顧客資料私隱，並以準確資訊與外部持份者保持溝通。針對防範貪污和違反職業道德的行為，本集團要求員工遵守有關法律法規，並建立貪污個案舉報渠道，踐行負責任的企業營運模式。 |
| Community investment<br>社區投資       | The Group strives to understand the needs of the communities where it operates, support work relating to civil infrastructure, health and public welfare poverty alleviation, and bring positive impact to the community through its own expertise and cooperation with other organizations.<br>本集團致力通過自身專業知識和與其他機構合作，了解營運所在地的社區需求，支持民生基建、健康和公益扶貧相關工作，為社區帶來正面影響。  |

To improve sustainability governance, the Group will set up an environmental, social and governance working group that reports to the Board and is responsible for formulating long-term sustainable development strategies, policies and measures and reviewing the progress and performance of related work.

為提升可持續發展管治水平，本集團將會成立一個向董事會匯報的環境、社會及管治工作小組，負責制訂長遠可持續發展策略、政策和措施，以及檢視相關工作的進展和績效。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Risk Management and Internal Control

The Board is responsible for ensuring that the current risk management and internal control system of the Group is appropriate and effective, evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and formulating procedures to address significant risks. The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis; and the management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate measures are in place to protect the interests of the Group and stakeholders. In addition, the Group also engages an external consulting company to review the effectiveness and efficiency of the Group's risk management and internal control systems. During the Year, the external consultants did not identify any significant defects and shortcomings in the internal control system. Relevant conclusions and recommendations have been reviewed by the Audit Committee and the Board. For details of the risk management and internal control systems, please refer to page 92 of this annual report.

### 風險管理及內部監控

董事會負責確保本集團現行的風險管理及內部監控系統合適且有效，並評估及釐定達致本集團策略目標時願意承擔的風險性質及程度，以及制定程序回應重大風險。審核委員會持續審閱對本集團重大的風險管理及內部監控措施；而本集團管理層則負責設計、維持、落實及監察風險管理及內部監控系統，確保存在充足措施以維護本集團及各持份者利益。此外，本集團亦委聘外部顧問公司審查本集團風險管理及內部監控系統的效力及效率。年內，外部顧問概無識別出內部監控制度存在任何重大缺陷及缺點，相關結論及建議已經審核委員會及董事會審閱。有關風險管理及內部監控系統的詳情，請參閱本年報第92頁。

The Group has taken the following four steps to further reduce the impacts of various risks on the Group's operations.

本集團已通過以下四項步驟，進一步減少不同風險對本集團營運的影響。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

During the Year, the environmental, social and governance risks identified by the Group and related management strategies are as follows.

年內，本集團識別出的環境、社會及管治風險和有關管理策略如下。

| Main risks<br>主要風險                      | Risk description<br>風險描述   | Management strategy<br>管理策略  |
|---|--|--|
| Industry policy risk<br>行業政策風險          | With the deepening of medical system reform and the issuance of a number of industrial policies and laws in respect of medical charge control, control of medicines and certification for Traditional Chinese Medicine, significant effect may be brought to the future development of the pharmaceutical industry<br>隨著醫療系統改革深化及多項涉及醫療費用控制、醫藥控制及傳統中藥認證等方面之行業政策及法律之出台，可能會對醫藥行業未來發展產生深遠影響 | To ensure that the product quality meets the requirements of various parties, the Yuen Long Factory of the Group has obtained a number of relevant certifications, including Hong Kong's Certificate of Good Manufacturing Practice ("GMP") for Proprietary Chinese Medicine, ISO 22000:2005 Food Safety Management System certification, and "Pharmaceutical Inspection Co-operation Scheme" ("PIC/S") standard of Therapeutic Goods Administration of Australia. In addition, the Group has established internal quality and production management rules in accordance with various pharmaceutical standards.<br>為確保產品質量符合各方要求，本集團元朗廠房目前已獲得多項相關認證，包括香港《中成藥生產質量管理規範》(「GMP」)認證、ISO 22000:2005食品安全管理體系認證以及澳洲藥物管理局「國際醫藥品稽查協約組織」(「PIC/S」)標準。此外，本集團根據不同製藥標準建立了內部品質及生產管理規範。   |
| Environmental protection policy<br>環保政策 | Environmental impact, efficiency and security of key infrastructure<br>主要基礎設施之環境影響、效率及安全   | In order to further standardize the Group's environmental management strategy, the Group has formulated the Environmental, Social and Governance Policy during the Year to specify the Group's policies in different areas of environmental protection in a bid to minimize the impact of its operations on the environment. To further standardize the Group's environmental management strategy, the Group has formulated the Environmental, Social and Governance Policy during the Year to specify the Group's policies in different areas of environmental protection in a bid to minimize the impact of its operations on the environment. To further standardize the Group's environmental management strategy, the Group has formulated the Environmental, Social and Governance Policy during the Year to specify the Group's policies in different areas of environmental protection in a bid to minimize the impact of its operations on the environment.<br>為進一步規範本集團的環境管理策略，本集團已於年內制訂《環境、社會及管治政策》，明確本集團於環境保護不同範疇的方針，力求減少營運對環境的影響。 |

With the development of society and the advancement of science and technology, risks related to the environment and society are constantly changing. Going forward, the Group will gradually incorporate more sustainability elements into the risk management system to promptly update the Group's risks in this regard and formulate mitigating plans.

隨著社會發展和科技進步，各種與環境及社會相關的風險亦不斷改變。展望未來，本集團將逐步於風險管理系統中融入更多可持續發展因素，以適時更新本集團在該方面的風險及制訂應對方案。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Compliance Performance

The Group understands the importance of complying with the relevant laws and regulations in the place of operation for the operation of the Group. Violation of the laws and regulations may expose the Group to regulatory and litigation risks and affect the Group's reputation, finance and business operations. As such, the Group has formulated and continuously reviewed existing management policies, standards and practices to ensure that the Group's operations comply with legal and regulatory requirements.

The businesses of the Group are subject to various regulations, including but not limited to the following main applicable laws and regulations. During the Year, the Group did not find any cases of violation of the following laws and regulations, nor did it find any cases of corruption related to the Group and its employees. The Group will continue to review the impact of various laws and regulations on the Group, and formulate or update corresponding management policies.

### 合規表現

本集團明白遵守營運所在地相關法律法規對於本集團營運的重要性，若違反法律法規，則可能面臨監管及訴訟風險及對本集團聲譽、財務及業務經營造成影響。為此，本集團已制訂及持續檢討現有管理政策、準則和慣例，確保本集團營運符合法律及監管要求。

本集團業務受到不同的監管，包括但不限於下列主要相關法律法規。年內，本集團並發現與下列法律法規相關的違法違規個案，亦無發現任何與本集團及員工相關的貪污訴訟案件。本集團將持續審視不同法律法規對本集團的影響，並制訂或更新相應管理政策。

| Aspect<br>層面     | Main applicable laws and regulations<br>主要相關法律法規   |
|------------------|--|
| Emissions<br>排放物 | Air Pollution Control Ordinance<br>《空氣污染管制條例》<br>Water Pollution Control Ordinance<br>《水污染管制條例》<br>Waste Disposal Ordinance<br>《廢物處置條例》<br>Environmental Protection Law of the People's Republic of China<br>《中華人民共和國環境保護法》<br>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution<br>《中華人民共和國大氣污染防治法》<br>Law of the People's Republic of China on Prevention and Control of Water Pollution<br>《中華人民共和國水污染防治法》<br>Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution<br>《中華人民共和國固體廢物污染防治法》 |

# Environmental, Social and Governance Report

## 環境、社會及管治報告

| Aspect<br>層面                               | Main applicable laws and regulations<br>主要相關法律法規  |
|--|---|
| Employment and labour standards<br>僱傭及勞工準則 | Employment Ordinance<br>《僱傭條例》<br>Employees' Compensation Ordinance<br>《僱員補償條例》<br>Sex Discrimination Ordinance<br>《性別歧視條例》<br>Disability Discrimination Ordinance<br>《殘疾歧視條例》<br>Family Status Discrimination Ordinance<br>《家庭崗位歧視條例》<br>Personal Data (Privacy) Ordinance<br>《個人資料(私隱)條例》<br>Labour Law of the People's Republic of China<br>《中華人民共和國勞動法》<br>Labour Contract Law of the People's Republic of China<br>《中華人民共和國勞動合同法》<br>Social Insurance Law of the People's Republic of China<br>《中華人民共和國社會保險法》<br>Labour Law of the People's Republic of China<br>《中華人民共和國勞動法》<br>Law of the People's Republic of China on Protection of Minors<br>《中華人民共和國未成年人保護法》 |
| Health and safety<br>健康與安全                 | Factories and Industrial Undertakings Ordinance<br>《工廠及工業經營條例》<br>Occupational Safety and Health Ordinance<br>《職業安全及健康條例》<br>Dangerous Goods Ordinance<br>《危險品條例》<br>Fire Safety Ordinance<br>《消防安全條例》<br>Production Safety Law of the People's Republic of China<br>《中華人民共和國安全生產法》<br>Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases<br>《中華人民共和國職業病防治法》<br>Regulation on Work Related Injury Insurances of the People's Republic of China<br>中華人民共和國《工傷保險條例》   |

# Environmental, Social and Governance Report

## 環境、社會及管治報告



| Aspect<br>層面                   | Main applicable laws and regulations<br>主要相關法律法規   |
|--------------------------------|--|
| Product responsibility<br>產品責任 | Chinese Medicine Ordinance<br>《中醫藥條例》<br>Registration regulations of proprietary Chinese medicines<br>中成藥註冊法規<br>Food Adulteration (Metallic Contamination) Regulations, Pesticide Residues in Food Regulation, and Food Safety Ordinance of the Centre for Food Safety<br>食物安全中心《食物摻雜(金屬雜質含量)規例》、《食物內除害劑殘餘規例》及《食物安全條例》<br>Trade Descriptions Ordinance<br>《商品說明條例》<br>Personal Data (Privacy) Ordinance<br>《個人資料(私隱)條例》<br>Advertising Law of the People's Republic of China<br>《中華人民共和國廣告法》<br>Trademark Law of the People's Republic of China<br>《中華人民共和國商標法》 |
| Anti-corruption<br>反貪污         | Prevention of Bribery Ordinance<br>《防止賄賂條例》<br>Anti-Money Laundering and Counter-Terrorist Financing Ordinance<br>《打擊洗錢及恐怖分子資金籌集條例》<br>Criminal Law of the People's Republic of China<br>《中華人民共和國刑法》<br>Anti-Money Laundering Law of the People's Republic of China<br>《中華人民共和國反洗錢法》<br>Anti-Unfair Competition Law of the People's Republic of China<br>《中華人民共和國反不正當競爭法》<br>Tendering and Bidding Law of the People's Republic of China<br>《中華人民共和國招標投標法》   |



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### STAKEHOLDER ENGAGEMENT

The Group maintains constant communication with stakeholders to understand their expectations of the Group on environmental, social and governance issues. The stakeholders of the Group include groups and individuals who have significant impact on or will be affected by the Group's business, including employees and employee organisations, shareholders and investors, suppliers and business partners, customers, regulators, and the community. During the Year, the Group maintained open communication with stakeholders through various channels to understand their opinions and suggestions, thereby helping the Group formulate more comprehensive management policies and measures.

### 持份者溝通

本集團與持份者保持恆常溝通，以了解他們對本集團於環境、社會及管治議題上的期望。本集團的持份者指對集團業務有重大影響，或會受集團業務影響的群體和個人，包括員工及員工組織、股東及投資者、供應商及業務夥伴、顧客、監管機構及社區等。年內，本集團透過多種渠道與持份者保持開放溝通，以了解持份者的意見與建議，從而幫助本集團制訂更為完善的管理政策與措施。

#### Means of communication with key stakeholders during the Year

年內主要持份者的溝通方式

|   |   |
|---|---|
| Employees<br>員工                             | Understand the opinions and suggestions of employees on the Group through establishing employee complaint mechanisms.<br>已建立員工申訴機制，了解和處理員工意見與建議。                              |
| Customers<br>顧客                             | Ensure that customer opinions are promptly handled through establishing a customer complaint mechanism.<br>透過顧客申訴機制，確保顧客意見可以得到及時處理。   |
| Suppliers and business partners<br>供應商及業務夥伴 | Communicate with suppliers and business partners on a regular basis to evaluate their cooperation performance.<br>定期與供應商及業務夥伴進行溝通，評估其合作表現。                                    |
| Communities<br>社區                           | Care for the society and promote common development of the enterprise and the community through various community and volunteer activities.<br>透過不同社區及義工活動，關懷社會，促進企業與社區的共同發展。 |



# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Materiality Assessment

In response to the Stock Exchange's emphasis on the application of reporting principles such as materiality and the accountability of the board of directors in the proposed amendments to the Guide, the Group commissioned an external consultant during the Year to conduct a Board questionnaire survey to assess the materiality of the 12 aspects set out in the Guide. Based on the analysis results and the confirmation of the Board, the Group has determined the following six issues to be material issues for the Group and made primary disclosure thereon in the Report.

### 重要性評估

為回應聯交所《指引》建議修訂中強調對重要性等匯報原則的應用以及董事會的問責，本集團於年內委託外部顧問進行董事會問卷調查，以評估《指引》中所列出的12個層面的重要性。根據分析結果及董事會確認，本集團確定以下六項為本集團的重要議題，並於本報告作重點披露。

| Material topic<br>重要議題   | Corresponding section<br>對應章節      |
|--|------------------------------------|
| Use of resources<br>資源使用   | Environmental protection<br>環境保護   |
| Employment<br>僱傭<br>Health and safety<br>健康及安全   | People-orientation<br>以人為本         |
| Supply chain management<br>供應鏈管理<br>Product responsibility<br>產品責任<br>Anti-corruption<br>反貪污 | Operational responsibility<br>營運責任 |

Compared with the previous year, use of resources, employment, supply chain management and anti-corruption are newly added material topics for the Year. In the future, the Group will consider adopting different methods to communicate with stakeholders to better understand the expectations of internal and external stakeholders.

與上年度相比，資源使用、僱傭、供應鏈管理及反貪污為本年度新增的重要議題。未來，本集團將考慮採用不同方式進行持份者溝通，以更深入了解內部和外部持份者的期望。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### PEOPLE-ORIENTATION

The Group believes that a sound employment environment is one of the important elements for the long-term development of the Group. The Group is committed to creating a safe working environment for employees, protecting the legitimate rights and interests of employees, and establishing a sound career development system so that all employees are respected and motivated.

#### Health and Safety

The health and safety of employees have always been the concern of the Group. The Group endeavours to reduce the occupational safety hazards encountered by employees at work by establishing a safety management structure, formulating safety policies and guidelines, and conducting risk assessment and management.

#### Safety Management Structure

The Group has established a safety committee chaired by the senior factory manager with the manager of the production department as the vice chairman. Other members include the relevant persons in charge of the human resources department, administration department, engineering department, production department, quality control department, quality assurance department, logistics and warehouse department and processing department. The committee is responsible for overseeing occupational health and safety systems and measures and must hold at least one meeting every three months to review relevant matters.

#### Safety Policies and Guidelines

The Group sets out in the Environmental, Social and Governance Policy and the Staff Handbook the management system and measures relating to the health and safety of general employees, such as providing employees with adequate protective supplies and equipment and safety training, and formulating contingency plans for safety accidents as well as accident notification and handling mechanism to reduce the occurrence and impact of accidents. For production and operation, the Group has also formulated the Safety Management Procedures, which set out the production safety system and operating procedures to provide employees with various operating guidelines:

### 以人為本

本集團相信良好的僱傭環境是促進本集團長遠發展的重要元素之一。本集團致力為員工打造安全的工作環境，保障員工的合法權益，並建立完善的職業發展制度，使所有員工均受到尊重及激勵。

#### 健康與安全

員工的健康與安全是本集團一直以來關注的重點。本集團已透過建立安全管理架構、制訂安全政策及指引、進行風險評估及管理等措施，致力減少員工在工作中遇到的職業安全風險。

#### 安全管理架構

本集團已建立安全委員會，由高級廠務經理擔任主席，生產部經理擔任副主席。其他委員包括人力資源部、行政部、工程部、生產部、品質控制部、品質保證部、物流及倉務部和加工部的相關負責人。該委員會負責監督職業健康及安全制度及措施，並於每三個月內進行至少一次會議，以檢討相關事宜。

#### 安全政策及指引

本集團於《環境、社會及管治政策》及《員工手冊》明確有關一般員工健康與安全的管理制度及措施，如向員工提供充足防護用品及裝備和安全培訓、制訂安全事故應急預案、事故通報及處理機制，減低事故的發生和影響。針對生產營運，本集團亦制訂了《安全管理程序》，列明安全生產制度和操作規程，為員工提供各種操作指引：

#### Main procedure

##### 主要程序

Noise management  
噪音管理



#### Guidelines and measures

##### 指引及措施

- Implement noise control in the working environment  
於工作環境實施噪音控制
- Provide employees with hearing protection gears, and appropriate rotation based on the actual condition  
向員工提供聽覺保護設備，及根據實際情況提供適當輪休

# Environmental, Social and Governance Report

## 環境、社會及管治報告



| Main procedure<br>主要程序         | Guidelines and measures<br>指引及措施   |
|--------------------------------|--|
| Mechanical operation<br>機械操作   |  <ul style="list-style-type: none"> <li>Operators must keep the equipment in good working condition. Any faults found must be promptly reported<br/>操作人員需確保設備處於良好的工作狀態，若發現任何故障須及時上報</li> <li>Wearing safety gloves is required when removing, cleaning and installing sharp parts<br/>在拆除、清洗及安裝鋒利部件時，須配戴安全手套</li> </ul> |
| Aerial works<br>高空工作           |  <ul style="list-style-type: none"> <li>Auxiliary tools (such as telehandlers, lifts or elevators) must be used for aerial works<br/>須採用輔助工具進行高空作業，如高空剷車、升降台或梯等</li> <li>At least two employees must be present to assist whenever aerial works are performed<br/>每次進行高空工作時，必須同時有至少兩名員工在場協助</li> </ul>                  |
| Handling of chemicals<br>化學品處理 |  <ul style="list-style-type: none"> <li>When chemical materials are handled, their chemical characteristics must be identified, and gloves, protective clothing or other equipment must be worn<br/>處理化學物料時應明確其化學特性，並須穿戴手套、防護衣物或其他設備</li> </ul>  |

### Risk Assessment and Management

In order to identify workplace safety hazards at an early stage, the Group conducts risk assessments on a regular basis and proposes prevention and improvement measures for related risks. During the production process, employees may face the risk of exposure to hazardous chemicals. To mitigate related risks, the Group has taken various measures, such as avoiding the use of dangerous goods and reducing the production of dangerous goods. When purchasing materials, the Group also requires suppliers to provide Material Safety Data Sheets (MSDS) and other information for safety representatives of the Group to analyse the health hazards of the materials.

### Safety Education

Safety education for employees is one of the important means to enrich employees' safety knowledge at their disposal. The Group regularly offers induction and regular safety training aligned with the characteristics of the employees' positions, such as safety policy training, safe operational procedure training, first aid training, forklift courses, boiler safety, training on occupational safety and health supervisor certification courses, as well as health ambassador training. In addition, the Group regularly issues information on occupational health and safety related matters and disseminates knowledge to employees through various channels, such as announcements, posters, safety seminars and safety meetings.

### 風險評估及管理

為及早識別工作場所的安全隱患，本集團定期進行風險評估，並就相關風險提出預防及改善措施。在生產過程中，員工或會面對接觸危險化學品的風險。為減低有關風險，本集團已採取不同措施，如避免減少危險品的使用、減少產生危險品。於採購材料時，本集團亦要求供應商一併提供材料安全數據表(MSDS)等資料，以供本集團安全代表會分析其對健康危害。

### 安全教育

員工安全教育是豐富員工安全知識儲備的重要方式之一。本集團已定期根據員工崗位特性提供相應的就職及定期安全培訓，如安全政策培訓、安全操作程序培訓、急救培訓、叉車課程、鍋爐安全、職業安全及健康督導員證書課程培訓以及健康大使培訓等。此外，本集團透過公告、海報、安全研討會、安全會議等渠道，向員工定期發放職業健康安全相關的事宜及知識。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Apart from ensuring employees' physical health, the Group also attaches importance to their mental health. During the Year, the Group arranged employees to participate in psychological counselling courses to help relieve their emotion and stress.

### Health Ambassador Training – Emotion and Stress Management

To help employees alleviate and properly handle pressure from work, the Group invited lecturers to offer psychological counselling courses to employees, comprising four parts: "The definition of health", "Understanding emotion and stress", "The impact of stress on us" and "Effective stress alleviation". For the part on "Effective stress alleviation", the lecturer introduced to employees various methods of adapting to stress, such as changing beliefs, altering diets and setting reasonable goals.

### Health Management

To ensure the health and safety of employees, the Group has clearly stipulated safety protection measures for new recruits and serving employees in its Health Management for Personnel and Health Surveillance for Employees Before and During Employment.

除確保身體健康外，員工的心理健康亦是本集團關注的重點之一。年內，本集團已組織員工參與心裡健康輔導課程，幫助其緩解情緒及壓力。

### 健康大使培訓－情緒及壓力管理

為幫助員工減輕和適當處理的工作壓力，本集團邀請講師為員工提供心理輔導課程。該課程內容由「健康的定義」、「認識情緒與壓力」、「壓力對我們的影響」及「減壓有方」四部分組成。其中於「減壓有方」章節，講師向員工們介紹了壓力調適的不同方法，如轉變信念、改變飲食及設置合理的目標等。

### 健康管理

為確保員工的健康與安全，本集團已於《人員健康管理》及《員工受聘前及在職期間的健康監察》中明確新入職及在職員工的安全保障措施。

#### New Recruits

新入職員工

The Quality Assurance Department and the Human Resources Department collaborate to make physical examination appointments for new recruits and arrange regular physical examinations, the results of which must be properly kept.

由品質保證部與人力資源部合作，為新入職員工預約體檢中心，安排其定期進行身體檢查。身體檢查結果須被妥善保存。

#### Serving Employees

在職員工

In addition to arranging regular physical examinations, the Production Department, Quality Control Department and Engineering Department understand the health status of various employees in real time and arrange suitable positions for them. Special physical examinations will be arranged for employees in high-risk positions on a regular basis to ensure that their physical conditions meet the requirements of their positions.

除安排定期進行身體檢查外，生產部、品質控制部及工程部實時了解不同員工的健康狀況，並為其安排合適的崗位。從事高風險崗位的員工會獲安排定期進行特殊身體檢查，以確保其身體狀況符合崗位要求。

### Incident Investigation and Follow-up

If an employee has an accident, the injured person should be bandaged or sent to the hospital for treatment in accordance with the procedures in the Accident and Incident Investigation. Subsequently, the department incurring the incident should fill in the Employee Injury Investigation Report and carry out corresponding investigations and improvements. During the Year, the Group had two work-related injuries and no fatalities. Work-related injuries mainly included sprains due to handling operations and strains due to falling. The Group has carried out investigations and follow-ups to improve the relevant work processes and strengthen the communication of safety knowledge to prevent similar accidents from recurring.

### 事故調查及跟進

若員工發生意外，應立即按照《意外事故調查》中的程序對傷者進行包紮或送往醫院進行救治。隨後事故發生部門應填寫《員工受傷調查報告》並進行相應的調查和改善工作。本集團年內發生兩宗工傷個案，並無死亡個案。工傷個案主要包括搬運扭傷及跌倒拉傷。本集團已進行調查及跟進，完善有關工作流程，並加強安全知識的溝通，以防止同類意外再次發生。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Development and Training

The Group is well aware of the significance of improving employees' work skills for their future career development, and strives to provide all employees with adequate training courses and sufficient training time. The Group has developed clear measures for the management of staff training in its ESG Policy, Employee Handbook and Human Resources Management Manual.

### 發展及培訓

本集團明白提升員工工作技能對於其未來職業發展的重要性，致力為所有員工提供充分的培訓課程及充足的培訓時間。本集團已於《環境、社會及管治政策》、《員工手冊》及《人力資源管理手冊》明確員工培訓方面的管理。

Training programmes and resources  
培訓計劃及資源

The Group provides knowledge and skills training for employees to equip them with necessary knowledge to perform their duties. The human resources department is responsible for planning and evaluating various training activities, such as conducting surveys and analysis of training needs, setting training goals and designing training programmes.

本集團為員工提供知識培訓及技能培訓，使其裝備必要的知識完成其工作。人力資源部負責計劃及評估各項培訓活動，如進行培訓需求調查及分析、設立培訓目標及設計培訓方案。

The Group encourages employees to take continuing education courses and apply for professional qualifications related to their work. Employees may apply for reimbursement of the expenses of continuing education and training courses accredited by the Education Bureau, examination leave and further study leave, as well as subsidies for membership of professional associations.

本集團鼓勵員工不斷進修，申請與工作相關的專業學會資格。員工可申請報銷教育局認可的持續進修及培訓課程費用，及申請考試假及進修假，以及專業學會會籍資助。

Training activities  
培訓活動

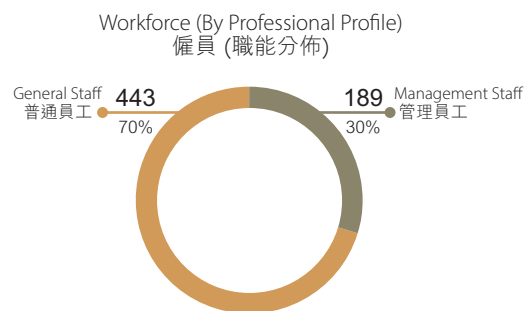
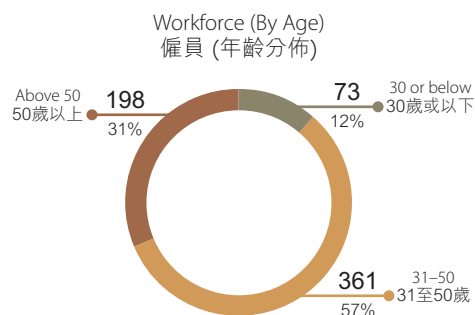
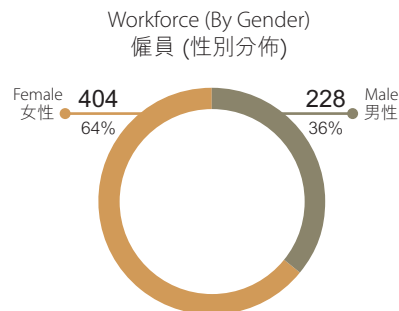
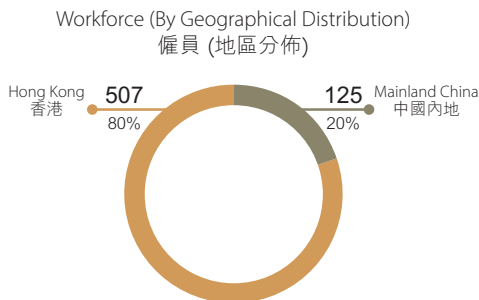
During the Year, the Group organised a series of training activities, such as induction training, product training, customer service training, anti-corruption lectures and outdoor experience training.

本集團於年內組織多項培訓活動，如新入職員工培訓、產品培訓、顧客服務培訓、反貪污講座及戶外體驗培訓等。

Performance appraisal  
績效檢視

Each year, employees are required to receive a performance appraisal where their immediate supervisors will evaluate their work performance, ability, character, attendance record, etc. The appraisal results will be reviewed and approved by the human resources department.

員工每年須接受一次績效考核，由其直屬主管根據其工作表現、能力、品格及出勤狀況等因素進行評價。而後由人力資源部進行批核。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Employment System

The Group believes that a well-established employment system is not only a key factor to attract talents, but also an important way to protect employees' rights and interests. The ESG Policy, Employee Handbook and Human Resources Management Manual of the Group set forth various employment measures and management policies, covering compensation and dismissal, recruitment and promotion, working hours and holidays, equal opportunity and anti-discrimination, diversity, other benefits, complaint procedure and labour standards.

### Compensation and dismissal

#### 薪酬及解僱

The Group provides employees with fair and competitive compensation. Employees' salaries and year-end bonuses are determined and reviewed based on factors including their respective qualifications, work performance, performance appraisal results, market trends, etc.

The procedures for terminating employment contracts and the conditions for dismissal are set out in the Employee Handbook.

本集團為員工提供公平且具競爭力的報酬。根據其資歷、工作表現、效績評估結果及市場趨勢等因素釐定及檢討薪金和年終酬金。

《員工手冊》中已列明中止僱傭合約的程序及解僱條件。

### Recruitment and promotion

#### 招聘與晉升

The Group recruits and appoints employees in the principles of "careful organisation, comprehensive investigation, merit-based selection, and insistence on strict requirements" and based on such factors as each candidate's work ability and understanding of the job and the job requirements. The Group regularly conducts performance appraisal as the basis for promotion and salary adjustment. Whenever there are job vacancies, the Group upholds the principle of "discovering able people and put them at suitable posts" and gives priority to promoting internal personnel, in order to reward outstanding employees and strengthen their sense of belongings.

本集團本著「組織細心、考察全面、錄取擇優、寧缺勿濫」的原則，按工作能力、對工作之認識及實際工作要求等因素進行招聘及委任。本集團定期進行績效考核，作為晉升及調薪的依據。每當有職位空缺時，本集團秉持「知人善任」的原則，並優先考慮晉升內部員工，以獎勵表現卓越的員工，加強員工歸屬感。

### 僱傭制度

本集團認為規範的僱傭制度不僅是吸引人才的關鍵因素，亦是保障員工權益的重要方式。本集團於《環境、社會及管治政策》、《人力資源管理手冊》及《員工手冊》，列明各項僱傭制度及管理方針，包括薪酬及解僱、招聘與晉升、工作時數及假期、平等機會及反歧視、多元化、其他待遇福利、申訴程序及勞工準則等僱傭條款。

### Working hours and holidays

#### 工作時數及假期

The Group has specified the working days and work schedule for employees, and provides employees with different types of paid leaves such as maternity leave, compassionate leave and examination leave.

本集團已訂明員工的工作日及時間安排，並向員工提供分娩假、待產假、恩恤假及考試假等不同類型的有薪假期。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Equal opportunity and anti-discrimination

#### 平等機會及反歧視

Based on the principle of equal opportunity, the Group has no tolerance for any form of discrimination against and harassment of employees on the basis of gender, marital status, pregnancy, family status or disability. Employees can file complaints with the human resources department about any discrimination or harassment.

本集團以平等機會為原則，絕不容忍員工因性別、婚姻狀況、懷孕、家庭崗位或殘疾等因素而受到任何形式的歧視和騷擾。員工可就有關歧視或騷擾行為向人力資源部作出投訴。

### Complaint procedure

#### 申訴程序

The Group understands the importance of employees' opinions and suggestions to its future development. The Employee Handbook clearly states that employees may file complaints with their supervisors or the human resources department about any violation or malpractice, and the Group undertakes that all cases will be investigated and handled in a confidential manner.

本集團明白員工的意見與建議對本集團未來發展的重要性。《員工手冊》中已明確說明員工可就任何違規事件向其主管或人力資源部提出申訴，本集團承諾所有個案將會以保密形式進行調查及處理。

### Diversity

#### 多元化

The Group is committed to establishing a diversified work team and respecting the differences of employees, which serves as a driving force for its development. The Group also recruits people with disabilities to promote a culture of integration of physically handicapped and able-bodied people. The Group is considering implementing more measures on diversity and inclusion in the future, such as providing training on equal opportunity, anti-discrimination and human rights.

本集團致力建立多元化的工作團隊，尊重每位員工的差異性，並以此作為企業發展動力。本集團亦招聘殘障人士，推動傷健共融的文化。本集團考慮於未來實施更多有關多元化與共融的措施，如提供與平等機會、反歧視和人權相關的培訓。

### Prevention of child labour

#### 防止誤用童工

During the recruitment process, the human resources department will verify the identity documents and age of applicants to ensure that they have reached the local minimum age for employment. Once a child labourer is found to be hired by mistake, he/she will be required to immediately stop his/her work and be sent to his/her guardian's place.

在招聘過程中，人力資源部會核實應徵者的身份證明文件及年齡，確保其符合當地最低入職年齡。一旦發現誤聘童工，則立即停止其工作並派人護送至監護人所在地。

### Other benefits

#### 其他待遇福利

The Group provides eligible employees with in-patient medical insurance, outpatient medical benefits, internal shopping discounts, as well as discounts on TCM out-patient clinic services, dental care and medical programmes applicable to employees and their immediate family members.

本集團為合資格員工提供住院醫療保險、門診醫療福利、內部購物折扣優惠，以及適用於員工及其直系家屬的中醫門診服務優惠、牙科保健和醫療優惠計劃等。

### Prohibition of forced labour

#### 禁止強制勞工

The Group specifies overtime compensation provisions in the Employee Handbook. In addition, the Group undertakes to respect the rights of employees to work voluntarily and quit freely, and strictly prohibits forcing employees to work by withholding their identity documents.

本集團於《員工手冊》訂明加班補償規定；同時，承諾尊重員工自願工作及自由離職的權利，嚴禁通過扣押員工身分證文件強迫其勞動。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### OPERATIONAL RESPONSIBILITY

As a manufacturer of pharmaceutical and health food products, the Group always put great emphasis on providing customers with high-quality products and services through supply chain management and product quality improvement in the production process. Moreover, the Group practices the anti-corruption principle and maintains business ethics to safeguard its brand image. To this end, the Group has formulated the ESG Policy and a series of related policies and guidelines to standardise relevant operations and management.

#### Product Responsibility

The Group has won the support of many customers for its good product quality over the years. As such, it fully understands the importance of product and service quality for its business development and values standardised management in the production process. The Yuen Long Factory of the Group holds the certificate of GMP for Proprietary Chinese Medicines of Hong Kong and meets the PIC/S standards as accredited by the Therapeutic Goods Administration. Moreover, the Yuen Long Factory has obtained a number of other quality certifications, such as ISO 9001 quality management system certification, ISO 22000:2005 food safety management system certification and HACCP hazard analysis and key control points certification.

#### Product Quality Control

The Group has developed internal quality and production management standards based on different pharmaceutical standards, and standardised the production processes of different products in the "Standard Operating Procedures" (S.O.P.).

### 營運責任

作為醫藥及保健食品產品製造商，本集團一直重視於產品生產過程中透過供應鏈管理及提升產品質量，為顧客提供優質的產品及服務。同時，本集團踐行反貪污理念，實現企業的商業道德標準，維護企業品牌。為此，本集團已制訂《環境、社會及管治政策》及一系列相關政策和指引，以規範有關營運管理。

#### 產品責任

本集團多年來憑藉良好的產品質量贏得眾多顧客的支持，因此十分明白產品及服務質量對於本集團業務發展的重要性，並重視於生產過程中進行規範化管理。本集團的元朗廠房持有香港《中成藥生產質量管理規範》(「GMP」)的認證，並達到澳洲藥物管理局「國際醫藥品稽查協約組織」(「PIC/S」)標準。此外，元朗廠房獲得其他多項品質認證，如ISO 9001質量管理體系認證、ISO 22000:2005食品安全管理體系認證及HACCP危害分析和關鍵控制點認證。

#### 產品品質管理

本集團已根據不同製藥標準制定內部品質及生產管理規範，並於「標準操作程序」(S.O.P.)明確不同生產範疇及流程的操作。

#### Inspection

##### 檢驗

The Group has established internal quality inspection standards and set up laboratories dedicated to testing raw materials and products to prevent human errors and cross-contamination, so as to ensure that their specifications and quality meet internal standards.

本集團已制定內部質量檢驗標準，並設立實驗室專門用於原材料及產品的檢測，以防人為出錯及交叉污染，確保其規格及質量符合內部標準。

In addition to standardised operations, the Group regularly provides appropriate trainings for employees in different positions to help them better perform their duties and ensure that production steps comply with relevant regulations.

#### Production and storage

##### 生產及貯存

The quality of production environment also plays an important role in guaranteeing the quality of finished products. The Group adopts fully automated production equipment to reduce the risk of man-made pollution. In addition, the Group requires relevant employees to wear sanitary overalls, shoe covers and protective caps according to their job requirements, and to clean production equipment regularly. The Group sets appropriate lighting, ventilation, temperature and humidity according to the production and storage environment. After production, all finished products of the Group must be stored in accordance with the storage guidelines. The quality control department shall ensure the accuracy of product labels and monitor the stability of product ingredients.

生產環境的優劣對於成品的質量亦十分重要。本集團的生產均採用全自動化生產設備，以減少人為污染的風險。同時，本集團要求相關員工根據其崗位要求穿戴衛生的工作服、鞋套及保護帽，並定期清潔生產設備。本集團按各生產及貯存環境調節合適的照明、通風、溫度及濕度。生產完成後，本集團所有成品均須按照貯存指引進行貯存。品質控制部門須確保產品標籤的準確性並監測產品成分的穩定性。

除規範化操作外，本集團亦定期為不同崗位員工提供適當培訓，幫助其更好地履行工作職責，確保生產步驟符合相關規定。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Advertising and Label Management

The Group undertakes that all advertisements and product labels are true and legal, and it will never carry out any false or exaggerated publicity. All product labels and instructions of our proprietary Chinese medicines sold and exported are in compliance with the Chinese Medicines Regulations of Hong Kong, the “Guidelines on labels of proprietary Chinese medicines” and the Guidelines on package inserts of proprietary Chinese medicines”. The Group regularly evaluates the updates of applicable laws and regulations, and continuously reviews and improves product advertising and label management. The packaging labels and instructions of our proprietary Chinese medicines contain sufficient information, including main active ingredients, dosage, methods of use, functional or pharmacological effects, storage instructions, contraindications or side effects and expiration date, with a view to protecting customer health and safety by helping customers select the right products and use them properly. In addition, the Group regularly provides trainings for employees to ensure that all sales personnel understand the product features and precautions, so that they can recommend relevant products according to customer needs.

### Handling of Customer Complaints

Sound after-sales management is an important part of maintaining customer trust. The Group has established a customer complaint mechanism to help customers get in touch with the Group regarding product quality issues at any time. Where a product must be recalled after verification by the quality control department, the Group will promptly recall the product in accordance with its product recall mechanism and notify all parties concerned, including the Chinese Medicine Council of Hong Kong, customers, suppliers and retail stores. In addition, the Group regularly reviews its product recall mechanism and provides relevant trainings for employees to ensure that customer complaints are handled in a timely and proper manner. During trainings, the Group reminds retail stores that they should immediately assist customers in handling exchange and refund issues, so as to reduce the inconvenience of customers calling the customer service department for enquiries. In order to further improve service performance, the Group arranges all regional managers to receive relevant trainings, and explores and formulates service improvement plans and targets through data analysis.

During the Year, the Group had no products subject to recalls for health and safety reasons, but received 67 complaints, mainly about advertisements, sales descriptions and product quality. The Group has followed up and responded to all complaints and made appropriate improvements, such as strengthening colleagues’ knowledge on products and enhancing employees’ service quality through daily communication and regular training, as well as reviewing quality management continuously and providing employees with relevant trainings on a regular basis.

### Customer Privacy Protection

The Group regards customer privacy as important confidential information. The Employee Handbook clearly states that without the authorisation of the Board, no employee shall disclose any confidential information related to the operations of the Group, including customers’ personal data, purchase records and medical records.

### 廣告及標籤管理

本集團承諾所有廣告及產品標籤內容均真實合法，絕不進行任何虛假或誇大宣傳。所有銷售及出口的中成藥產品標籤及說明書均符合香港《中藥規例》，以及中成藥註冊法規的「中成藥標籤指引」和「中成藥說明書指引」的相關要求。同時，本集團會定期評估適用的法律法規更新，持續檢視和完善產品廣告及標籤管理。為使顧客揀選及正確使用合適產品，以保障顧客健康及安全，中成藥標籤的包裝及說明書均具備充足資訊，包括主要有效成份、用量、使用方法、功能或藥理作用、貯存指示、禁忌或副作用及失效日期等。此外，本集團定期向員工提供相關培訓，確保所有銷售人員了解產品特性及注意事項，使其能根據顧客需求推薦相關產品。

### 顧客投訴處理

完善的售後管理是維持顧客信心的重要一環。本集團已建立顧客申訴機制，以幫助顧客就產品質量問題與本集團隨時取得聯繫。若產品經品質控制部門查證後須進行回收，本集團會按照產品回收機制及時進行回收，並通知所有相關方，包括香港中醫藥管理委員會、顧客、供應商及零售店作進一步處理。同時，本集團會定期評估產品回收機制，向員工提供相關培訓，以確保顧客投訴得以及時和妥善處理。於培訓中，本集團提醒零售店須即時協助顧客處理換貨及退款事宜，減少顧客自行致電顧客服務部查詢的不便。為進一步改善服務表現，本集團安排所有區域經理參與相關培訓，並通過分析數據探討及訂立服務改善方案和目標。

年內，本集團並無因安全與健康理由而須回收的產品，但接獲67宗投訴，主要關於廣告及銷售說明，以及產品質量。本集團已跟進及回覆所有投訴，並作出相應改善，如通過日常溝通及定期培訓，加強同事對產品的認知，提升員工服務質素，以及持續檢討質量管理，為員工定期進行有關培訓。

### 顧客隱私保護

本集團將顧客隱私視為重要的保密資料，於《員工手冊》明確說明任何員工在未經董事會授權的情況下，均不得披露任何與本集團營運相關的保密資料，包括顧客個人資料、購買記錄及診症病歷等。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Intellectual Property Protection

The Group understands the significance of intellectual property rights to its corporate development. The ESG Policy stipulates that in the course of cooperation with an external organisation, the terms of contract shall be clearly set to ensure that any products or services provided by the partner are free from infringement of any intellectual property right. In addition, the Group avoids infringing the intellectual property rights of other companies and individuals, and conducts regular research and tracking of patent information of its peers.

### Anti-corruption

The Group understands that healthy corporate development should be free of any form of corruption. As such, the Group has included a section headed "Prevention of Bribery" in the Employee Handbook to clearly stipulate the daily code of conduct of employees, covering conflicts of interest, acceptance of benefits, entertainment, etc. Where any employee of the Group accepts gifts from people who do business with the Group, they must fill out the Application Form for Receiving Gifts and submit it to the director of human resources for further verification and processing. The Group also regularly reviews and updates its anti-corruption policy. In addition, employees can report any misconduct or reasonably suspected corruption to relevant departments of the Group through the internal whistleblowing system. All reported cases will be handled confidentially to protect the privacy and other legal rights of the whistleblowers.

During the Year, the Group invited the Independent Commission Against Corruption of Hong Kong to give two anti-corruption lectures to retail store managers and office employees, so as to raise their anti-corruption awareness.

### Supply Chain Management

The Group attaches great importance to the environmental and social risk management of the supply chain, and sets out the principles of supplier management and criteria for selection of suppliers in the ESG Policy to provide a unified framework for business departments. The Group requires suppliers to observe business ethics and honour their corporate social responsibilities, and endeavours to ensure that suppliers meet the quality, environmental and safety standards of the Group. In the future, the Group will review the existing supplier management processes to further improve such processes, in an effort to identify, evaluate and manage potential environmental and social impacts of the supply chain.

### 知識產權保護

本集團明白知識產權對企業發展的重要性，於《環境、社會及管治政策》訂明在與外部機構合作的過程中，應明確以合同條款確保其所提供產品或服務不存在侵權行為。同時，本集團避免侵犯其他公司及個人的知識產權，定期對同行的專利信息進行研究和追蹤。

### 反貪污

本集團明白健康的企業發展應杜絕任何形式的貪污行為。為此本集團已於《員工手冊》中載列「防止賄賂」章節，明確說明員工日常行為規範，如利益衝突、接受利益及酬酢等。若本集團僱員接受來自與本集團有業務往來人士之禮物，須填寫《收取禮物申請表》報人力資源總監以作進一步核實及處理。同時，本集團定期檢視和更新反貪污政策。此外，員工可透過內部舉報制度向本集團相關部門舉報任何不當行為或經合理懷疑的貪污事件。所有舉報事宜將作保密處理，以保障舉報人的隱私及其他合法權益。

本集團於年內邀請香港廉政公署為零售店店長及辦公室員工進行兩場反貪污講座，以提高員工的反貪污意識。

### 供應鏈管理

本集團重視供應鏈的環境及社會風險管理，並於《環境、社會及管治政策》列明供應商管理的理念及篩選標準，為業務部門提供統一框架。本集團要求供應商恪守商業道德，履行企業社會責任；並透過日常溝通和協作，確保供應商符合集團在質量、環境及安全標準方面的要求。未來，本集團將檢討現有的供應商管理流程，以進一步完善相關流程，以識別、評估和管理供應鏈中潛在的環境和社會影響。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### ENVIRONMENTAL PROTECTION

The Group is committed to reducing the negative impacts on the environment during its daily operation and production and adheres to the green development philosophy. To this end, the Group has formulated the environmental, social and governance Policy and implemented a number of measures to reduce emissions, save resources, and protect the environment and natural resources.

#### Emissions

##### Greenhouse gas emissions

To monitor greenhouse gas emissions from operations on an ongoing basis, the Group has commissioned an external consulting company to conduct carbon assessment in accordance with national, regional and international standards such as Guidelines for Accounting and Reporting Greenhouse Gas Emissions – Food, Tobacco, Alcohol, Beverage and Purified Tea Manufacturing Enterprises in China (Trial), Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, and ISO 14064-1.

### 環境保護

本集團致力於日常營運及生產過程中減少對於環境的影響，堅持綠色發展的理念。為此，本集團已訂立《環境、社會及管治政策》，並通過實施多項措施，減少排放物、節約資源使用及保護環境和天然資源。

#### 排放物

##### 溫室氣體排放

為持續監測營運產生的溫室氣體排放，本集團委託外部顧問公司按《中國食品、煙草及酒飲料和精製茶企業溫室氣體排放核算方法與報告指南(試行)》、《香港建築物(商業、住宅或公共用途)的溫室氣體排及減除的核算和報告指引》，以及ISO 14064-1等國家地區及國際標準進行碳評估。

| Greenhouse gas emissions  |  | 溫室氣體排放 | FY2020<br>二零二零財政年度<br>(tonne CO <sub>2</sub> e)<br>(公噸二氧化碳當量) |
|---|--|--------|---|
| Scope 1 – Direct greenhouse gas emissions   | 範圍1 – 直接溫室氣體排放                                 |        | 211.2   |
| Scope 2 – Energy indirect greenhouse gas emissions  | 範圍2 – 能源間接溫室氣體排放                               |        | 3,576.5   |
| Scope 3 – Other indirect greenhouse gas emissions   | 範圍3 – 其他間接溫室氣體排放                               |        | 43.2  |
| Total greenhouse gas emissions  | 溫室氣體總排放量                                       |        | 3,830.9   |
| Greenhouse gas emissions intensity (by gross floor area, i.e. tonne CO <sub>2</sub> e/ft <sup>2</sup> )   | 溫室氣體密度(以建築面積計算，即噸二氧化碳當量/平方呎)                   |        | 0.014   |
| Scope 1 – Greenhouse gas emissions from fossil fuels of combustion of stationary source and mobile source   | 範圍1 – 來自固定源及移動源化石燃料燃燒的溫室氣體排放                   |        |   |
| Scope 2 – Greenhouse gas emissions from purchased electricity and purchased Towngas   | 範圍2 – 來自源自外購電力及外購煤氣的溫室氣體排放                     |        |   |
| Scope 3 – Greenhouse gas emissions from employee business travel and greenhouse gas emissions from wastepaper disposal, fresh water and sewage treatment in Hong Kong | 範圍3 – 來自僱員出外公幹的溫室氣體排放和香港地區的廢紙棄置、食水及污水處理的溫室氣體排放 |        |   |





# Environmental, Social and Governance Report

## 環境、社會及管治報告

During the Year, the Group's total greenhouse gas emissions were approximately 3,830.9 tonnes of CO<sub>2</sub>, and greenhouse gas intensity was 0.014 tonne CO<sub>2</sub>e/ft<sup>2</sup> of gross floor area. Greenhouse gas emissions mainly come from purchased electricity emissions of Scope 2, which represented approximately 92.3% of the total emissions.

### Air emissions

The Group's air pollutants generated during the operating process are mainly nitrogen oxides, sulphur oxides and respirable suspended particulates generated from use of vehicles. To strengthen management of air emissions, electric vehicles have been introduced into the Group's company fleet to reduce the air and carbon emissions generated from the use of gasoline or diesel by traditional vehicles. Meanwhile, the Group adopts hydro vent and scrubber to remove oil and odour from fumes before emissions. Where abnormal emission is found, relevant departments must immediately investigate and take appropriate actions.

年內，本集團的溫室氣體總排放量約為3,830.9公噸二氧化碳當量，溫室氣體密度為0.014公噸二氧化碳當量／平方呎建築面積。溫室氣體排放主要來自範圍2之外購電力排放，佔總排放量約92.3%。

### 廢氣排放

本集團於營運過程中產生的空氣污染物主要來源於車輛使用產生的氮氧化物、硫氧化物及可吸入懸浮粒子。為加強廢氣排放的管理，本集團的公司車隊已引入電動車，以減少傳統汽車使用汽油或柴油而產生的廢氣和碳排放。同時，本集團採用灑水式煙罩及洗滌器先去除煙霧中的油分及氣味再排放。若發現排放量出現異常情況，相關部門須立即展開調查並採取適當行動。

|                                    |         | FY2020   |
|------------------------------------|---------|----------|
|                                    |         | 二零二零財政年度 |
|                                    |         | (kg)     |
| Air pollutants                     | 空氣污染物   | (千克)     |
| Nitrogen oxides (NO <sub>x</sub> ) | 氮氧化物    | 20.1     |
| Sulphur oxides (SO <sub>x</sub> )  | 硫氧化物    | 0.4      |
| Respirable suspended particulates  | 可吸入懸浮粒子 | 0.5      |

### Waste

Given the nature of its business, the Group will generate a certain amount of hazardous and non-hazardous waste during the production process, such as waste halogenated solvents, expired pharmaceuticals, other pharmaceutical raw materials, and domestic waste. As such, the Yuen Long Factory has developed procedures for managing hazardous waste. For non-hazardous waste, the Yuen Long Factory has performed sorting and recycling thereof; meanwhile, the Hong Kong headquarters office and the Shenzhen office also set up recycling bins, and regularly arrange for recyclers to collect recyclable waste.

### 廢棄物

鑑於業務性質，本集團會於生產過程中產生一定量的有害及無害廢棄物，如廢鹵化溶劑、過期藥品、其他醫藥原料及生活垃圾等。為此，元朗廠房已制定管理危險廢棄物的程序。針對無害廢棄物，元朗廠房已進行分類及回收；同時，香港總部辦公室及深圳辦公室亦設置回收箱，並定期安排回收商收集可回收廢棄物。

During the Year, the Group generated 0.3 tonne of hazardous waste and hazardous waste intensity was 0.005 tonne/product value in HKD million. The amount of generation and intensity of non-hazardous waste were 653.5 tonnes and 2.6 tonnes/thousand square feet of gross floor area, respectively.

年內，本集團產生的有害廢棄物為0.3公噸，有害廢棄物密度為0.005公噸／百萬港元產品產值，而無害廢棄物產生量及密度分別為653.5公噸及2.6公噸／千平方呎建築面積。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Wastewater

Wastewater generated by the Group mainly includes domestic wastewater and industrial wastewater, such as the cleaning of Chinese herbal medicines. The Group has obtained a license granted by the Environmental Protection Department of Hong Kong ("EPD") pursuant to the Water Pollution Control Ordinance, and discharges wastewater in accordance with relevant requirements of the EPD. In order to reduce the generation of wastewater, the Group reuses water in production operations, for example, the reverse osmosis (also referred to as RO) treated water is supplied to the steam boiler.

### Use of Resources

#### Energy

During the Year, the Group's total energy consumption was 8,134.2 MWh-e, and energy consumption intensity was 0.031 MWh-e/ft<sup>2</sup> of gross floor area. Main energy consumed includes electricity use, accounting for approximately 87% of total energy consumption. Other energy uses include natural gas and petrol.

### 廢水

本集團產生的廢水主要包含生活廢水及工業廢水(如中藥材前處理的藥材清洗)。本集團已獲得香港環境保護署(「環保署」)根據《水污染管制條例》頒發的牌照，並按照環保署的相關規定排放廢水。為減少廢水產生，本集團在生產營運中重複用水，例如將經反滲透技術(Reverse osmosis、又稱RO)處理的水供給蒸氣鍋爐使用。

### 資源使用

#### 能源

年內，本集團的能源總耗量為8,134.2兆瓦時等值，能源耗量密度為0.031兆瓦時等值/平方呎建築面積。主要能源使用包括電力使用，佔能源總耗量約87%。其他能源使用包括天然氣及汽油。

| Use of energy   | 能源使用                   | FY2020<br>二零二零年財政年度 |
|---|------------------------|---------------------|
| Natural gas (MWh)   | 天然氣(兆瓦時)               | 25.2                |
| Towngas (MWh)   | 煤氣(兆瓦時)                | 948.2               |
| Petrol (MWh)  | 汽油(兆瓦時)                | 115.6               |
| Purchased electricity (MWh)                                       | 外購電力(兆瓦時)              | 7,045.1             |
| Total energy consumption (MWh)                                    | 能源總耗量(兆瓦時)             | 8,134.1             |
| Energy intensity (by gross floor area, i.e. MWh/ft <sup>2</sup> ) | 能源密度(以建築面積計算，即兆瓦時/平方呎) | 0.031               |

The energy consumption of the Group's operating locations mainly comes from daily electricity use. In order to reduce electricity consumption, Yuen Long Factory has introduced equipment with high energy efficiency (such as energy-saving lighting system and energy-saving air conditioning), adjusted the number of lighting fixtures in production workshops, and reduced the fresh air and exhaust air in rooms without pressure difference requirements; changed the glass of offices to brown glass to reduce heat absorption of the rooms, installed insulation for production equipment to reduce heat loss, and set up lighting control by area to reduce power consumption in unmanned areas. In the future, Yuen Long Factory will introduce the latest production technology to reduce energy consumption in the production process.

In the Hong Kong headquarters office and Shenzhen office, the Group posts energy-saving signs to remind employees, and purchases energy-efficient lamps and installs sensors to improve energy efficiency. Looking ahead, the Group plans to appoint dedicated personnel to carry out energy-related supervision and review the implementation results of energy-saving measures.

本集團各營運點的能源消耗主要來源於日常電力使用。為減少電力使用，元朗廠房已引入較高能源效益的設備(如節能照明系統及節能空調等)、調整生產車間照明設備數量、減少於沒有壓差要求的房間內的鮮風及排風；將辦公室的玻璃更改為茶色，減少房間吸熱、為生產設備安裝保溫層，減少熱能損失、以及採用區域照明控制，減少無人區的電力消耗。未來，元朗廠房將引進最新生產技術，以減少生產過程中的能源消耗。

在香港總部辦公室及深圳辦公室內，本集團張貼節能能源的標語提醒員工、採購高能效的燈管，及安裝傳感器，以提高能源使用效率。未來，本集團亦計劃指派專人進行能源監督，審查節能措施的執行效果。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Water Resources

During the Year, the Group's total water consumption was 37,577 cubic metres, representing a water consumption intensity of 0.14 cubic meter per square foot of gross floor area. All the operating locations of the Group have no problem in obtaining water sources, all of which are from municipal pipe networks. To save water resources, the Group has installed environmental-friendly water tanks and automatic faucets in toilets. In addition, Yuen Long Factory has set up rainwater collection, brown water treatment and recycling facilities, and plans to employ water-saving faucets and sensors in the future. The Hong Kong headquarters office and Shenzhen office also plan to use low-flow faucets in the future.

### Packaging Materials

During the Year, the Group's total consumption of packaging materials was 396.9 tonnes, representing a consumption density of packaging materials of 6.3 tonnes per HK\$1 million. In order to reduce the consumption of packaging materials, the Group continuously reviews and improves packaging designs, and adopts sustainable procurement and uses recyclable packaging materials as much as possible. The Group is exploring options to improve the utilisation efficiency of packaging materials, such as considering the use of biodegradable packaging materials that contain renewable ingredients.

### Environment and Natural Resources

It is an important responsibility of the Group to protect the surrounding environment and natural resources, and reduce the environmental impact of day-to-day operations by implementing environmental measures. The ESG Policy also states that it is necessary to consider the negative impact of pharmaceutical raw materials on biodiversity in the planting process, improve the environmental monitoring and early warning system, and establish an emergency response mechanism for environmental emergencies.

### Community Development

Business growth and community development are closely related. The Group takes its social responsibility very seriously. It regulates community investment activities through the ESG Policy, and explicitly proposes to support public welfare, public health and poverty alleviation through volunteer services, sponsorship or donations. During the Year, the Group invested HK\$1,798,000 in different community investment areas.

### 水資源

年內，本集團的總耗水量為37,577立方米，耗水密度為0.14立方米／平方呎建築面積。目前，本集團各營運點於求取水源上無任何問題，均從市政管網供水取水。為節約水資源，本集團已於洗手間安裝環保型水箱及自動關閉機制水龍頭。另外，元朗廠房已設置雨水收集、棕水處理及回收等設施，並計劃於未來採用擁有節水功能的水龍頭及傳感器。香港總部辦公室及深圳辦公室亦計劃於未來使用低流量水龍頭設備。

### 包裝材料

年內，本集團的包裝材料總耗量為396.9噸，包裝材料耗用密度為6.3噸／百萬港元產品產值。為減少包裝材料的消耗，本集團持續檢討改善包裝設計，並儘量使用可持續採購及可回收的包裝材料。本集團正探討提高包裝材料使用效率的方案，如考慮使用可生物降解及含有再生成分的包裝材料。

### 環境及天然資源

保護周圍環境及天然資源是本集團重要的責任，並通過實施環境管理措施減低日常營運帶來的環境影響。《環境、社會及管治政策》中亦說明須考慮醫藥原材料於種植過程中對生物多樣性的負面影響，並完善環境監測預警制度，建立突發環境事件應急體系。

### 社區發展

企業成長與社區發展密不可分。本集團重視承擔自身社會責任，通過《環境、社會及管治政策》對社區投資行為加以規範，並明確提出通過義工服務、贊助或捐贈的形式，支持民生基建、健康及公益扶貧等相關工作。年內，本集團已投放港幣1,798,000元於不同社區投資領域。



# Environmental, Social and Governance Report

## 環境、社會及管治報告



| Area<br>領域 | Major activities<br>主要活動 |
|------------|--------------------------|
|------------|--------------------------|

Caring for public health  
關愛公眾健康



The unexpected COVID-19 outbreak has caused a major impact on the health of people, especially the elderly with low immunity. In view of this, in April 2020, the Group distributed 2,000 health kits containing masks and alcohol hand spray to eligible elders aged 65 or above at designated retail stores free of charge to help them better guard against the virus.

突如其來的新型冠狀病毒已經對人們的健康產生了重大影響，尤其是免疫力較低的長者。為此，本集團於二零二零年四月向合資格的65歲或以上的長者於指定零售店免費派發2,000份含口罩及酒精搓手噴霧的健康防護禮品包，幫助他們提高安全防護水平。

In addition, since the beginning of March 2020, the Group has been offering free consultation and a 50% discount on the first dose of Chinese medicine in most of the stores with registered Chinese medicine practitioners to provide outpatient services, in an effort to stand together with Hong Kong people in the fight against the epidemic.

此外，本集團亦於二零二零年三月初起，在大部分設有註冊中醫師駐診服務的門店，提供免診金及首劑中藥藥費半價的優惠，與全港市民一起同舟共濟，齊心抗疫。

Caring for the elderly in the community  
關懷社區長者



The Group worked with Wang On Properties Limited to organise volunteer services. On the eve of the Mid-Autumn Festival, the Group arranged employees to visit Tung Wah Group of Hospitals Henry G. Leong Community Support Centre for the Elderly in Kwun Tong to present mooncakes and blessings to the elderly.

本集團與宏安地產有限公司一同組織義工服務，安排員工於中秋節前夕到東華三院觀塘梁顯利長者日間服務中心進行探訪，向長者送上月餅和祝福。

The Group always concerns about the health of community residents. During the Year, the Group participated in the “2019 Community Service Day for the Elderly” organised by The Yuen Yuen Institute MFBM Nei Ming Chan Lui Chung Tak Memorial College by sending Chinese medicine practitioners to provide free consultation for 100 elderly people in Tin Shui Wai District and give them autumn and winter nourishing soup bags.

本集團一直關注社區居民的健康。年內，本集團參與由圓玄學院妙法寺內明陳呂重德紀念中學組織的「2019年長者社區服務日」活動，派出中醫師為天水圍區內100位長者進行義診，並送出秋冬滋補湯包供長者食用。

Supporting youth development  
支持青年發展



The Group continues to participate in the “Project WeCan” programme. The programme is designed to offer various opportunities to secondary school students with poor learning conditions through diversified activities and inspire them to plan their lives and prepare for future studies and employment. During the Year, the Group organised a pre-employment workshop for 31 students from Caritas Yuen Long Chan Chun Ha Secondary School to share interview skills and frequently asked questions and answers in interviews. In addition, the Group conducted mock interviews with students in the workshop to help familiarise themselves with the interview process and understand their strengths and areas that need improvements.

本集團繼續響應並參與「學校起動」計劃。該計劃旨透過多元化活動，為學習條件稍遜的中學生提供各種機會，並啟發他們規劃人生，為日後升學及就業作好準備。年內，本集團為31名來自明愛元朗陳震夏中學的學生組織了職前工作坊，分享職場面試技巧、面試常見問題及應答方法。此外，本集團亦於工作坊與學生進行模擬面試，幫助學生們熟悉面試過程，了解自己的優勢與需要改善的地方。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SUMMARY OF KEY PERFORMANCE INDICATORS

### 關鍵績效指標摘要

#### Environmental Performance

#### 環境表現

| Environmental Key Performance Indicators                    | 環境關鍵績效指標                | Unit<br>單位  | FY2020<br>二零二零財政年度 | FY2019<br>二零一九財政年度 |
|---|-------------------------|---|--------------------|--------------------|
| <b>Air emissions</b>  |                         |   |                    |                    |
| Nitrogen oxides (NO <sub>x</sub> )                          | 氮氧化物                    | kg 千克   | 20.1               | 13.3               |
| Sulphur oxides (SO <sub>x</sub> )                           | 硫氧化物                    | kg 千克   | 0.4                | 0.2                |
| Respirable suspended particulates                           | 可吸入懸浮粒子                 | kg 千克   | 0.5                | 0.1                |
| Greenhouse gas emissions                                    | 溫室氣體排放                  |   |                    |                    |
| Total greenhouse gas emissions                              | 溫室氣體排放總量                | tonne CO <sub>2</sub> e<br>公噸二氧化碳當量                     | 3,830.9            | 3,756.3            |
| Scope 1 <sup>2</sup>  | 範圍1 <sup>2</sup>        | tonne CO <sub>2</sub> e<br>公噸二氧化碳當量                     | 211.2              | 177.5              |
| Scope 2 <sup>3</sup>  | 範圍2 <sup>3</sup>        | tonne CO <sub>2</sub> e<br>公噸二氧化碳當量                     | 3,576.5            | 3,519.4            |
| Scope 3 <sup>4</sup>  | 範圍3 <sup>4</sup>        | tonne CO <sub>2</sub> e<br>公噸二氧化碳當量                     | 43.2               | 59.4               |
| Greenhouse gas intensity<br>(by gross floor area)           | 溫室氣體密度(以建築面積計算)         | tonne CO <sub>2</sub> e/ft <sup>2</sup><br>公噸二氧化碳當量/平方呎 | 0.014              | 0.02               |
| <b>Waste</b>  |                         |   |                    |                    |
| Total hazardous waste generation <sup>5</sup>               | 所產生有害廢棄物總量 <sup>5</sup> | tonne 公噸  | 0.3                | 1.7                |
| Hazardous waste intensity (by product value)                | 有害廢棄物密度(以產品產值計算)        | tonne/HKD million<br>公噸/百萬港元                            | 0.005              | 0.004              |
| Total non-hazardous waste generation <sup>6</sup>           | 所產生無害廢棄物總量 <sup>6</sup> | tonne 公噸  | 653.5              | 786.8              |
| Non-hazardous waste intensity<br>(by gross floor area)      | 無害廢棄物密度(以建築面積計算)        | tonne/thousand ft <sup>2</sup><br>公噸/千平方呎               | 2.6                | 3.4                |
| <b>Use of energy</b>  |                         |   |                    |                    |
| Total energy consumption                                    | 能源總耗量                   | MWh 兆瓦時   | 8,134.1            | 7,717.3            |
| Direct energy consumption                                   | 直接能源耗量                  | MWh 兆瓦時   | 1,089.0            | 900.3              |
| Towngas   | 煤氣                      | MWh 兆瓦時   | 948.2              | 879.0              |
| Natural gas   | 天然氣                     | MWh 兆瓦時   | 25.2               | 0.0                |
| Petrol  | 汽油                      | MWh 兆瓦時   | 115.6              | 21.3               |
| Indirect energy consumption                                 | 間接能源耗量                  | MWh 兆瓦時   | 7,045.1            | 6,817.0            |
| Purchased electricity                                       | 外購電力                    | MWh 兆瓦時   | 7,045.1            | 6,817.0            |
| Energy consumption intensity<br>(by gross floor area)       | 能源耗量密度(以建築面積計算)         | MWh/ft <sup>2</sup><br>兆瓦時/平方呎                          | 0.031              | 0.031              |
| <b>Use of water resource</b>                                |                         |   |                    |                    |
| Total water consumption                                     | 耗水總量                    | m <sup>3</sup> 立方米                                      | 37,577             | 38,098.4           |
| Water consumption intensity<br>(by gross floor area)        | 耗水耗量密度(以建築面積計算)         | m <sup>3</sup> /ft <sup>2</sup><br>立方米/平方呎              | 0.14               | 0.15               |
| <b>Use of packaging materials</b>                           |                         |   |                    |                    |
| Total packaging materials used                              | 使用的包裝材料總量               | tonne 公噸  | 396.9              | 464.2              |
| Intensity of packaging materials used<br>(by product value) | 使用的包裝物料密度(以產品產值計算)      | tonne/HKD million<br>公噸/百萬港元                            | 6.3                | 1.2                |

<sup>2</sup> Scope 1 includes greenhouse gas emissions from fossil fuels of combustion of stationary source and mobile source.

<sup>3</sup> Scope 2 includes greenhouse gas emissions from purchased electricity and purchased towngas.

<sup>4</sup> Scope 3 includes greenhouse gas emissions from employee business travel and greenhouse gas emissions from wastepaper disposal, fresh water and sewage treatment in Hong Kong.

<sup>5</sup> Only includes data from the Yuen Long Factory.

<sup>6</sup> Only includes data from the Shenzhen office and the Yuen Long Factory.

<sup>2</sup> 範圍1包括來自固定源及移動源化石燃料燃燒的溫室氣體排放。

<sup>3</sup> 範圍2包括來自外購電力及外購煤氣的溫室氣體排放。

<sup>4</sup> 範圍3包括源自僱員出外公幹的溫室氣體排放和香港地區的廢紙棄置、食水及污水處理的溫室氣體排放。

<sup>5</sup> 只包括元朗廠房的數據。

<sup>6</sup> 只包括深圳辦公室及元朗廠房的數據。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



### Social Performance

### 社會表現

| Social Key Performance Indicators<br>社會關鍵績效指標 |   | Unit<br>單位 | FY2020<br>二零二零財政年度 | FY2019<br>二零一九財政年度 |
|---|---|------------|--------------------|--------------------|
| <b>Employees</b><br>僱員                        | <b>Total headcount</b> 總人數                                    |            | 632                | 685                |
|   | By geographical distribution 地區分佈                             |            |                    |                    |
|   | Hong Kong 香港  |            | 507                | 540                |
|   | Mainland China 中國內地   |            | 125                | 145                |
|   | By age 年齡分佈   |            |                    |                    |
|   | 30 or below 30歲或以下  |            | 73                 | 91                 |
|   | 31–50 31至50歲  |            | 361                | 390                |
|   | Above 50 50歲以上  |            | 198                | 204                |
|   | By gender 性別分佈  |            |                    |                    |
|   | Male 男性   |            | 228                | 241                |
|   | Female 女性   |            | 404                | 444                |
|   | By professional profile 職能分佈                                  |            |                    |                    |
|   | Management staff 管理員工   |            | 189                | 77                 |
|   | General staff 普通員工  |            | 443                | 608                |
|   | By employment type 僱傭類型分佈                                     |            |                    |                    |
|   | Full-time 全職  |            | 619                | 663                |
|   | Part-time 兼職  |            | 13                 | 22                 |
|   | Male-to-female ratio of the workforce<br>男女員工人數比例             |            | 0.56:1             | 0.54:1             |
|   | <b>Employee new hire rate</b> <sup>7</sup> 員工新聘率 <sup>7</sup> | %          | 18.4               | 27.2               |
|   | By geographical distribution 地區分佈                             |            |                    |                    |
|   | Hong Kong 香港  | %          | 19.5               | 25.6               |
|   | Mainland China 中國內地   | %          | 13.6               | 33.1               |
|   | By age 年齡分佈   |            |                    |                    |
|   | 30 or below 30歲或以下  | %          | 30.1               | 52.7               |
|   | 31–50 31至50歲  | %          | 16.6               | 28.2               |
|   | Above 50 50歲以上  | %          | 17.2               | 13.7               |
|   | By gender 性別分佈  |            |                    |                    |
|   | Male 男性   | %          | 25.0               | 32.0               |
|   | Female 女性   | %          | 14.6               | 24.5               |
|   | <b>Employee turnover rate</b> <sup>8</sup> 員工流失率 <sup>8</sup> | %          | 39.6               | 47.9               |
|   | By geographical distribution 地區分佈                             |            |                    |                    |
|   | Hong Kong 香港  | %          | 43.8               | 45.9               |
|   | Mainland China 中國內地   | %          | 22.4               | 55.2               |
|   | By age 年齡分佈   |            |                    |                    |
|   | 30 or below 30歲或以下  | %          | 80.8               | 90.1               |
|   | 31–50 31至50歲  | %          | 29.6               | 45.1               |
|   | Above 50 50歲以上  | %          | 42.4               | 34.3               |
|   | By gender 性別分佈  |            |                    |                    |
|   | Male 男性   | %          | 45.6               | 42.7               |
|   | Female 女性   | %          | 36.1               | 50.7               |

<sup>7</sup> Employee new hire rate (%) = Number of new hires in the category/total number of employees in the category x 100.

<sup>8</sup> Employee turnover rate (%) = Number of departing employees in the category/total number of employees in the category x 100%.

<sup>7</sup> 員工新聘率 (%) = 該類別新聘員工人數/該類別總員工人數 x 100。

<sup>8</sup> 員工流失率 (%) = 該類別流失員工人數/該類別總員工人數 x 100%。

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| Social Key Performance Indicators   |   | Unit   | FY2020    | FY2019             |
|-------------------------------------|---|--|-----------|--------------------|
| 社會關鍵績效指標                            |   | 單位   | 二零二零財政年度  | 二零一九財政年度           |
| <b>Health and safety</b><br>健康及安全   | Work-related fatalities 工傷死亡  | Cases 宗  | 0         | 0                  |
|                                     | Work-related injuries 工傷  | Cases 宗  | 2         | 6                  |
|                                     | Incidence of work-related injury (per 100 staff) <sup>9</sup><br>工傷率(每百名員工) <sup>9</sup>                            | %  | 0.32      | 0.88               |
|                                     | Lost days due to work-related injury<br>因工傷損失工作日數   | Days 日   | 202       | 85                 |
|                                     | Percentage of lost days due to work-related injury <sup>10</sup><br>因工傷損失工作日數比率 <sup>10</sup>                       | %  | 0.1       | 0.1                |
|                                     | Number of days absent (for all employees)<br>缺勤日數(所有員工)   | Days 日   | 5,587.5   | 5,016.95           |
|                                     | Percentage of days absent <sup>10</sup> 缺勤日數比率 <sup>10</sup>  | %  | 1.4       | 2.8                |
|                                     | <b>Employee training</b><br>僱員培訓  | <b>Percentage of trained employees<sup>11</sup></b><br>受訓員工百分比 <sup>11</sup> | %         | 55.5 <sup>12</sup> |
|                                     | By gender 性別分佈  |  |           |                    |
|                                     | Male 男性   | %  | 67.5      | 36.9               |
|                                     | Female 女性   | %  | 48.8      | 37.6               |
|                                     | By professional profile 職能分佈  |  |           |                    |
|                                     | Management staff 管理員工   | %  | 23.8      | 66.2               |
|                                     | General staff 普通員工  | %  | 69.1      | 33.7               |
|                                     | <b>Total training hours 總培訓時數</b>   | Hours 小時   | 2,236.0   | 2,156.5            |
|                                     | <b>Average training hours per employee<sup>13</sup></b><br>平均僱員培訓時數 <sup>13</sup>                                   | Hours 小時   | 3.5       | 3.1                |
|                                     | By gender 性別分佈  |  |           |                    |
|                                     | Male 男性   | Hours/employee<br>小時/員工  | 2.5       | 1.2                |
|                                     | Female 女性   | Hours/employee<br>小時/員工  | 4.1       | 4.2                |
|                                     | By professional profile 職能分佈  |  |           |                    |
|                                     | Management staff 管理員工   | Hours/employee<br>小時/員工  | 2.3       | 3.6                |
|                                     | General staff 普通員工  | Hours/employee<br>小時/員工  | 4.1       | 3.1                |
|                                     | <b>Percentage of employees who receive regular performance and career development review</b><br>接受定期績效及職業發展檢視的員工百分比 | %  | 74.5      | 89.6               |
| <b>Community investment</b><br>社區投資 | Donation 捐款   | HKD 港元   | 1,798,000 | 506,763            |
|                                     | Volunteer headcount 義工人次  | Headcount 人次   | 94        | –                  |
|                                     | Hours of volunteer work 義工時數  | Hours 小時   | 285       | –                  |

<sup>9</sup> Incidence of work-related injury (per 100 staff) = Number of employees with work-related injury/ Total number of employees x 100.

<sup>10</sup> The number of working days for the whole year used for calculating lost days due to work-related injury and number of days absent is 260.

<sup>11</sup> Percentage of trained employees = Number of trained employees in the category/total number of employees x 100%.

<sup>12</sup> Male to female ratio of trained employees: male (44%) and female (56%); ratio of trained employees in each rank group: senior management (13%) and general employees (87%).

<sup>13</sup> Average training hours of trained employees = Training hours in the category/total number of employees in the category.

<sup>9</sup> 工傷率(每百名員工) = 因工受傷員工人數/總員工人數 x 100。

<sup>10</sup> 用作計算因工傷損失工作日數及缺勤日數之全年工作日數為260日。

<sup>11</sup> 受訓員工百分比 = 該類別受訓員工人數/總員工人數 x 100%。

<sup>12</sup> 受訓員工中的男女比例：男性(44%)及女性(56%)；受訓員工中各職級組別的比例：管理層員工(13%)及一般員工(87%)。

<sup>13</sup> 受訓員工平均時數 = 該類別員工受訓時數/該類別總員工人數。

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| General Disclosure<br>一般披露      | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.<br>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：<br>(a) 政策；及<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 45, 49, 63         |
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| A1.6                            | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.<br>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。   | 64, 68             |
| <b>A2 Use of Resources 資源使用</b> |  |                    |
| General Disclosure<br>一般披露      | Policies on efficient use of resources including energy, water and other raw materials.<br>有效使用資源(包括能源、水及其他原材料)的政策。  | 45, 63             |
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| A2.2                            | Water consumption in total and intensity.<br>總耗水量及密度。  | 66, 68             |
| A2.3                            | Description of energy use efficiency initiatives and results achieved.<br>描述能源使用效益計劃及所得成果。   | 65, 68             |
| A2.4                            | Description of whether there is any issue in sourcing water that is fit for the purpose, water usage efficiency initiatives and results achieved.<br>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。  | 66, 68             |
| A2.5                            | Total packaging material used for finished products and per unit produced.<br>製成品所用包裝材料的總量及每生產單位佔量。  | 66, 68             |



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| <b>A3 The Environment and Natural Resources 環境及天然資源</b> |   |                    |
| General Disclosure<br>一般披露                              | Policies on minimising the issuers' significant impact on the environment and natural resources.<br>減低發行人對環境及天然資源造成重大影響的政策。   | 45, 63, 66         |
| A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.<br>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。  | 66                 |
| <b>B1 Employment 僱傭</b>                                 |   |                    |
| General Disclosure<br>一般披露                              | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare<br>有關薪酬及解僱、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： | 45, 50, 58         |
| B1.1  | Total workforce by gender, employment type, age group and geographical region.<br>按性別、僱傭類型、年齡組別及地區劃分的僱員總數。  | 69                 |
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| <b>B2 Health and Safety 健康與安全</b>                       |   |                    |
| General Disclosure<br>一般披露                              | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards<br>有關提供安全工作環境及保障僱員避免職業性危害的：   | 45, 50, 54         |
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| B2.3  | Description of occupational health and safety measures adopted, how they are implemented and monitored.<br>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。   | 54–56              |

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| General Disclosure<br>一般披露               | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br>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。   | 45, 57             |
| B3.1                                     | The percentage of employees trained by gender and employee category.<br>按性別及僱員類別劃分的受訓僱員百分比。  | 70                 |
| B3.2                                     | The average training hours completed per employee by gender and employee category.<br>按性別及僱員類別劃分，每名僱員完成受訓的平均時數。  | 70                 |
| <b>B4 Labour Standards 勞工準則</b>          |  |                    |
| General Disclosure<br>一般披露               | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child or forced labour.<br>有關防止童工或強制勞工的：<br>(a) 政策；及<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 45, 50, 58         |
| B4.1                                     | Description of measures to review employment practices to avoid child and forced labour.<br>描述檢討招聘慣例的措施以避免童工及強制勞工。   | 59                 |
| <b>B5 Supply Chain Management 供應鏈管理</b>  |  |                    |
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| General Disclosure<br>一般披露            | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters<br>relating to products and services provided and methods of redress<br>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：<br>(a) 政策；及<br>(b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 45, 51, 60–62      |
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| B6.3                                  | Description of practices relating to observing and protecting intellectual property rights.<br>描述與維護及保障知識產權有關的慣例。  | 62                 |
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# Environmental, Social and Governance Report

## 環境、社會及管治報告



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| 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.<br>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。  | 49                 |
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| <b>B8 Community Investment 社區投資</b> |  |                    |
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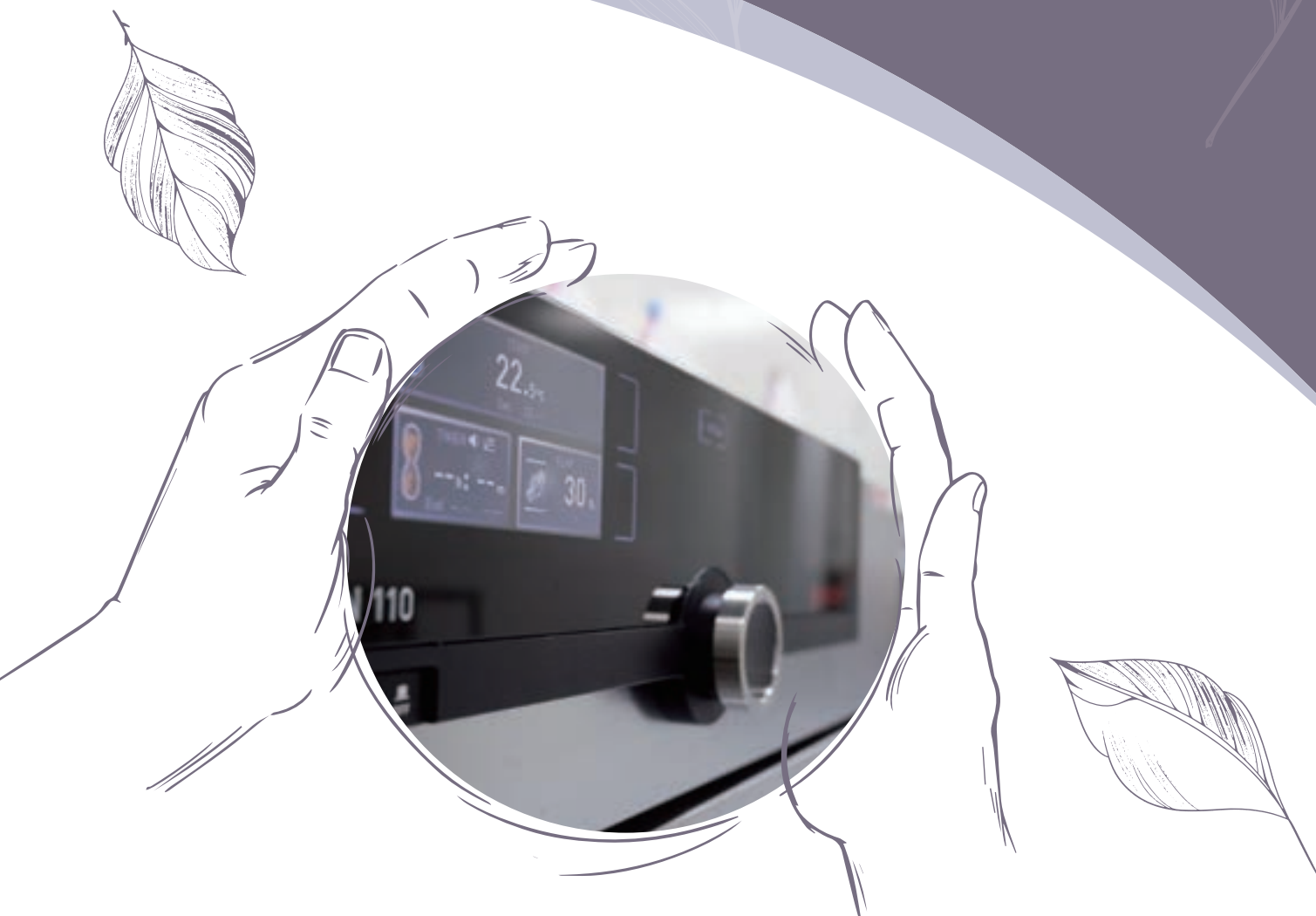
# Corporate Governance Report

## 企業管治報告

“ We are committed to maintaining a high standard of corporate governance with a strong emphasis on transparency, accountability, integrity and independence.

我們致力維持高水準的企業管治，  
高度重視透明度、問責性、誠信及獨立。

”



# Corporate Governance Report

## 企業管治報告



### Corporate Governance Practices

The Board recognises that good corporate governance practices serve as an effective risk management for the growth of the Company that will promote and enhance the benefit of its shareholders. The Company is committed to maintaining a high standard of corporate governance with a strong emphasis on transparency, accountability, integrity and independence.

The Company continued to adopt the principles and comply with the code provision of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules during the year under review. The Board has reviewed periodically the compliance of the CG Code and is in the view that throughout the year ended 31 March 2020, the Company had complied with the applicable code provisions of the CG Code, except for the following deviation:

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year under review, Mr. Tang Ching Ho, the chairman of the Board, also assumed the role of managing Director. Currently, the Company does not propose to comply with code provision A.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interest of the Group as a whole. Details of such deviation are set out below in the section headed “Roles of Chairman and Managing Director”.

### Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the “**Model Code**”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries by the Company, all of the Directors confirmed that they had complied with the required standards set out in the Model Code throughout the year under review.

In accordance with code provision A.6.4 of the CG Code, the Company also adopted a code of conduct regarding securities transactions on no less exacting terms than the Model Code by the relevant employees of the Group who are considered likely to be in possession of unpublished price sensitive information in relation to the Company or its securities. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

### 企業管治常規

董事會深明良好的企業管治常規能對本公司之增長作有效之風險管理，可提高及增加其股東之利益。本公司致力於維持高水準企業管治，高度重視透明度、問責性、誠信及獨立性。

於回顧年度內，本公司已繼續採納上市規則附錄十四內企業管治守則（「**企業管治守則**」）之原則及遵守所載之守則條文。董事會定期檢討企業管治守則之遵守情況，並認為本公司截至二零二零年三月三十一日止整個年度已遵守企業管治守則之適用守則條文，惟下列偏離情況除外：

企業管治守則之守則條文第A.2.1條規定主席與行政總裁的角色應有區分及不應由一人同時兼任。於回顧年度內，董事會主席鄧清河先生亦兼任董事總經理。目前，本公司暫時無意遵守企業管治守則之守則條文第A.2.1條，惟將繼續檢討該偏離情況，以提升本集團的整體最佳利益。有關偏離情況的詳情載於下文「主席及董事總經理之角色」一節。

### 董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（經不時修訂）（「**標準守則**」），作為本身有關董事進行證券交易之操守守則。本公司經向全體董事作出特定查詢後，全體董事確認彼等於整個回顧年度一直遵守標準守則所載規定標準。

根據企業管治守則之守則條文第A.6.4條，本公司亦為其認為可能擁有關於本公司或其證券之非公開價格敏感消息之本集團有關僱員，採納一套有關證券交易之操守守則，其條款不遜於標準守則。據董事所深知及確信，所有有關僱員已遵守該守則之規定標準。

# Corporate Governance Report

## 企業管治報告

### Dividend Policy

In November 2018, the Company adopted a dividend policy, which is intended to be prudent and sustainable and will be evaluated from time to time. There is no assurance that dividends will be paid in any particular amount for any particular period. Subject to compliance with applicable rules and regulations, the Board may, at its discretion, determine the declaration of payment of dividend(s) to its shareholders in any amount, frequency in any financial year depending on, among other things, the Company's operation and financial performance, liquidity condition, capital requirements, future funding needs, contractual restrictions, availability of reserves and prevailing economic climate.

### Business Model and Strategy

The Group is principally engaged in (i) the manufacturing, processing and retailing of TCM; (ii) the processing and sale of Western pharmaceutical, health food and personal care products; (iii) property investment; and (iv) the management and sale of properties in agricultural produce exchange markets. The Group continues its proactive expansion strategy for generating and preserving shareholder value over the longer term.

With respect to the core Chinese and Western pharmaceutical and health food products business, the Group will further leverage its edge in vertical integration. In order to achieve this objective, the Group is enhancing the effort on new products research, development and registration, especially focus on those Chinese and Western medicinal products which possess their own uniqueness and curative effect. The Group also extends its retail and medical service network aggressively to gain market share. Furthermore, the Group seeks to expand the Chinese herbal plantation base in mainland China to assure quality source of raw materials.

With respect to the property investment business, apart from the CAP Acquisition successfully completed in mid February 2020, the Group continues to look for and acquire sizeable and potential retail premises for mitigating the effect of rising rental costs.

On the other hand, the Group continues to closely monitor the market for merger and acquisition opportunities if it can bring synergy to our existing business, as well as diversification of its investment portfolio for strengthening and broadening its income base. The Group also takes active and prompt measures from time to time, reviewing and adjusting its business strategy and adopting various controls over costs, if necessary, so as to maintain the Group's profitability. Besides, the Group strives to maintain a healthy financing structure and devotes effort to securing banking facilities which is regarded as an important element for supporting continuous business development of the Group.

### 股息政策

本公司於二零一八年十一月採納意在審慎及可持續之股息政策，並將不時予以評估，概不保證將於任何特定期間支付任何特定金額股息。在遵守適用規則及法規的前提下，董事會可視乎(其中包括)本公司的營運及財務表現、流動資金狀況、資本需求、未來融資需要、合約限制、可用儲備及當前經濟環境，酌情決定於任何財政年度向其股東宣派及派付股息的金額及次數。

### 業務模式及策略

本集團主要從事(i)製造、加工及零售傳統中藥；(ii)加工及銷售西藥、保健食品及個人護理產品；(iii)物業投資；及(iv)農產品交易市場物業管理及銷售。本集團繼續採取積極拓展的策略為長期創造及維持股東的價值。

就主要中西藥及保健食品業務而言，本集團將進一步利用其縱向整合的優勢。為達致此目標，本集團致力加強新產品的研發及註冊，尤其專注於中西藥產品方面，該等產品具獨特療效。本集團亦積極拓展零售和醫療服務網絡，從而增加市場佔有率。此外，本集團尋求拓展中國內地的中藥種植基地，以保證原材料的品質來源。

就物業投資業務而言，除於二零二零年二月中成功完成中國農產品收購事項外，本集團繼續物色並購入規模、潛力兼備之零售物業，以減低租金成本不斷上漲所帶來之影響。

另一方面，本集團繼續密切監察市場，留意與本集團現有業務產生協同效應，亦可令投資組合更多元化的併購機會，從而鞏固及擴大收益基礎。本集團亦不時採取積極及時之措施，檢討及調整業務策略，並於有需要時採取各項控制成本之措施，藉此維持本集團之盈利能力。此外，本集團致力維持穩健的融資架構，積極取得銀行融資，因銀行融資乃維持本集團持續業務發展之重要因素。



## The Board

### Composition

The Board currently comprises four executive Directors and four independent non-executive Directors (the “INEDs”). The Directors during the year and up to the date of this annual report were:

### Executive Directors

Mr. Tang Ching Ho, *SBS, JP*  
(Chairman and Managing Director)  
Mr. Chan Chun Hong, Thomas  
Ms. Tang Mui Fun  
Ms. Tang Wai Man

### Independent non-executive Directors

Mr. Leung Wai Ho, *MH*  
Mr. Siu Man Ho, Simon  
Mr. Cho Wing Mou  
Mr. Li Ka Fai, David

Ms. Tang Mui Fun is a sister of Mr. Tang Ching Ho and Ms. Tang Wai Man is the daughter of Mr. Tang Ching Ho. The biographical details of the Directors are set out on pages 35 to 38 of this annual report.

The Board possesses a mix and balance of skills and experience which are appropriate for the requirements of the businesses of the Company. The opinions raised by the INEDs in Board meetings facilitate the maintenance of good corporate governance practices. As at the date of this annual report, the Board has four INEDs, representing more than one-third of the Board, and at least one of the INEDs has the appropriate professional qualification and/or accounting and audit experience expertise as required by Rules 3.10(1) and (2) and 3.10A of the Listing Rules. A balanced composition of executive and non-executive Directors also generates a strong independent element on the Board, which allows for an independent and objective decision making process for the best interests of the Company and its shareholders. The Company has reviewed the composition of the Board and discussed from time to time to ensure that the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group’s businesses and to enhance the shareholders’ value. All Directors are aware of the required levels of fiduciary duties, care, skill and diligence under Rule 3.08 of the Listing Rules.

In compliance with code provision A.3.2 of the CG Code, an updated list of the Directors identifying their role and function are available on the websites of the Company ([www.wyth.net](http://www.wyth.net)) and HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)). The nomination committee of the Company (the “Nomination Committee”) and the Board will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group’s business and to enhance the shareholders’ value.

## 董事會

### 組成

董事會現時包括四名執行董事及四名獨立非執行董事(「獨立非執行董事」)。於年內及截至本年報日期，董事為：

### 執行董事

鄧清河先生，*SBS*，*太平紳士*  
(主席兼董事總經理)  
陳振康先生  
鄧梅芬女士  
鄧蕙敏女士

### 獨立非執行董事

梁偉浩先生，*MH*  
蕭文豪先生  
曹永牟先生  
李家暉先生

鄧梅芬女士為鄧清河先生之胞妹，而鄧蕙敏女士為鄧清河先生之女兒。董事履歷詳情載於本年報第35至38頁。

董事會具備多元及均衡之技能與經驗，符合本公司之業務需要。獨立非執行董事於董事會會議上所提出意見，促進維持良好企業管治常規。於本年報日期，按上市規則第3.10(1)、(2)及3.10A條之規定，董事會擁有四名獨立非執行董事，佔董事會三分之一以上，而最少一名獨立非執行董事擁有適當專業資格及／或會計及核數經驗及專業知識。執行董事及非執行董事之組合均衡，亦為董事會提供強大獨立元素，可就本公司及其股東之最佳利益作出獨立而客觀之決策。本公司已檢討董事會之組成並不時進行討論，以確保董事會擁有適當之所需專業知識、技能及經驗，以符合本集團之業務所需及提升股東價值。全體董事均了解上市規則第3.08條項下規定之誠信責任、謹慎、技能及勤勉水平。

為遵守企業管治守則之守則條文第A.3.2條，詳列董事角色及職務之更新名單可於本公司網站([www.wyth.net](http://www.wyth.net))及披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))上查閱。本公司提名委員會(「提名委員會」)及董事會將不時檢討董事會之組成，以確保董事會擁有適當之所需專業知識、技能及經驗，以符合本集團之業務所需及提升股東價值。



# Corporate Governance Report

## 企業管治報告

### Appointment and Re-election of the Directors

All INEDs are appointed with specific term set out in respective letters of appointment and all of them are subject to retirement by rotation and, being eligible, offer themselves for re-election at annual general meetings in accordance with the bye-laws of the Company (the "Bye-law(s)"). All INEDs are appointed for a term of not more than three years. Pursuant to code provisions A.4.2 of the CG Code and the Bye-law 87, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation, provided that every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years, and shall be eligible for re-election at each annual general meeting. In addition, any Director who is appointed by the Board to fill casual vacancy or as an addition to the existing Board are subject to re-election at the first general meeting of the Company after his/her appointment.

### Independence of INEDs

The INEDs are required to confirm their independence upon their appointment and on an annual basis. All INEDs are free from any business or other relationship with the Company. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the year ended 31 March 2020. The INEDs would not participate in the Group's daily operation and they would abstain from voting on any resolution(s) in which he had any interest and, therefore, the Company continues to consider the four INEDs to be independent for the year ended 31 March 2020 and up to the date of this annual report.

### Roles and Responsibilities of the Board and the Senior Management

The Board is accountable to Stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review of corporate and financial policies and the oversight of the management of the Group's business and affairs. Apart from these, the Board reserved for its consideration and decision on major acquisitions and disposals, review of interim and annual financial results, appointments and removals of directors and auditors, the evaluation on the performance and compensation of senior management, any material capital transactions and other significant operational and financial affairs. With a view to maintaining an appropriate balance between authority and responsibility, such functions are either carried out directly by the Board or indirectly through various committees established by the Board, with respective functions set out in their written terms of reference.

The INEDs account for diverse industry expertise but are not involved in the day-to-day management of the Group. The general management and day-to-day management are delegated to the management, including but not limited to the preparation of regular financial information, execution of designated assignments, and implementation of sustainability practices.

### 董事委任及重選

所有獨立非執行董事均以固定任期獲委任，有關任期載於各自之委任聘書，並須根據本公司之公司細則（「公司細則」）於股東週年大會上輪值告退及符合資格膺選連任。所有獨立非執行董事均以不超過三年之任期獲委任。根據企業管治守則之守則條文第A.4.2條及公司細則第87條，於每屆股東週年大會上，當時在任之三分之一董事（或倘若董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退，惟每名董事（包括以固定任期獲委任之董事）須至少每三年輪值告退一次及符合資格重選連任。此外，任何董事作為由董事會任命以填補臨時空缺，或出任現行董事會新增職位的董事，均須於其獲委任後之首屆本公司股東大會上重選連任。

### 獨立非執行董事之獨立性

獨立非執行董事須於彼等獲委任後確定其獨立性，並按年確定一次。所有獨立非執行董事與本公司概無任何業務或其他關係。本公司於截至二零二零年三月三十一日止年度已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出之年度確認書。獨立非執行董事不會參與本集團日常營運，且彼等會就彼等擁有任何利益之任何決議案放棄投票，因此，截至二零二零年三月三十一日止年度及截至本年報日期，本公司繼續認為四名獨立非執行董事均屬獨立。

### 董事會及高級管理層之角色及職責

董事會須就本集團之業務及表現向持份者負責，其主要職能為（其中包括）制訂整體策略、檢討企業及財政政策，並監管本集團之業務及事宜之管理。除此之外，董事會保留下列權利：考慮及決策主要收購及出售事項、審閱中期及年度財務業績、委任及罷免董事及核數師、評估高級管理層之表現與酬金、任何重大股本交易及其他主要營運及財務事宜。為維持適當之權力與職能平衡，該等職能由董事會直接執行，或由董事會成立之各個委員會間接執行其書面職權範圍之職責。

獨立非執行董事負責加強行業專業知識多元化，但不參與本集團之日常管理工作。管理層獲授予常務管理及日常管理，包括但不限於定期編製財務資料、執行指派工作及實施可持續性常規。

# Corporate Governance Report

## 企業管治報告



The Directors having material interest in the matter(s) shall abstain from voting at such Board meeting(s) and the INEDs with no conflict of interest shall attend at such meeting to deal with the matter(s).

All Directors ensure that they can give sufficient attention to discharge their responsibilities to the affairs of the Company and the Directors have disclosed to the Company the identity and nature of offices held in any public organisation and other significant commitments from time to time.

During the year under review, regular Board meetings of the Company were held four times to review, consider and approve, among others, annual and interim results and to review the business operations, corporate governance practices and the effectiveness of internal control and risk management systems of the Group. Apart from these regular meetings, Board meetings are also held, as and when necessary, to consider major transactions of the Group. At least 14-day notice for each regular meeting is given to all Directors. All such minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director. Apart from the regular Board meetings and pursuant to code provision A.2.7 of the CG Code, the chairman of the Board also met with the INEDs without the presence of any executive Director during the year.

### Chairman and Managing Director

During the year under review, Mr. Tang Ching Ho, the chairman of the Board, has also assumed the role of the managing Director. Mr. Tang has extensive management experience in corporate management in the industry of the Group and is responsible for overall corporate planning, strategic policy making of the Group which is of great value in enhancing the efficiency to cope with the recent fierce competitive and downturn retailing market and the communication between the Board and the management, so as to ensure the effective execution of the Board's strategies. Furthermore, the Board considers that Mr. Tang is an executive of high caliber with a wide range of skills and diversified business expertise and there are various committees and experienced individuals dealing with specific assignments and business unit(s) and managing the daily business operations. Moreover, the Board comprises four executive Directors and four INEDs with balance of skills and experience appropriate for the Group's further development. The Company had no intention to make any change to comply with code provision A.2.1 of the CG Code (i.e. the roles of chairman and chief executive should be separate and should not be performed by the same individual) but will continue to review and propose, as and when appropriate, by taking into consideration of such deviation and any other relevant factors, to ensure the maximisation of the benefit of the Stakeholders.

倘董事於有關事宜擁有重大權益，須於有關董事會會議上放棄投票，並須由不涉及利益衝突之獨立非執行董事出席該會議處理有關事項。

各董事確保其投放充足時間履行其對本公司事務之職責，而董事不時向本公司披露其於任何公共機構擔任職位之身份及職務性質，以及擔任其他要職之有關資料。

於回顧年度內，本公司已舉行四次定期董事會會議，以審閱、考慮及批准(其中包括)年度及中期業績，並檢討本集團之業務營運、企業管治常規及內部監控及風險管理制度之成效。除該等定期會議外，董事會會議亦會在有需要時舉行以考慮本集團之重大交易。各定期會議須向全體董事發出最少14日之通知。所有該等會議記錄均由本公司之公司秘書備存，並可供任何董事在提出合理通知下於任何合理時間查閱。除定期舉行之董事會會議外，根據企業管治守則之守則條文第A.2.7條，董事會主席亦已於年內在並無執行董事出席的情況下與獨立非執行董事舉行會議。

### 主席及董事總經理

於回顧年度內，董事會主席鄧清河先生亦兼任董事總經理。鄧先生在本集團所在行業的企業管理方面擁有豐富的管理經驗，並負責本集團的整體企業策劃、策略政策制定，此對提升本集團應對近來競爭激烈及低迷的零售市場的效率及董事會與管理層之間溝通，以確保董事會的策略的有效實施，具有極大價值。此外，董事會認為，鄧先生乃資深管理人員，具備多項技能及多元化業務專長，且有多個委員會及有經驗人士處理特定工作及業務單位以及管理日常業務營運。再者，董事會包括四名執行董事及四名獨立非執行董事，其均擁有本集團進一步發展所需之均衡技能及經驗。本公司無意作出任何變動以遵守企業管治守則之守則條文第A.2.1條(即主席與行政總裁的角色應有區分，不應由同一人兼任)，但經考慮該偏離情況及任何其他相關因素後繼續於適當時檢討及提出建議，以確保盡量為持份者爭取最大利益。

# Corporate Governance Report

## 企業管治報告

### Corporate Governance

The Board has undertaken the responsibility for performing the corporate governance duties pursuant to code provision D.3.2 of the CG Code and is committed to ensuring that an effective governance structure is in place to continuously review, monitor and improve the corporate governance practices within the Group with regard to the prevailing legal and regulatory requirements.

The Board has adopted a Board diversity policy (the “**Board Diversity Policy**”) stipulating the composition of the Board, reviewing the policies and measures on the Group’s corporate governance, reviewing a code of conduct applicable to the Directors and employees, monitoring the Company’s legal and regulatory compliance, training and continuing professional development of Directors and reviewing the Company’s compliance with the CG Code and the disclosure in this annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

### Board Diversity

The Company notes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives, sustainable and balanced development. In June 2013, the Company adopted the Board Diversity Policy which sets out the approach to diversify the Board and was reviewed annually. The Nomination Committee reviews and assesses the Board composition on behalf of the Board and will recommend the appointment of new Director, when necessary, pursuant to the Board Diversity Policy and the nomination policy.

In designing the Board’s composition, the Board diversity has been considered from a number of aspects, including but not limited to, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also consider factors based on the Company’s business model, specific needs and meritocracy from time to time in determining the optimum composition of the Board.

During the year under review, the Board comprises eight Directors, including four executive Directors and four INEDs, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional experience, skills and knowledge.

Having reviewed the Board Diversity Policy, the nomination policy and the Board’s composition, the Nomination Committee is satisfied that the requirements set out in the Board Diversity Policy had been met.

### 企業管治

董事會負責根據企業管治守則之守則條文第D.3.2條履行企業管治職責，並致力確保實行有效的管治架構，以因應現行法律及監管要求，持續檢討、監察及改善本集團內的企業管治常規。

董事會已採納董事會多元化政策（「**董事會多元化政策**」），制定董事會之組成、檢討本集團的企業管治政策及措施、審閱董事及僱員適用的操守守則、監察本公司的法律和監管合規情況及董事的培訓和持續專業發展情況，並審閱本公司遵守企業管治守則的情況及本年報內的披露情況。

為履行企業管治職責，董事會已審閱本企業管治報告。

### 董事會之多元性

本公司注意到提升董事會多元化水平對支援其達致策略目標、可持續及均衡之發展至為重要。於二零一三年六月，本公司採納董事會多元化政策，其中載列提升董事會多元化之方法，並每年進行檢討。提名委員會代董事會檢討及評估董事會之組成，並在有需要時根據董事會多元化政策及提名政策就委任新董事提出推薦意見。

設計董事會之組成時，已從多方面考慮董事會之多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務年期。提名委員會在釐定董事會之最佳組成時，亦將不時考慮本公司之業務模式、特定需求及用人唯才等各項因素。

於回顧年度內，董事會由八名董事組成，包括四名執行董事及四名獨立非執行董事，有助嚴格審閱及監察管理程序。董事會無論在專業經驗、技術還是知識方面均十分多元化。

考慮董事會多元化政策、提名政策及董事會之組成後，提名委員會信納本公司經已符合董事會多元化政策所載之規定。

# Corporate Governance Report

## 企業管治報告

### Continuous Professional Development

All Directors are encouraged to participate in continuous professional development so as to develop and refresh Directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant. The company secretary of the Company regularly circulates training materials or reading materials to all Directors in respect of the updates on, among other things, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") or other useful guidelines, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") and financial or accounting standards which may be of the interest to the Directors and benefit for them to discharge their duties.

In addition, the company secretary of the Company also provides and circulates to the Directors with monthly and regular updates relating to the Group's business, financial position and business environment, in which the Group operates. During the year, all Directors have complied with the code provisions in relation to continuous professional development. Apart from reading materials relevant to the Company's business, the updated rules and regulation and other director's duties and responsibilities by all Directors, the Directors also enhanced their professional development by way of attending seminars and/or forums.

The company secretary of the Company updates Directors constantly on the latest developments regarding the Group's business and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During the year, all Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the company secretary of the Company for accurate and comprehensive record keeping.

### Liability Insurance for the Directors

The Company has arranged for appropriate directors and officers liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed and renewed with consultant advice on an annual basis.

### 持續專業發展

本公司鼓勵所有董事參與持續專業發展，以發展並更新董事之知識及技能，確保其繼續在具備全面資訊及切合所需之情況下對董事會作出貢獻。本公司之公司秘書定期向全體董事傳閱符合董事利益及有助於彼等履行職責之培訓材料或閱讀材料，內容有關(其中包括)上市規則、香港法例第571章證券及期貨條例(「證券及期貨條例」)或其他有用指引、香港法例第622章公司條例(「公司條例」)及財務或會計準則之最新資料。

此外，本公司之公司秘書亦向董事提供每月及定期更新之資料並供其傳閱，內容包括本集團業務、財務狀況及本集團經營所處業務環境。年內，所有董事均已遵守有關持續專業發展守則條文。除全體董事閱讀的有關本公司業務、更新的規則及法規以及其他董事職能與責任之資料外，董事亦透過參加研討會及／或論壇促進專業發展。

本公司之公司秘書向董事提供有關本集團業務及其他適用監管規定之最新發展資料，以確保遵守並提高董事對良好企業管治常規之意識。

年內，所有董事均定期向本公司提供其培訓記錄，該等記錄由本公司之公司秘書保存以確保存置準確及全面之記錄。

### 董事之責任保險

本公司安排適當的董事及高級職員責任保險，以就其董事因公司業務有關之法律訴訟產生之責任作出彌償。本公司聽取顧問意見後按年檢討及更新上述投保範圍。





# Corporate Governance Report

## 企業管治報告

### Board Committees

The Board has established various committees including the executive committee (the “**Executive Committee**”), the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the Nomination Committee, each of which has the specific written terms of reference that will be reviewed and updated, where necessary. Minutes of all meetings and resolutions of the committee meetings are kept by the company secretary of the Company and open for inspection at any reasonable time on reasonable notice by any Director. Each committee is required to report to the Board on its decisions and recommendations, where appropriate.

#### Executive Committee

The Executive Committee has been established since 2005 with specific written terms of reference setting out authorities delegated by the Board. Its primary function is to undertake general management and supervise the day-to-day management, performance and operations in accordance with the business strategy of the Group. It exercises leadership, develops and keeps under review strategy and business development initiatives of the Group and monitors their implementation. Currently, the Executive Committee comprises four members, namely, Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas, Ms. Tang Mui Fun and Ms. Tang Wai Man. Mr. Tang Ching Ho takes the chair of the Executive Committee.

#### Audit Committee

The Audit Committee has been established with specific written terms of reference stipulating its authorities and duties in compliance with Rule 3.21 of the Listing Rules, which are available on the websites of the Company ([www.wyth.net](http://www.wyth.net)) and the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)). Currently, the Audit Committee comprises four INEDs, namely, Mr. Li Ka Fai, David, Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon and Mr. Cho Wing Mou. Mr. Li Ka Fai, David is elected as the chairman of the Audit Committee.

The functions of the Audit Committee is, among other things, to assist the Board to review and monitor the financial reporting independently, including interim and annual results, to supervise over the Group's internal control and risk management systems, to monitor the internal and external audit functions, the appointment, reappointment and removal of the auditor and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the code provisions of the CG Code (as amended from time to time) so as to ensure that the management has discharged its duty to have an effective internal control and risk management systems including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting, internal audit and financial reporting function.

### 董事委員會

董事會已設立若干委員會，包括常務委員會（「**常務委員會**」）、審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會，各委員會均訂有明確書面職權範圍，該等職權範圍將經審閱及按需要更新。委員會會議所有會議記錄及決議案均由本公司之公司秘書備存，並可供任何董事在提出合理通知下於任何合理時間查閱。各委員會均須在適當情況下就其決定及建議向董事會報告。

#### 常務委員會

常務委員會自二零零五年起成立，訂有明確書面職權範圍，載列由董事會授予之職權。其主要職能為進行一般管理及根據業務策略監督日常管理、表現及營運。其負責領導、制定並不斷檢討本集團的策略及業務發展計劃，並監督其實施情況。目前，常務委員會由四名成員組成，即鄧清河先生、陳振康先生、鄧梅芬女士及鄧蕙敏女士。鄧清河先生為常務委員會主席。

#### 審核委員會

審核委員會已根據上市規則第3.21條成立，有關訂明其權限和職責之明確書面職權範圍可於本公司網站([www.wyth.net](http://www.wyth.net))及披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))上查閱。審核委員會現時由四名獨立非執行董事組成，即李家暉先生、梁偉浩先生、蕭文豪先生及曹永牟先生。李家暉先生獲選為審核委員會主席。

審核委員會之職能乃(其中包括)獨立地協助董事會檢討及監察財務申報(包括中期及年度業績)、監察本集團之內部監控及風險管理制度、監控內部及外部審核職能、核數師的委任、重新委任及罷免，並向董事會作出有關建議，以確保有效及具效率的運作及可靠的申報。審核委員會之職能將由董事會定期檢討並不時於適當時候作出修訂，以遵守企業管治守則之守則條文(經不時修訂)，以確保管理層已履行職責建立有效的內部監控及風險管理制度，包括資源充足度、本集團員工於會計、內部審核及財務申報職能方面之資格及經驗。

# Corporate Governance Report

## 企業管治報告



The Audit Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Company's policy, if considered necessary. During the year, the Audit Committee held two regular meetings with the Group's senior management and the external auditor.

During the year under review and up to the date of this annual report, the Audit Committee met to discuss and review, among other things, the following matters:

- (a) the annual results for the years ended 31 March 2019 and 2020 and the interim results for the six-month ended 30 September 2019 to ensure the full, complete and accurate disclosure in the aforesaid financial statements pursuant to the accounting standards and other legal requirement for presenting the same to the Board for approval;
- (b) the term and remuneration for the appointment of Ernst & Young as external auditor to audit and report on the consolidated financial statements of the Group for the year ended 31 March 2020 and to perform agreed upon procedures on the interim results for the six months ended 30 September 2019;
- (c) the term and remuneration for the appointment of external auditors to perform non-audit services, other special corporate projects and review the overall significant control system;
- (d) the independence of the external auditors especially for those non-audit services;
- (e) the continuing connected transactions of the Group;
- (f) the overall effectiveness of internal control and risk management systems; and
- (g) the adequacy of resources, qualifications and experience of staff and the accounting, internal audit and financial reporting matters and their training programmes and budget.

The Audit Committee is satisfied with, *inter alia*, the audit fees, effectiveness of the audit process, independence and objectivity of the external auditor and has recommended the Board for the re-appointment of Ernst & Young as the Company's external auditor for the ensuing year at the forthcoming annual general meeting of the Company.

審核委員會獲提供充分資源以履行其職責，並可根據本公司之政策在有需要情況下尋求獨立專業意見。年內，審核委員會成員與本集團高級管理層及外聘核數師舉行兩次定期會議。

於回顧年度及直至本年報日期，審核委員會舉行會議以討論及審閱(其中包括)以下事宜：

- (a) 截至二零一九年及二零二零年三月三十一日止年度之全年業績及截至二零一九年九月三十日止六個月之中期業績，以確保上述根據會計準則及其他法律規定編製並呈列予董事會以供批准之財務報表作出全面、完整及準確披露；
- (b) 委任安永會計師事務所為外聘核數師以審核及呈報本集團截至二零二零年三月三十一日止年度之綜合財務報表及對截至二零一九年九月三十日止六個月之中期業績進行協定程序的條款及薪酬；
- (c) 為進行非審核服務、其他特別公司項目及審閱整體重大監控系統而委任之外聘核數師之任期及薪酬；
- (d) 外聘核數師(尤其就有關非審核服務而言)的獨立性；
- (e) 本集團之持續關連交易；
- (f) 內部監控及風險管理制度的整體成效；及
- (g) 資源充足度、員工資格及經驗、會計、內部審核及財務申報事宜以及彼等之培訓計劃及預算。

審核委員會信納(其中包括)外聘核數師之審核費用、審核程序之有效性、獨立性及客觀性，並於本公司應屆股東週年大會向董事會建議續聘安永會計師事務所為本公司來年之外聘核數師。

# Corporate Governance Report

## 企業管治報告

### Remuneration Committee

The Board has established the Remuneration Committee since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company ([www.wyth.net](http://www.wyth.net)) and HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)).

In accordance with Rule 3.25 of the Listing Rules, the Remuneration Committee consists of five members, including Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou, Mr. Leung Wai Ho, Mr. Tang Ching Ho and Ms. Tang Wai Man, a majority of whom are INEDs during the year and up to the date of this annual report. Mr. Siu Man Ho, Simon is elected as the chairman of the Remuneration Committee.

The Remuneration Committee has been provided with sufficient resources to discharge its duties and may access to independent professional advice in accordance with the Company's policy and its written terms of reference, if considered necessary.

The roles and functions of the Remuneration Committee are as follows:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy on the basis of basic salary and allowances, discretionary bonus and share options;
- (b) to review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including but not limited to, benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the Directors' fee of the INEDs with reference to the range of remuneration of other non-executive directors in the similar industry and allow any out-of-pocket expenses incurred in connection with the performance of their duties;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

### 薪酬委員會

董事會已自二零零五年九月成立薪酬委員會，有關訂明其權限及職責之明確書面職權範圍（經不時修訂）可於本公司網站([www.wyth.net](http://www.wyth.net))及披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))上查閱。

根據上市規則第3.25條，於年內及截至本年報日期，薪酬委員會由五名成員組成，包括蕭文豪先生、曹永牟先生、梁偉浩先生、鄧清河先生及鄧蕙敏女士，其中大部份成員為獨立非執行董事。蕭文豪先生獲選為薪酬委員會主席。

薪酬委員會獲提供充分資源以履行其職責，並可根據本公司之政策及書面職權範圍在有需要情況下尋求獨立專業意見。

薪酬委員會的角色和職能如下：

- (a) 就本公司全體董事及高級管理層的薪酬政策及架構以及就制訂薪酬政策（以基本薪金、津貼、酌情支付的花紅及購股權為基礎）設立正規而具透明度的程序向董事會提出建議；
- (b) 參照董事會所訂企業方針及目標而檢討及批准高級管理層的薪酬建議；
- (c) 向董事會建議個別執行董事及高級管理層的薪酬待遇，包括但不限於實物利益、退休金權利及喪失或終止職務或委任的賠償金額；
- (d) 就獨立非執行董事的董事袍金向董事會提出建議，當中參考同類行業其他非執行董事之薪酬範圍，並容許產生任何與彼等履行職責有關之實際開支；
- (e) 考慮相若公司支付的薪酬、須付出的時間及職責以及集團內其他職位的僱用條件；



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- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

During the year under review, the Remuneration Committee held one meeting, in which it reviewed the existing remuneration policies by reference with the market research and, in particular, the current COVID-19, communicated with the chairman and managing Director, recommended amendments to the existing remuneration policies and performance-based bonus and approved the remuneration package and performance-based bonus paid to the other Directors and senior management of the Company. No Director took part in any discussion about his own remuneration.

The Remuneration Committee has discharged or will continue to discharge its major roles to, among other things, approve the terms of the service agreements of the Directors and the senior management, make recommendations with respect to the remuneration and policies of the Directors and senior management of the Company and to review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and senior management.

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5 of the CG Code, the annual remuneration of other members of the senior management by bands for the year ended 31 March 2020 is set out below:

| Remuneration to the senior management by bands | 高級管理層之酬金等級              | Number of individual<br>人數 |
|--|-------------------------|----------------------------|
| Nil to HK\$1,000,000                           | 零至1,000,000港元           | 1                          |
| HK\$1,000,001 to HK\$1,500,000                 | 1,000,001港元至1,500,000港元 | 2                          |

### Nomination Committee

The Nomination Committee has been established since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company ([www.wyth.net](http://www.wyth.net)) and the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)). It currently consists of five members, including Mr. Cho Wing Mou, Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Tang Ching Ho and Ms. Tang Wai Man, a majority of whom are INEDs during the year and up to the date of this annual report pursuant to code provision A.5.1 of the CG Code. Mr. Cho Wing Mou is elected as the chairman of the Nomination Committee.

- (f) 檢討及批准因執行董事及高級管理層喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，有關賠償亦須公平合理，不致過多；及
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償安排亦須合理適當。

於回顧年度內，薪酬委員會召開一次會議，會上其參照市場研究及(尤其是)當前新型冠狀病毒肺炎疫情下審閱現有的薪酬制度，與主席及董事總經理交流，就現有薪酬制度及按表現釐定之花紅提出修改建議，批准向本公司其他董事及高級管理層支付之薪酬待遇及按表現釐定之花紅。各董事概不得參與有關其本身薪酬之任何討論。

薪酬委員會已履行或將繼續履行其主要職務，(其中包括)批准董事及高級管理層之服務協議之條款、就本公司董事及高級管理層之薪酬及政策提出推薦建議、就董事及高級管理層之薪酬待遇進行檢討及就薪金、花紅(包括獎勵)提出建議。

董事薪酬詳情載列於綜合財務報表附註8。此外，根據企業管治守則之守則條文第B.1.5條，截至二零二零年三月三十一日止年度，其他高級管理層之年度酬金等級載列如下：

### 提名委員會

提名委員會已於二零零五年九月成立，有關訂明其權限及職責之明確書面職權範圍(經不時修訂)可於本公司網站([www.wyth.net](http://www.wyth.net))及披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))上查閱。根據企業管治守則守則條文第A.5.1條，於年內及截至本年報日期，提名委員會現時由五名成員組成，包括曹永牟先生、蕭文豪先生、梁偉浩先生、鄧清河先生及鄧蕙敏女士，其中大部份成員為獨立非執行董事。曹永牟先生獲選為提名委員會主席。



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The Nomination Committee is responsible for the identification and evaluation of candidates for appointment or re-appointment as a Director and senior management. The Board has formalised and adopted its existing practices into a nomination policy in October 2018. The nomination policy stipulated the key selection criteria and procedures for identifying and nominating suitably qualified candidates for appointment to the Board. The selection criteria and procedures specified in the nomination policy include:

### 1. Selection Criteria

- in assessing the suitability of a proposed candidate, the Nomination Committee will consider the factors (as reference), including reputation, integrity, accomplishment and relevant experience in relation to the principal businesses of the Company from time to time, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate;
- retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting. For those who have served as INEDs for a period of nine consecutive years standing for re-election, the Nomination Committee will consider the independence of such Director for nomination by the Board to stand for election at a general meeting and state the reason in the circular to the Shareholders for the re-election;
- candidate(s) will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as Director(s) and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as Director(s); and
- the Nomination Committee may request candidate(s) to provide additional information and documents, if considered necessary.

提名委員會負責識別及評估委任或重新委任為董事及高級管理層的候選人。董事會已將其現有做法落實為提名政策，並於二零一八年十月採納。提名政策規定識別及向董事會適當提名合資格候選人以供委任的標準及程序。提名政策訂明的甄選標準包括：

### 1. 甄選標準

- 在評估擬議候選人是否合適時，提名委員會將考慮的因素（作為參考）包括聲譽、誠信、成就及與本公司不時之主要業務有關的經驗、可利用時間及相關利益之承諾、各方面的多樣性，包括但不限於性別、年齡（年滿18歲或以上）、文化和教育背景、種族、專業經驗、技能、知識和服務任期。該等因素僅供參考，並非詳盡無遺及具有決定性。提名委員會可酌情提名其認為適當的任何人士；
- 退任董事有資格獲董事會提名於股東大會上膺選連任。就已擔任獨立非執行董事連續九年且將膺選連任的人士而言，提名委員會將考慮該董事的獨立性，以供董事會提名於股東大會選舉，並於致股東之通函中就重選陳述理由；
- 候選人須按指定方式提交必要的個人資料，連同同意獲委任為董事以及就或有關其選舉為董事的個人資料於任何文件或相關網站公開披露的書面同意書；及
- 倘認為必要，提名委員會可要求候選人提供額外資料及文件。



## 2. Nomination Procedures

- the secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidate(s) from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidate(s) who are not nominated by Board members;
- for filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidate(s) to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation;
- until the issue of the circular to be sent to the shareholders, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting;
- in order to provide information of the candidate(s) nominated by the Board to stand for election at a general meeting, and to invite nominations from the shareholders, a circular will be sent to the shareholders. The circular will set out the lodgment period for the shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidate(s) will be included in the circular to the shareholders;
- the shareholder can serve a notice to the company secretary within the lodgment period of its intention to propose a resolution to elect a certain person as Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidate(s) set out in the circular to be sent to the shareholders. The particulars of the candidate(s) so proposed will be sent to all shareholders for information by a supplementary circular;

## 2. 提名程序

- 提名委員會秘書應召開提名委員會會議，並邀請董事會成員（如有）於會議前提名候選人，以供提名委員會考慮。提名委員會亦可提出未獲董事會成員提名的候選人；
- 就填補臨時空缺而言，提名委員會應提出建議供董事會考慮和批准。就提名候選人於股東大會選舉而言，提名委員會須向董事會提名供其考慮和推薦；
- 直至刊發將寄發予股東的通函為止，獲提名人士不得視其已獲董事會建議於股東大會上參選；
- 股東將獲發一份通函，以提供獲董事會提名於股東大會上接受重選的人選的資料，同時邀請股東提名人選。該通函將載列股東提名人選的遞交期限。向股東刊發的通函將載列適用法律、法規及規定所規定的獲提名人士姓名、簡歷（包括資格及相關經驗）、獨立性、建議薪酬及任何其他資料；
- 如股東有意提交決議案以選舉某人士為董事，則毋須董事會建議或提名委員會提名（惟於寄發予股東的通函所載的候選人除外），即可在遞交決議案期間向公司秘書送達通知。提名候選人的詳情將以補充通函的方式送交所有股東參閱；



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- a candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary;
  - the Board shall have the final decision on all matters relating to its recommendation of candidate(s) to stand for election at any general meeting; and
  - as there may be more candidate(s) than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as Director, the resolutions proposed for the candidate(s) by the shareholders shall therefore take the same form as the resolutions proposed for the candidate(s) recommended by the Board.
- 候選人可於股東大會之前的任何時候通過書面通知公司秘書撤回其候選人資格；
  - 董事會須就有關推薦候選人於任何股東大會上選舉之所有事宜作出最終決定；及
  - 由於候選人的數目可能較空缺數目為多，而「總票數」方法將會被採用去釐定哪一位候選人選任為董事，因此股東提出建議候選人的議案與董事會推薦候選人的議案須採用相同的格式。

In respect of the Board Diversity Policy, the Board is cognisant of the benefits of diversity and the Nomination Committee monitors implementation of this policy as part of the process of selecting and nominating candidates for appointment to the Board. Candidates are considered against a broad and diverse range of aspects specified in the nomination policy, which among other aspects also include gender, ethnicity and cultural background.

關於董事會成員多元化政策，董事會了解多元化帶來之裨益，因此提名委員會通過監督及實施此政策，物色和提名合適人選予董事會批准委任。在考慮合適人選時，將考慮提名政策提及之廣泛及多元化元素，包括但不限於性別、種族及文化背景。

The roles and functions of the Nomination Committee are as follows:

提名委員會的角色和職能如下：

- (a) to review and evaluate the structure, size and composition (including diversity, skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;
  - (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
  - (c) to assess the independence of INEDs;
  - (d) to monitor the continuous professional development of the Directors;
  - (e) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;
- (a) 至少每年檢討及評估董事會的架構、人數及組成(包括多元性、技能、知識和經驗)並就任何擬對董事會作出的變動向董事會提出建議以配合本公司的公司策略；
  - (b) 物色具備合適資格人士加入董事會，並挑選提名有關人士出任董事或就此向董事會提供意見；
  - (c) 評估獨立非執行董事的獨立性；
  - (d) 監察董事之持續專業發展；
  - (e) 就董事委任或重新委任，以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議；

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- (f) where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
- the process used for identifying the individual why the board believes the individual should be elected and the reasons why it considers the individual to be independent;
  - if the proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
  - the perspectives, skills and experience that the individual can bring to the Board; and
  - how the individual contributes to diversity of the Board.
- (g) the chairman or another member of the Nomination Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

The Nomination Committee has been provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Board Diversity Policy and its written terms of reference, if considered necessary.

During the year under review, the Nomination Committee held one meeting, in which it determined the criteria and procedures for retirement by rotation and recommended to the Board for re-appointment of Mr. Tang Ching Ho, Ms. Tang Mui Fun and Mr. Leung Wai Ho at the forthcoming annual general meeting. The Nomination Committee also reviewed the Board Diversity Policy and evaluated the Board performance and succession planning.

- (f) 若董事會擬於股東大會上提呈決議案選任某人士為獨立非執行董事，其應於有關股東大會通告所隨附的致股東通函及／或說明函件中列明：
- 用以物色該名人士的流程、董事會認為應選任該名人士的理由以及彼等認為該名人士屬獨立人士的原因；
  - 如果候任獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
  - 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
  - 該名人士如何促進董事會成員多元化。
- (g) 提名委員會主席或其他成員須出席本公司股東週年大會，並作好準備以回答由股東提出的有關委員會之活動及職責的問題。

提名委員會獲提供充分資源以履行其職責，並可根據董事會多元化政策及其書面職權範圍在有需要情況下尋求獨立專業意見。

於回顧年度內，提名委員會舉行一次會議，在會議上決定輪值退任之標準與程序，以及向董事會建議於應屆股東週年大會上重新委任鄧清河先生、鄧梅芬女士及梁偉浩先生。提名委員會亦檢討董事會多元化政策及評估董事會之表現及繼任計劃。



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### Attendance of Directors at Various Meetings

Details of the attendance of individual Directors at Board meetings, committee meetings and shareholder meetings held during the year ended 31 March 2020 are as follows:

| Name of Directors      | 董事姓名 | Board | Audit Committee | Remuneration Committee | Nomination Committee | Special general meeting | Annual general meeting |
|------------------------|------|-------|-----------------|------------------------|----------------------|-------------------------|------------------------|
|                        |      | 董事會   | 審核委員會           | 薪酬委員會                  | 提名委員會                | 股東特別大會                  | 股東週年大會                 |
| Tang Ching Ho          | 鄧清河  | 4/4   | N/A不適用          | 1/1                    | 1/1                  | 0/1                     | 1/1                    |
| Chan Chun Hong, Thomas | 陳振康  | 4/4   | N/A不適用          | N/A不適用                 | N/A不適用               | 1/1                     | 1/1                    |
| Tang Mui Fun           | 鄧梅芬  | 4/4   | N/A不適用          | N/A不適用                 | N/A不適用               | 0/1                     | 1/1                    |
| Tang Wai Man           | 鄧蕙敏  | 4/4   | N/A不適用          | 1/1                    | 1/1                  | 0/1                     | 1/1                    |
| Leung Wai Ho           | 梁偉浩  | 3/4   | 1/1             | 1/1                    | 1/1                  | 0/1                     | 1/1                    |
| Siu Man Ho, Simon      | 蕭文豪  | 4/4   | 1/1             | 1/1                    | 1/1                  | 0/1                     | 1/1                    |
| Cho Wing Mou           | 曹永牟  | 4/4   | 1/1             | 1/1                    | 1/1                  | 0/1                     | 1/1                    |
| Li Ka Fai, David       | 李家暉  | 4/4   | 1/1             | N/A不適用                 | N/A不適用               | 1/1                     | 1/1                    |

### Risk Management and Internal Control

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems covering financial, operational, compliance and risk management aspects.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and Stakeholder's interest. The management may report from time to time any finding, recommendation and remedies to the Audit Committee.

The Group has established risk management procedures to address and handle all the significant risks associate with the businesses of the Group. The Board would perform an annual or periodical review on any significant change of the business environment and establish procedures to response the risks result from the significant change of business environment.

### 董事於各會議之出席率

截至二零二零年三月三十一日止年度，個別董事於董事會會議、委員會會議及股東大會之出席詳情載於下表：

### 風險管理及內部監控

董事會全面負責評估及釐定達致本集團策略目標時願意承擔的風險性質及程度，確保本集團建立及維持合適而有效的風險管理及內部監控系統，涵蓋財務、營運、合規及風險管理等方面。

審核委員會持續審閱對本集團而言屬重大的風險管理及內部監控措施。審核委員會將考慮本集團會計、內部審計及財務報告職能的資源充足性、員工及外部顧問的資格、經驗及培訓。

本集團管理層負責設計、維持、落實及監察風險管理及內部監控系統，確保有充足監控措施以保障本集團資產及持份者的利益。管理層可向審核委員會不時呈報任何結論、推薦意見及補救措施。

本集團已制定風險管理程序以應對及處理所有與本集團業務相關的重大風險。董事會將就經營環境的任何重大變動進行年度或定期審閱並制定程序以回應經營環境重大變動產生的風險。

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The management would identify the risks associate with the businesses of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, each type of risk management strategy has been listed as follows:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system 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.

### Review of Risk Management and Internal Control

During the year under review, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. All findings and recommendations on internal control deficiencies were communicated with the Audit Committee and the Board.

The management confirmed that there is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 March 2020. The Board conducted an annual review on the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance and it was considered that the internal controls and risk management functions were reasonably effective and adequate for the year ended 31 March 2020.

管理層透過考慮政治、經濟、科技、環境、社會及員工等內在及外在因素和事件來識別與本集團業務相關的風險。各項風險已按相關影響及發生可能性評估及優先處理。相關風險管理策略會根據評估結果應用至各類風險，各類風險管理策略列述如下：

- 風險保留及降低：接受風險影響或本集團採取行動降低風險之影響；
- 風險避免：改變業務程序或目標，以便避免風險；
- 風險分擔及分散：分散風險之影響或將其分配至不同地區或產品或市場；及
- 風險轉移：將所有擁有權及債項轉移至第三方。

內部監控系統之設置及實施乃為降低為本集團所接受與業務有關之風險，及盡量減少該等風險導致之不利影響。風險管理及內部監控系統之設置乃為管理而非完全消除未能達成業務目標之風險，及僅可對消除重大錯誤陳述或損失提供合理而非絕對保證。

### 審閱風險管理及內部監控

於回顧年度內，本集團已委聘外部顧問公司承擔內部審計職能，以確保本集團風險管理及內部監控系統之效力及效率。有關內部監控缺陷的所有結論及推薦意見已與審核委員會及董事會溝通。

管理層確認，於截至二零二零年三月三十一日止年度，外部顧問公司概無識別內部監控系統存在任何重大缺陷及缺點。截至二零二零年三月三十一日止年度，董事會已就本集團之風險管理及內部監控系統及程序(覆蓋財務、營運及合規等所有重要監控)進行年度審閱並認為，內部監控及風險管理職能合理有效並充足。

# Corporate Governance Report

## 企業管治報告

### External Auditors' Remuneration

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2020 which has been reviewed and approved by the Audit Committee, are set out as follows:

### 外聘核數師之薪酬

截至二零二零年三月三十一日止年度已付／應付本公司外聘核數師安永會計師事務所之薪酬已獲審核委員會審閱及批准，載列如下：

|  |                  | Fees paid/payable to<br>Ernst & Young<br>已付／應付<br>安永會計師事務所<br>之費用<br>HK\$'000<br>千港元 |
|--|------------------|--|
| <b>Services rendered for the Group</b> | <b>向本集團所提供服務</b> |  |
| Audit services:                        | 審核服務：            |  |
| – annual financial statements          | – 年度財務報表         | 4,700  |
| Non-audit services:                    | 非審核服務：           |  |
| – agreed-upon procedures               | – 議定程序           | 560  |
| – taxation and professional services   | – 稅務及專業服務        | 666  |
| – other professional services          | – 其他專業服務         | 3,070  |
| <b>Total</b>                           | <b>總計</b>        | <b>8,996</b>   |

### Accountability and Audit

The Directors acknowledge their responsibility for preparation and publication of the timely financial statements and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. In preparing the accounts for the year ended 31 March 2020, the Directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the financial statements and have presented an understandable assessment of the Group's position and prospects.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, the accounts are prepared on a going concern basis and they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Directors continue to explore any opportunities with potential investors to enhance its financial position and business development of the Group by way of refinancing, extension of borrowings and/or fund raising.

A statement by the auditor about their reporting responsibilities is set out on pages 116 to 125 of this annual report.

### 問責及審核

董事知悉其須適時編製及刊發財務報表之責任，並確保按法定規定及適用會計準則編製。於編製截至二零二零年三月三十一日止年度之賬目時，董事已採用適用於本集團業務及與財務報表有關之合適會計政策，並已呈列易於理解之本集團狀況及前景評估。

董事確認經作出一切合理查詢後，據彼等所深知、盡悉及確信，賬目乃按持續經營基準編製，且彼等並不知悉有關事件或條件之任何重大不確定性或會對本公司持續經營能力產生重大疑問。董事將與潛在投資者繼續探討其他機會，透過再融資、延長借貸及／或集資方式以增強本集團之財務狀況和推動本集團業務發展。

核數師就其申報責任而作出之聲明載於本年報第116至125頁。



### Compliance with Laws and Regulations

The Group continues to commit to comply with the relevant laws and regulations, such as the Companies Act, the Companies Ordinance, the SFO, the Listing Rules and other rules and regulations implemented in relevant jurisdictions. As far as the Board is concerned and save as disclosed herein, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries during the year ended 31 March 2020.

### Environmental Policies and Performance

The Group is committed to enhancing and strengthening efforts on environmental protection, so as to facilitate industrial upgrading. The Group proactively implement environmental protection policies, gradually adjust its portfolio, conduct energy-saving, using recycled paper, emission reduction and pollution prevention and so forth. The Group not only improved the quality management system but also strengthened the quality of the audit to ensure the quality and safety of Chinese and western pharmaceutical project control. The environmental policies and performance of the Group are disclosed in the Environmental, Social and Governance Report set out on pages 40 to 75 of this annual report.

### Investor Relations and Communications with Shareholders

The Company aims at promoting and maintaining effective communications with shareholders and investors (both individuals and institutions) to ensure that the Group's information is disseminated to Stakeholders in a timely manner and enable them to have a clear assessment of the enterprise performance. A shareholders communication policy has been adopted by the Company and the same is available on the website of the Company. Other major means of communications includes:

#### Disclosures in Corporate Website

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to shareholders and/or published on the websites of the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wyth.net](http://www.wyth.net)). Other inside information is released by way of formal public announcements as required by the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

### 遵守法律及法規

本集團繼續致力遵守相關法律及法規，如公司法、公司條例、證券及期貨條例、上市規則及相關司法權區實施之其他規則及規例。就董事會而言，除本報告所披露者外，於截至二零二零年三月三十一日止年度，本公司及其附屬公司已於重大方面遵守對本集團之業務及營運造成重大影響之相關法律及法規。

### 環境政策及表現

本集團加大環保力度，促進行業轉型升級。本集團積極落實環保政策，同時逐步調整產品結構，實施節能減排、使用環保紙、污染防治策略等工作。在完善質量管理制度之同時，本集團還加強審計質量，確保中西藥質量安全項目控制。本集團的環境政策及表現載於本年報第40至75頁的環境、社會及管治報告。

### 投資者關係及與股東之溝通

本公司旨在促進並維持與股東及投資者(包括個人及機構)的有效溝通，以確保本集團之資料及時傳達至持份者，以便其對公司表現作出清晰評估。本公司已採納一項股東溝通政策，該項政策亦載於本公司網站。其他主要溝通渠道包括：

#### 於公司網站披露

有關本集團業務及財務狀況之詳盡資料將於年報、中期報告、公佈、通函及其他公司通訊資料內披露，而上述資料將寄發予股東及/或於披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.wyth.net](http://www.wyth.net))刊載。其他內幕消息根據上市規則及證券及期貨條例第XIVA部下之內幕消息條文之規定，通過正式公佈發佈。

# Corporate Governance Report

## 企業管治報告

### General Meeting with Shareholders

The Company also acknowledges that annual general meetings and various general meetings are valuable forums for the Board to communicate directly with the shareholders. Members of the Board and the members of various committees are encouraged to attend and answer questions at such general meetings.

In order to let shareholders to make an informed decision at the general meetings, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting were given to the shareholders of the Company pursuant to code provision E.1.3 of the CG Code, the Bye-laws and any other applicable laws. The chairman will explain the detailed procedures for conducting a poll vote during the proceedings of meetings and answered all questions raised by shareholders. All resolutions put to vote at general meetings are taken by poll and the poll results are posted on the websites of the Company and the Stock Exchange immediately following the holding of the general meetings.

### Investor Relations

The Group also has a proactive investor relations programme that keeps investors and shareholders abreast the Group's latest development and discloses relevant information to the public in a timely manner. During the year, we held various meetings with investors and participated in investor and press conferences.

### Shareholders' Rights Convening a Special General Meeting

Pursuant to Section 74 of the Companies Act and Bye-law 58 of the Bye-laws, the Board whenever it thinks fit call special general meetings and shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company to require a special general meeting (the "SGM") to be called by the Board. The written requisition (i) must state the purposes of the SGM; and (ii) must be signed by the requisitionists and deposited at the principal place of business of the Company in Hong Kong at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for attention of the Board or the company secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such meeting shall be held within two (2) months after the deposit of such requisition.

### 與股東舉行股東大會

本公司亦理解股東週年大會及不同股東大會為董事會直接與股東溝通之重要平台，並鼓勵董事會成員及各委員會成員出席該等股東大會，回應提問。

為令股東於股東大會上作出知情決定，根據企業管治守則之守則條文第E.1.3條、公司細則及任何其他適用法例，本公司每次舉行股東大會及股東週年大會均會向股東發出分別不少於10個完整營業日及20個完整營業日之充分通告。主席在大會進行時將解釋進行投票表決之程序詳情，並解答股東提出的所有疑問。於股東大會上提呈之決議案均以投票方式表決，而投票結果會於緊隨股東大會舉行後於本公司及聯交所網站公佈。

### 投資者關係

本集團亦已制定主動的投資者關係計劃，讓投資者與股東得悉本集團之最新發展，並及時向公眾披露有關資料。年內，我們與投資者舉行多次會議，以及參與投資者會議及記者會。

### 股東召開股東特別大會之權利

根據公司法第74條及公司細則第58條，董事會可於其認為適當的任何時候召開股東特別大會。任何於呈遞要求日期持有不少於本公司繳足股本(附有於本公司股東大會表決權利)十分之一的股東，有權透過向董事會或本公司之公司秘書發出書面要求，要求董事會召開股東特別大會(「股東特別大會」)。書面要求(i)須列明股東特別大會之目的；及(ii)須由遞呈人簽署並寄發至本公司香港主要營業地點香港九龍九龍灣宏光道39號宏天廣場31樓3101室，收件人為董事會或本公司之公司秘書，且其可由各自由一名或多名遞呈人簽署的一式多份文件組成。相關大會應於呈遞該要求後兩(2)個月內舉行。





# Corporate Governance Report

## 企業管治報告



Such requisitions will be verified by the Company's branch share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will inform the Board to convene a SGM by serving sufficient notice to all shareholders of the Company. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them may convene a SGM in accordance with the provisions of Section 74(3) of the Companies Act, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

### Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's principal place of business in Hong Kong at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong or the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

### Proposing a Person for Election as a Director

The procedures for proposing candidate(s) for election as director(s) at a general meeting are set out in the "Corporate Governance" under section headed under "Corporate Profile" on the website of the Company at [www.wyth.net](http://www.wyth.net).

相關要求將由本公司之股份過戶分處核實，待確認該要求適當且合乎程序後，本公司之公司秘書將透過向本公司所有股東發出充分通告之方式，通知董事會召開股東特別大會。相反，倘該要求被確認為不合乎程序，遞呈人將被告知該結果，同時，股東特別大會將不會應要求召開。

倘董事會並未於遞交請求日期起計21日內正式召開股東特別大會，則遞呈人或持有所有遞呈人之過半數總投票權之任何遞呈人，可根據公司法第74(3)條之規定自行召開股東特別大會，惟任何如此召開之股東特別大會不可於該呈遞日期起計三個月屆滿後舉行。遞呈人須盡可能以董事會召開股東特別大會之相同方式召開股東特別大會。

### 於股東大會上提出議案

根據公司法第79及80條，任何擁有不少於本公司繳足股本(附帶於本公司股東大會上之投票權)二十分之一之股東或不少於一百名股東可書面要求本公司(a)向有權收取下屆股東週年大會通告的股東發出關於在該會議上可能妥善提出或計劃提出的任何決議案的通告；及(b)將不超過1,000字的有關將在會議上提出的任何決議案涉及的事項或將在會上處理的事務說明書，提交給有權收取任何股東大會通告的股東傳閱。由所有要求人士簽署的請求書須送交予本公司香港主要營業地點香港九龍九龍灣宏光道39號宏天廣場31樓3101室或本公司香港股份過戶及轉讓登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓，如屬須發出決議案通知，則該請求書須在會議舉行前不少於六星期遞交，如屬任何其他情況，則須在會議舉行前不少於一星期遞交，並須支付足以合理彌補本公司相關開支之款項。

### 提名選舉個別人士為董事

於股東大會上提名候選人參選為董事之程序於本公司網站([www.wyth.net](http://www.wyth.net))內「公司簡介」一節之「企業管治」刊載。

# Corporate Governance Report

## 企業管治報告

### Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board in writing by email to [contact@waiyuentong.com](mailto:contact@waiyuentong.com) or by addressing their enquiries to the Board or the company secretary of the Company in the following manners:

#### In respect of the corporate affairs:

The Board/Company Secretary/Corporate Affairs & Investor Relations Manager  
Wai Yuen Tong Medicine Holdings Limited  
Suite 3101, 31/F., Skyline Tower,  
39 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

#### In respect of the other shareholding/entitlement affairs:

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

### Whistleblowing Policy

The Company has adopted a whistleblowing policy to facilitate the achieving of high possible standards of openness, probity and accountability. Procedures are formulated to enable individual employees to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety within the Group. During the year under review, no incident of fraud or misconduct was reported from employees that have material effect on the Group's financial statements and overall operations.

### Company Secretary

Ms. Mak Yuen Ming, Anita, who was appointed as a full-time employee company secretary of the Group, reports directly to the Board and is responsible for, *inter alia*, providing updated and timely information to all Directors from time to time.

During the year ended 31 March 2020, Ms. Mak has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

### 向董事會查詢

股東可將其查詢及關注事項以電郵 ([contact@waiyuentong.com](mailto:contact@waiyuentong.com)) 或透過以下方式向董事會或本公司之公司秘書提出其查詢：

#### 有關公司事宜：

董事會／公司秘書／企業事務及投資者關係經理  
位元堂藥業控股有限公司  
香港  
九龍  
九龍灣  
宏光道39號  
宏天廣場31樓3101室

#### 其他股權／權利相關事宜：

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心54樓

### 舉報政策

本公司已採納舉報政策以促進實現公開、誠信及問責之最高操守標準。本公司已制定程序以使個別僱員作出內部及高水準披露，披露個人認為反映本集團不良行徑或不妥行為之資料。於回顧年度內，概無僱員報告任何詐騙或不誠實行為而對本集團之財務報表及整體營運造成重大影響。

### 公司秘書

麥婉明女士獲委任為全職僱員，為本集團之公司秘書，直接向董事會報告及負責(其中包括)不時向所有董事提供最新及適時之資料。

截至二零二零年三月三十一日止年度，麥女士已遵守上市規則第3.29條，參加不少於15小時之專業培訓。



### Corporate Social Responsibility

While the Group endeavours to promote business development and strives for greater rewards for our Stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. The Group is conscious of its role as a socially responsible group of companies. It has made donations for community wellbeing from time to time, supports the communities and encourages its employees to participate in any charitable events and caring services. Given the support from the management, the Group built up a team of staff volunteers to get involved in volunteer work.

### Constitutional Document

During the year ended 31 March 2020, there was no change in the constitutional document. The memorandum of association and the amended and restated by-laws are available on the websites of the Stock Exchange and the Company at ([www.hkex.com.hk](http://www.hkex.com.hk)) and ([www.wyth.net](http://www.wyth.net)), respectively.

### Conclusion

Going ahead, the Group will continue to review regularly its corporate governance practices to maintain high level of transparency, to enhance the Company's competitiveness and operating efficiency and to ensure its sustainable development and to generate greater returns for the Stakeholders.

### 企業社會責任

本集團致力推動業務發展，為持份者爭取更佳回報的同時，並沒有忘記取之社會用於社會的企業社會責任。本集團重視其作為具社會責任之集團公司所擔當之角色，不時為社會之福利作出捐款，支持社區並鼓勵僱員參與任何慈善活動及關愛服務。在管理層之支持下，本集團成立一支員工志願者團隊，積極參與志願者工作。

### 章程文件

截至二零二零年三月三十一日止年度，章程文件並無任何變動。組織章程大綱及經修訂及重列之公司細則分別於聯交所網站 ([www.hkex.com.hk](http://www.hkex.com.hk)) 及本公司網站 ([www.wyth.net](http://www.wyth.net)) 登載。

### 結論

展望未來，本集團將繼續定期檢討其企業管治常規以維持高水準之透明度，提升本公司之競爭力及運營效率，並確保其可持續發展，為持份者創造更多回報。



# Report of the Directors

## 董事會報告

The Directors present their report and the audited consolidated financial statements for the year ended 31 March 2020.

### Principal Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries comprise the production and sale of traditional Chinese and western pharmaceutical products, health food, personal care products, property investment, management and sale of properties in agricultural produce exchange markets. Details of which are set out in note 1 to the financial statements. During the year, there were no significant changes in the nature of the Group's principal activities, except for the acquisition of agricultural produce exchange business completed in February 2020.

### Results and Dividends

The results of the Group for the year ended 31 March 2020 and the Group's financial position at that date are set out in the consolidated financial statements on pages 126 to 130.

For the year ended 31 March 2020, the Group recorded a revenue and profit attributable to owners of the parent amounted to approximately HK\$620.7 million (2019: HK\$751.4 million) and approximately HK\$95.8 million (2019: HK\$74.6 million).

The Board does not recommend the payment of any final dividend for the year ended 31 March 2020 (2019: Nil). No interim dividend was made for the six months ended 30 September 2019 (for the six month ended 30 September 2018: Nil).

### Business Review and Analysis of Key Financial Performance Indicators

The business review and the key financial performance indicators to the businesses of the Group, including, among other things, the information set out below, are disclosed in the "Management Discussion and Analysis" on pages 14 to 33 of this annual report:

- (a) a fair review of the Group's business;
- (b) principal risk factors;
- (c) an analysis using financial key performance indicators; and
- (d) future development in the Group's business.

The corporate social responsibility, environmental policies and performance of the Group are disclosed in the Environmental, Social and Governance Report set out on pages 40 to 75 of this annual report.

董事會謹此提呈截至二零二零年三月三十一日止年度之報告書及經審核綜合財務報表。

### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務為生產及銷售傳統中西藥產品、保健食品、個人護理產品、物業投資、農產品交易市場物業管理及銷售。詳情載於財務報表附註1。年內，除於二零二零年二月完成收購農產品交易業務外，本集團主要業務之性質並無重大變動。

### 業績及股息

本集團截至二零二零年三月三十一日止年度之業績及本集團於該日之財務狀況載於綜合財務報表第126至130頁。

截至二零二零年三月三十一日止年度，本集團錄得收益及母公司擁有人應佔溢利約620,700,000港元（二零一九年：751,400,000港元）及約95,800,000港元（二零一九年：74,600,000港元）。

董事會不建議派付截至二零二零年三月三十一日止年度之任何末期股息（二零一九年：無）。概無派付截至二零一九年九月三十日止六個月之中期股息（截至二零一八年九月三十日止六個月：無）。

### 業務回顧及主要財務表現指標分析

本集團業務之業務回顧及主要財務表現指標分析包括（其中包括）以下資料，披露於本年報第14至33頁「管理層討論及分析」：

- (a) 本集團業務之公平審視；
- (b) 主要風險因素；
- (c) 採用主要財務表現指標進行之分析；及
- (d) 本集團業務之未來發展。

本集團的企業社會責任、環境政策及表現披露於本年報第40至75頁之環境、社會及管治報告。





As far as the Board is concerned, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2020.

### Share Capital and Share Option Scheme

Details of movements in share capital and share option scheme of the Company during the year under review, together with the reasons therefor, are set out in notes 34 to 35 to the financial statements, respectively.

### Five Year Financial Summary

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 288 of this annual report. This summary does not form part of the audited financial statements.

### Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2020.

### Permitted Indemnity Provision

The Bye-laws provides that for the time being acting in relation to any of the affairs of the Company, every Director and other officers shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, losses, damages and expenses which they may incur or sustain by or by reason of any act done about the execution of the duties of their respective office or otherwise in relation thereto. The Company had arranged appropriate directors' and officers' liability insurance coverage for the Directors and other officers of the Group for the year.

### Distributable Reserves

At 31 March 2020, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$198.9 million (2019: approximately HK\$173.1 million).

就董事會而言，於截至二零二零年三月三十一日止年度，本集團已於重大方面遵守對本集團業務及營運造成重大影響之相關法律及法規。

### 股本及購股權計劃

本公司於回顧年度內的股本及購股權計劃的變動詳情及其原因分別載於財務報表附註34至35。

### 五年財務概要

摘錄自經審核財務報表之本集團過去五個財政年度已刊發之業績及資產、負債與非控股權益概要載於本年報第288頁。此概要並不構成經審核財務報表之一部分。

### 購買、出售或贖回本公司上市證券

於截至二零二零年三月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 獲准許彌償保證條文

公司細則規定，當其時就本公司任何事務行事之每名董事或其他高級職員均有權從本公司之資產及利潤中獲得彌償及擔保使其不會因執行各自職務或關於職務所進行任何行為而可能招致或蒙受之所有訴訟、虧損、損害及支出而蒙受損害。年內，本公司已為本集團董事及其他高級職員安排合適之董事及高級職員責任保險。

### 可供分派儲備

於二零二零年三月三十一日，按百慕達一九八一年公司法（經修訂）計算，本公司可供分派予母公司權益持有人之儲備約198,900,000港元（二零一九年：約173,100,000港元）。





# Report of the Directors

## 董事會報告

### Directors

The Directors during the year were:

#### Executive Directors:

Mr. Tang Ching Ho, *SBS, JP*,  
*Chairman and Managing Director*  
Mr. Chan Chun Hong, Thomas  
Ms. Tang Mui Fun  
Ms. Tang Wai Man

#### Independent non-executive Directors:

Mr. Leung Wai Ho, *MH*  
Mr. Siu Man Ho, Simon  
Mr. Cho Wing Mou  
Mr. Li Ka Fai, David

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Tang Ching Ho, Ms. Tang Mui Fun and Mr. Li Ka Fai, David will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has received annual confirmations of independence from all INEDs, namely Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou and Mr. Li Ka Fai, David, and as at the date of this annual report still considers them to be independent.

### Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 35 to 39 of this annual report.

### Directors' Service Contracts

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### Directors' Interests in Transactions, Arrangements or Contracts

Save as disclosed in notes 8 and 44 to the financial statements, no Directors or a connected entity of a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, the holding Company of the Company or any of its subsidiaries or fellow subsidiaries was a party during the year.

### 董事

於本年度，董事如下：

#### 執行董事：

鄧清河先生，*SBS*，*太平紳士*，  
*主席兼董事總經理*  
陳振康先生  
鄧梅芬女士  
鄧蕙敏女士

#### 獨立非執行董事：

梁偉浩先生，*MH*  
蕭文豪先生  
曹永牟先生  
李家暉先生

根據公司細則第87(1)條，鄧清河先生、鄧梅芬女士及李家暉先生將於本公司應屆股東週年大會上輪席告退，惟彼等合乎資格且願意膺選連任。

本公司已接獲全體獨立非執行董事(即梁偉浩先生、蕭文豪先生、曹永牟先生及李家暉先生)有關彼等獨立性的年度確認書，於截至本年報日期仍視彼等為獨立人士。

### 董事及高級管理層履歷

本集團董事及高級管理層履歷詳情載於本年報第35至39頁。

### 董事之服務合約

擬於應屆股東週年大會膺選連任的董事概無與本公司及其任何附屬公司訂立本公司不可於一年內終止而毋須賠償(法定賠償除外)的服務合約。

### 董事於交易、安排或合約之權益

除財務報表附註8及44披露者外，年內概無董事或董事之關連實體直接或間接於對本集團業務屬重大且本公司、本公司控股公司或其任何附屬公司或同系附屬公司為訂約方之任何交易、安排或合約中擁有重大權益。



### Director's Interest in Competing Business

None of the Directors nor their respective associates had an interest in a business, apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

### Directors' Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at 31 March 2020, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under Listing Rules, were as follows:

#### Long positions in the ordinary shares of the Company and its associated corporation, Wang On:

##### (a) Long positions in the ordinary shares of the Company:

| Name of Director<br>董事姓名                 | Number of shares<br>股份數目 | Approximate percentage of the Company's total issued share capital<br>佔本公司已發行股本總額概約百分比<br>% |
|--|--------------------------|---|
| Mr. Tang Ching Ho (Note 1)<br>鄧清河先生(附註1) | 715,322,940              | 58.08 (Note 2)<br>(附註2)   |

##### (b) Long positions in the ordinary shares of Wang On, an associated corporation of the Company:

| Name of Director<br>董事姓名                 | Name of corporation<br>公司名稱 | Number of shares<br>股份數目 | Approximate percentage of Wang On's total issued share capital<br>佔宏安已發行股本總額概約百分比<br>% |
|--|-----------------------------|--------------------------|--|
| Mr. Tang Ching Ho (Note 1)<br>鄧清河先生(附註1) | Wang On<br>宏安               | 9,984,356,772            | 57.39 (Note 3)<br>(附註3)  |

### 董事於競爭業務之權益

根據上市規則第8.10條，年內董事及其各自之聯繫人士概無於與本集團業務構成或可能構成直接或間接競爭之業務(本集團業務除外)擁有權益。

### 董事於本公司及其相聯法團股份、相關股份或債權證中之權益及淡倉

於二零二零年三月三十一日，董事及本公司主要行政人員及／或彼等各自之任何聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中，擁有載入本公司根據證券及期貨條例第352條須存置之登記冊，或根據證券及期貨條例第XV部或上市規則之標準守則已另行知會本公司及聯交所之權益及淡倉如下：

#### 於本公司及其相聯法團宏安普通股之好倉：

##### (a) 於本公司普通股之好倉：

##### (b) 於本公司相聯法團宏安的普通股之好倉：

# Report of the Directors

## 董事會報告

Notes:

- (1) Under the SFO, Mr. Tang Ching Ho is taken to be interested in the interests of the Company as he is taken to be interested in an aggregate of 9,984,356,772 shares in Wang On, representing approximately 57.39% of all the issued Wang On's shares, by virtue of his own beneficial shareholding, the shareholding interests of his spouse in Wang On, the shareholding interests of a company wholly and beneficially owned by him, and his deemed interests by virtue of being the founder of Tang's Family Trust. Wang On is taken to be interested in the interests in shares held by Rich Time Strategy Limited ("Rich Time"). Rich Time, an indirectly wholly-owned subsidiary of Wang On, which was the beneficial owner of 715,322,940 shares of the Company. Therefore, Mr. Tang Ching Ho was deemed to be interested in 715,322,940 shares of the Company held by Wang On for the sole purpose of Part XV of the SFO.
- (2) The percentage represented the number of shares over the total number of issued shares of the Company as at 31 March 2020 was 1,231,642,888 shares.
- (3) The percentage represented the number of shares over the total number of issued shares of Wang On as at 31 March 2020 was 17,397,520,047 shares.

附註：

- (1) 根據證券及期貨條例，基於鄧清河先生透過彼本身實益持有股權、彼配偶於宏安之股權、一間彼全資實益擁有之公司股權及彼作為鄧氏家族信託之創立人而被視作擁有之權益而被視為於宏安合共9,984,356,772股股份中擁有權益，佔全部已發行宏安股份約57.39%，故彼亦被當作於本公司擁有權益。宏安被當作於Rich Time Strategy Limited（「Rich Time」）持有之股份中擁有權益。Rich Time為宏安之間接全資附屬公司，並為本公司715,322,940股股份之實益擁有人。因此，僅就證券及期貨條例第XV部而言，鄧清河先生被視作於宏安持有之本公司715,322,940股股份中擁有權益。
- (2) 該百分比指股份數目佔本公司於二零二零年三月三十一日之已發行股份總數1,231,642,888股股份之百分比。
- (3) 該百分比指股份數目佔宏安於二零二零年三月三十一日之已發行股份總數17,397,520,047股股份之百分比。

### (c) Long positions in underlying shares of share options of Easy One, an associated corporation of the Company:

### (c) 於本公司相聯法團易易壹購股權的相關股份之好倉：

| Name of Director           | Date of grant   | Exercise price per Share | Number of share options outstanding | Exercisable period                  | Number of underlying shares | Approximate percentage of Easy One's total issued share capital<br>(Note 4)<br>估易易壹已發行股本總額<br>概約百分比<br>(附註4)<br>% |
|----------------------------|-----------------|--------------------------|-------------------------------------|-------------------------------------|-----------------------------|---|
| 董事姓名                       | 授出日期            | 每股行使價<br>HK\$<br>港元      | 尚未行使<br>購股權數目                       | 行使期                                 | 相關股份數目                      |   |
| Mr. Chan Chun Hong, Thomas | 23.2.2018       | 0.48                     | 4,600,000                           | 23.02.2018–<br>22.02.2025           | 4,600,000                   | 0.83  |
| 陳振康先生                      | 二零一八年<br>二月二十三日 |                          |                                     | 二零一八年<br>二月二十三日<br>至二零二五年<br>二月二十二日 |                             |   |

Note:

- (4) The percentage represented the number of shares over the total issued share capital of Easy On as at 31 March 2020 was 556,432,500 shares.

附註：

- (4) 該百分比指股份數目佔易易壹於二零二零年三月三十一日已發行股本總數556,432,500股股份之百分比。



Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

## Share Option Schemes

### The Share Option Scheme(s) of the Company

At the annual general meeting of the Company held on 22 August 2013, the shareholders of the Company approved the termination of the share option scheme previously adopted by the shareholders of the Company at the special general meeting held on 18 September 2003 (the “**2003 Scheme**”) and the adoption of a new share option scheme (the “**2013 Scheme**”) for the primary purpose of providing incentive and rewards to eligible participants who contribute to the success of the Group’s operations. Upon termination of the 2003 Scheme, no share options was granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable during the prescribed exercisable period in accordance with the terms of the 2003 Scheme. The 2013 Scheme became effective on 22 August 2013 and, unless otherwise terminated earlier by shareholders at a general meeting, will remain in force for a period of 10 years from that date.

Pursuant to the 2013 Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including INEDs), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants (the “**Participants**”).

Under the 2013 Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company for a consideration of HK\$1.00 for each lot of share options granted which must be accepted within 30 days from the offer date. Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

除上文披露者外，於二零二零年三月三十一日，概無董事及本公司主要行政人員及／或彼等各自之任何聯繫人士登記於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中載入本公司根據證券及期貨條例第352條須存置之登記冊，或根據證券及期貨條例第XV部或標準守則已另行知會本公司及聯交所之權益或淡倉。

## 購股權計劃

### 本公司購股權計劃

於二零一三年八月二十二日舉行之股東週年大會上，本公司股東批准終止本公司股東先前於二零零三年九月十八日舉行的股東特別大會採納的購股權計劃(「**二零零三年計劃**」)並採納新購股權計劃(「**二零一三年計劃**」)，主要作為對本集團之成功經營所作出之貢獻之合資格參與人士之激勵及獎賞。根據二零零三年計劃之條款，二零零三年計劃終止後，不再根據該計劃授出購股權，但終止前已授出並存續之購股權於指定之行使期間內繼續有效並可予以行使。二零一三年計劃於二零一三年八月二十二日生效，除非由股東於股東大會上另行提前終止，否則會由該日期起十年內有效。

根據二零一三年計劃，購股權可授予任何董事或候任董事(不論執行董事或非執行董事，包括獨立非執行董事)、僱員或擬聘請僱員(不論全職或兼職)、借調人、任何本集團任何成員公司發行之證券持有人、任何向本集團之任何成員公司或任何主要股東或由一名主要股東控制之公司提供研究、開發或其他技術支援或顧問、諮詢、專業或其他服務之人士或實體，或任何由一位或多位上述任何類別參與者(「**參與者**」)控制之公司。

根據二零一三年計劃，董事會可向參與者授出購股權認購本公司之股份，以就每次獲授予之購股權於要約日期起30日內按代價1.00港元接納該購股權。購股權並無賦予持有人權利獲派股息或於股東大會上投票。

# Report of the Directors

## 董事會報告

Pursuant to the 2013 Scheme, the maximum number of share options that may be granted under the 2013 Scheme and any other share option schemes of the Company is the number, upon their exercise, not in aggregate exceeding 30% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options. The total number of shares which may be issued upon exercise of all options to be granted under the 2013 Scheme and any other schemes shall not in aggregate exceed 10% of the number of shares in issue, as at the date of approval of the 2013 Scheme limit or as refreshed from time to time.

The maximum number of shares issuable under share options to each Participant (except for a substantial shareholder or an INED or any of their respective associates) under the 2013 Scheme within any 12-month period is limited to 1% of the number of shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such Participant and his associates abstaining from voting. Share options granted to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the INEDs (excluding any INED who is the grantee of the option). Where any grant of share options to a substantial shareholder or an INED (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the 2013 Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK\$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an INED (or any of their respective associates) is also required to be approved by shareholders. The exercise price must be at least the higher of (i) the official closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange on the offer date which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

根據二零一三年計劃，二零一三年計劃及本公司任何其他購股權計劃項下可能授出之最高購股權數目，於獲行使時所涉及股份數目合共不得超過本公司不時已發行股本30%，惟不包括購股權獲行使時發行之任何股份。二零一三年計劃及任何其他計劃項下將予授出之所有購股權於獲行使時可予發行之股份總數合共不超過二零一三年計劃上限(或獲不時更新)獲批准日期之已發行股份數目之10%。

二零一三年計劃之每名參與者(主要股東或獨立非執行董事或彼等各自之聯繫人士除外)於任何十二個月期間內行使購股權時可予發行之最高股份數目，僅限於本公司於任何時間之已發行股份數目之1%。倘進一步授出超過該限額之購股權，則須取得股東另行批准，而該名參與者及其聯繫人士須放棄投票。向董事、本公司高級行政人員或主要股東或彼等各自之任何聯繫人士授出購股權，須取得獨立非執行董事(本身為購股權承授人之任何獨立非執行董事除外)之批准。倘若向主要股東或獨立非執行董事或彼等各自之聯繫人士授出購股權，導致截至及包括授出日期之任何十二個月期間，因行使根據二零一三年計劃及本公司任何其他購股權計劃已授予或將授予該人士之購股權(包括已行使、已註銷及尚未行使者)而已發行及將予發行之股份總數，超過本公司已發行股份之0.1%及總價值超過5,000,000港元(基於各授出日期本公司股份收市價計算)，則該等進一步授出購股權必須根據上市規則獲得股東於股東大會上批准。授予主要股東或獨立非執行董事或彼等各自之聯繫人士之購股權之條款之任何變動亦須經股東批准。行使價須至少為下列情況之最高者(i)本公司股份於要約當日(須為營業日)在聯交所每日報價表所列之正式收市價；(ii)股份於緊接授出當日前五個營業日在聯交所每日報價表所列之平均收市價；及(iii)本公司股份面值。





# Report of the Directors

## 董事會報告



Details of the movements of the share options under the 2003 Scheme during the year ended 31 March 2020 were as follows:

於截至二零二零年三月三十一日止年度，二零二零三年計劃項下之購股權變動詳情如下：

| Name or category of Participant | Number of share options<br>購股權數目                     |                                  |                                    |                                 |   | Outstanding as at 31 March 2020<br>於二零二零年三月三十一日<br>尚未行使 | Date of grant<br>授出日期 | Exercise price per share<br>每股行使價<br>HK\$<br>港元 | Exercisable period<br>(Note)<br>行使期<br>(附註) |
|---------------------------------|--|----------------------------------|------------------------------------|---------------------------------|---|---|-----------------------|---|---|
|                                 | Outstanding as at 1 April 2019<br>於二零一九年四月一日<br>尚未行使 | Granted during the year<br>年內已授出 | Exercised during the year<br>年內已行使 | Lapsed during the year<br>年內已失效 | Outstanding as at 31 March 2020<br>於二零二零年三月三十一日<br>尚未行使 |   |                       |   |   |
| Other employees<br>其他僱員         | 17,238   | -                                | -                                  | (701)                           | 16,537  | 12.5.2010<br>二零一零年五月十二日                                 | 7.4197                | 12.5.2011-11.5.2020<br>二零一一年五月十二日至二零二零年五月十一日    |   |
| Total<br>總計                     | 17,238   | -                                | -                                  | (701)                           | 16,537  |   |                       |   |   |

Note:

The share options granted under the 2003 Scheme were vested as follows:

On the 1st anniversary of the date of grant: 30% vested  
On the 2nd anniversary of the date of grant: Further 30% vested  
On the 3rd anniversary of the date of grant: Remaining 40% vested

附註：

根據二零零三年計劃授出之購股權於下列期間歸屬：

授出日期起計第一週年當日：歸屬30%  
授出日期起計第二週年當日：進一步歸屬30%  
授出日期起計第三週年當日：歸屬餘下40%

During the year under review, no share option was granted and outstanding under the 2013 Scheme. Apart from 701 share options lapsed under the 2003 Scheme, no share options under the 2003 Scheme were exercised during the year.

於回顧年度內，概無購股權根據二零一三年計劃獲授出及尚未行使。除根據二零零三年計劃之701份購股權已失效外，概無根據二零零三年計劃之購股權於年內獲行使。

At the end of the reporting period, the Company had 16,537 share options outstanding under the 2003 Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 16,537 additional ordinary shares of the Company and additional share capital of approximately HK\$165.37 and share premium of HK\$122,534.21 (before expenses).

於報告期末，本公司根據二零零三年計劃之未行使購股權為16,537份。根據本公司現時之股本架構，全面行使該等購股權將導致須發行額外16,537股本公司普通股，額外股本約為165.37港元以及股份溢價為122,534.21港元（未計開支）。

As at the date of this annual report, the total number of shares available for issue under the 2013 Scheme is 126,514,288 shares, representing approximately 10.3% of the Company's total issued share capital.

於本年報日期，根據二零一三年計劃可供發行之股份總數為126,514,288股，相當於本公司已發行股本總額約10.3%。

Other particulars of the 2003 Scheme and the 2013 Scheme are set out in note 35 to the financial statements.

二零零三年計劃及二零一三年計劃之其他詳情載於財務報表附註35。

# Report of the Directors

## 董事會報告

### The Share Option Scheme(s) of CAP

On 3 May 2012, CAP adopted a new share option scheme (the “CAP 2012 Scheme”) for the primary purpose of providing incentive to selected eligible persons (the “CAP Participants”) to take up options for their contribution to the Group. Under the CAP 2012 Scheme, the board of directors of CAP may grant share options to the CAP Participants to subscribe for the shares of CAP (the “CAP Share(s)”) for a consideration of HK\$1 for each lot of share options granted. The exercise price is to be determined by its board and shall not be less than the highest of (i) the official closing price of the CAP Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the official closing price of the CAP Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a CAP Share.

The number of CAP Shares in respect of which options may be granted to any CAP Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the CAP Shares in issue at any point in time, without prior approval from the shareholders of CAP. Options granted to substantial shareholders of CAP or independent non-executive directors of CAP, or any of their respective associates, in excess of 0.1% of the CAP Shares in issue and with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the shareholders of CAP. The CAP 2012 Scheme became effective on 3 May 2012 and will remain in force for a period of 10 years. There is no specific requirement that an option must be held for any minimum period before it can be exercised but its board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised will be determined by the board of CAP at its absolute discretion, save that no option may be exercised for a period of more than 10 years from the date of grant.

Subject to the approval of the shareholders of CAP at general meeting, the board of CAP may refresh the limit at any time to 10% of the total number of CAP Shares in issue as at the date of approval by the shareholders of CAP at its general meeting. Notwithstanding the foregoing, the CAP Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the CAP 2012 Scheme and any other share option schemes of CAP at any time shall not exceed 30% of the CAP Shares in issue from time to time.

Since the adoption of the CAP 2012 Scheme and up to 31 March 2020, no option had been granted. As at the date of this annual report, the total number of CAP Shares available for issue under the CAP 2012 Scheme is 995,306,782, representing 10% of the existing issued share capital of CAP.

Other particulars of the CAP 2012 Scheme are set out in note 35 to the financial statements.

### 中國農產品購股權計劃

於二零一二年五月三日，中國農產品採納一項新購股權計劃（「中國農產品二零一二年計劃」），主要目的是讓經甄選合資格人士（「中國農產品參與者」）取得購股權，以獎勵彼等對集團之貢獻。根據中國農產品二零一二年計劃，中國農產品董事會可向中國農產品參與者授出購股權以認購中國農產品之股份（「中國農產品股份」），而每批購股權收取1港元作為授出代價。行使價將由其董事會決定，及不得低於以下各項之最高者：(i)中國農產品股份於授出日期（須為營業日）在聯交所每日報價表所列之正式收市價；(ii)中國農產品股份於緊接授出日期前五個營業日在聯交所每日報價表所列之正式收市價平均數；及(iii)中國農產品股份面值。

於任何授出日期（包括該日）前十二個月期間內，倘未獲中國農產品股東事先批准，則向任何中國農產品參與者授出之購股權涉及之中國農產品股份數目於任何時候不得超過已發行中國農產品股份之1%。倘授予中國農產品主要股東或中國農產品獨立非執行董事或任何彼等各自之聯繫人之購股權超過已發行中國農產品股份之0.1%，及其價值合計超過5,000,000港元，則須經中國農產品股東事先批准。中國農產品二零一二年計劃於二零一二年五月三日生效，生效期十年。概無明文規定購股權須持有任何最短期限方可行使，惟其董事會有權酌情於授出任何個別購股權時施加任何最短期限。中國農產品董事會可全權酌情釐定可行使購股權之期間，惟購股權概不可於授出日期起計十年以上期間行使。

待中國農產品股東於股東大會上批准後，中國農產品董事會可隨時更新上限至中國農產品股東於其股東大會批准當日已發行中國農產品股份總數之10%。儘管有上文之規定，惟任何時候因行使所有已根據中國農產品二零一二年計劃及中國農產品之任何其他購股權計劃授出但尚未行使之購股權而可能發行之中國農產品股份，均不可超過不時已發行中國農產品股份之30%。

自中國農產品二零一二年計劃採納起直至二零二零年三月三十一日，概無授出購股權。於本年報日期，根據中國農產品二零一二年計劃可發行之中國農產品股份總數為995,306,782股，佔中國農產品現有已發行股本10%。

中國農產品二零一二年計劃之其他詳情載於財務報表附註35。



### Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the headings "Directors' and chief executive's interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" and "Share option schemes" above and in the share option scheme disclosures in note 35 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares, or underlying shares in, or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2020, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that the following shareholders (other than Directors or chief executive of the Company) had notified the Company and the Stock Exchange of relevant interests and short positions in the shares and underlying shares of the Company:

#### Long positions in the shares of the Company:

### 董事購買股份或債權證之權利

除上文「董事及主要行政人員於本公司及其相關法團股份、相關股份或債權證中之權益及淡倉」及「購股權計劃」各節披露者及財務報表附註35所披露之購股權計劃外，於年內任何時間，各董事或彼等各自之配偶或未成年子女並無獲授或行使可藉收購本公司股份或相關股份或債權證而獲利之權利，且本公司或其任何附屬公司亦無訂立任何安排而使董事可收購任何其他法人團體之有關權利。

### 主要股東於股份及相關股份中之權益及淡倉

於二零二零年三月三十一日，據董事所深知，本公司按證券及期貨條例第336條存置之主要股東登記冊顯示，下列股東(本公司董事或行政總裁除外)已知會本公司及聯交所持本公司股份及相關股份之相關權益及淡倉：

#### 於本公司股份的好倉：

| Name of shareholders<br>股東名稱  | Number of shares<br>股份數目 | Approximate percentage of the Company's total issued share capital<br>(Note 3)<br>佔本公司已發行股本總額概約百分比<br>(附註3)<br>% |
|---|--------------------------|--|
| Rich Time (Note 1)<br>Rich Time(附註1)  | 715,322,940              | 58.08  |
| Wang On Enterprises (BVI) Limited ("WOE") (Note 1)<br>Wang On Enterprises (BVI) Limited(「WOE」)(附註1) | 715,322,940              | 58.08  |
| Wang On (Note 1)<br>宏安(附註1)   | 715,322,940              | 58.08  |
| Ms. Yau Yuk Yin (Note 2)<br>游育燕女士(附註2)  | 715,322,940              | 58.08  |

# Report of the Directors

## 董事會報告

### Notes:

1. Rich Time, a wholly-owned subsidiary of WOE, which is a wholly-owned subsidiary of Wang On, beneficially owned 715,322,940 shares of the Company. WOE and Wang On are taken to be interested in 715,322,940 shares of the Company held by Rich Time.
2. Ms. Yau Yuk Yin is taken to be interested in the shares in which her spouse, Mr. Tang Ching Ho, was interested as stated above in the sub-paragraph headed "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations".
3. The percentage represented the number of shares over the total number of issued shares of the Company as at 31 March 2020 of 1,231,642,888 shares.

Save as disclosed above, as at 31 March 2020, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## Continuing Connected Transactions

During the year, the following transactions continued to be continuing connected transactions for the Company under Rule 14A.55 and 14A.56 of the Listing Rules:

- (a) On 19 September 2016, Daywin Limited, an indirect wholly-owned subsidiary of the Company, entered into the following office sub-licensing agreements for a term commencing from 18 September 2016 and expiring on 17 July 2019 which were renewed for further three years commencing from 18 July 2019 and expiring on 17 July 2022:

**(i) Wang On Office Sub-licensing Agreement:**

an office sub-licensing agreement with Wang On Management Services Limited ("WOMS"), an indirect wholly-owned subsidiary of Wang On, to sub-lease Units 02, 03, 05, 06 and 15, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong at a monthly fee of HK\$188,940 (up to 17 July 2019) which was increased to HK\$193,375 (from 18 July 2019 onwards until the end of the tenancy agreement), together with other monthly expenses (including management fee and air-conditioning charge, rates and Government rent, subject to annual increment); and

### 附註：

1. Rich Time (為 WOE 之全資附屬公司，而 WOE 為宏安之全資附屬公司) 實益擁有本公司 715,322,940 股股份。WOE 及宏安被視為於 Rich Time 持有之本公司 715,322,940 股股份中擁有權益。
2. 誠如上文「董事於本公司及其相聯法團股份、相關股份或債券證中之權益及淡倉」分段所述，游育燕女士被當作於彼之配偶鄧清河先生持有之股份中擁有權益。
3. 該百分比指股份數目佔本公司於二零二零年三月三十一日之已發行股份總數 1,231,642,888 股股份之百分比。

除上文所披露者外，於二零二零年三月三十一日，概無任何其他人士於本公司股份或相關股份中擁有根據證券及期貨條例第 XIV 部第 2 及 3 分節條文須披露予本公司或根據證券及期貨條例第 336 條須載入本公司存置之登記冊之權益或淡倉。

## 持續關連交易

年內，以下交易繼續成為本公司根據上市規則第 14A.55 及 14A.56 條之持續關連交易：

- (a) 於二零一六年九月十九日，本公司間接全資附屬公司明豪有限公司訂立以下辦公室分租協議，租期自二零一六年九月十八日起至二零一九年七月十七日屆滿，並續期三年，自二零一九年七月十八日起至二零二二年七月十七日屆滿：

**(i) 宏安辦公室分租協議：**

與宏安間接全資附屬公司宏安管理服務有限公司(「宏安管理服務」)訂立辦公室分租協議，以分租位於香港九龍九龍灣宏光道 39 號宏天廣場 32 樓 02、03、05、06 及 15 室的物業，月費為 188,940 港元(直至二零一九年七月十七日)，並增加至 193,375 港元(由二零一九年七月十八日起直至租賃協議結束)，連同其他月費(包括管理費及空調費用、差餉以及政府地租，可按年增加)；及



### (ii) WOP Office Sub-licensing Agreement:

an office sub-licensing agreement with Wang On Properties Services Limited (“WOPS”), an indirect wholly-owned subsidiary of WOP, to sub-lease Units 01 and 07 to 12, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong at a monthly fee of HK\$414,672 (up to 17 July 2019) which was increased to HK\$425,745 (from 18 July 2019 onwards until the end of the tenancy agreement), together with other monthly expenses (including management fee and air-conditioning charge, rates and Government rent, subject to annual increment).

For the year ended 31 March 2020, the aggregate office sub-licensing fee received by the Group from WOMS and WOPS amounted to HK\$9,929,759, which were within the prescribed caps, as disclosed in the Company’s announcement dated 19 September 2016 and 17 July 2019, respectively; and

- (b) on 30 November 2018, WYT Medicine, an indirect subsidiary of the Company, as the supplier, and Wang On Management Limited (“WOM”), an indirect wholly-owned subsidiary of Wang On, as the purchaser, entered into a new master sales agreement for supplying Chinese and Western pharmaceutical products, health food and personal care products by the Group to WOM (for itself and on behalf of other members of Wang On) for the three financial years ending 31 March 2021 at annual caps of HK\$9.8 million, HK\$9.9 million and HK\$9.9 million, respectively. During the year, total sales proceeds received by the Group from WOM was HK\$8,817,692 which were within the prescribed annual cap of HK\$9.9 million.

The Directors (including all of the INEDs) have reviewed and confirmed that the abovementioned continuing connected transactions were entered into (i) in the ordinary and usual course of the Group’s business; (ii) in accordance with the terms of the respective agreements governing such transactions on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole; (iii) either on normal commercial terms or on terms no less favourable to the Group than those available to or from independent third parties; and (iv) have not exceeded the respective caps.

### (ii) 宏安地產辦公室分租協議：

與宏安地產間接全資附屬公司宏安地產服務有限公司(「宏安地產服務」)訂立辦公室分租協議，以分租位於香港九龍九龍灣宏光道39號宏天廣場32樓01及07至12室的物業，月費為414,672港元(直至二零一九年七月十七日)，並增加至425,745港元(由二零一九年七月十八日起直至租賃協議結束)，連同其他月費(包括管理費及空調費用、差餉以及政府地租，可按年增加)。

截至二零二零年三月三十一日止年度，本集團自宏安管理服務及宏安地產服務收取之辦公室分租總費用為9,929,759港元，在規定之上限內(如本公司日期為二零一六年九月十九日及二零一九年七月十七日之公佈所披露)；及

- (b) 於二零一八年十一月三十日，本公司之間接附屬公司位元堂藥廠(作為供應商)與宏安之間接全資附屬公司宏安管理有限公司(「宏安管理」)(作為買方)訂立新主銷售協議，內容有關本集團於截至二零二一年三月三十一日止三個財政年度向宏安管理(為其本身及代表宏安之其他成員公司)供應中西藥品、保健食品及個人護理產品，年度上限分別為9,800,000港元、9,900,000港元及9,900,000港元。年內，本集團自宏安管理收取之銷售所得總額為8,817,692港元，在規定之年度上限9,900,000港元之內。

董事(包括全體獨立非執行董事)已審閱及確認，上述持續關連交易乃(i)於本集團一般及日常業務過程中訂立；(ii)按規管該等交易之相應協議條款訂立，且條款公平合理並符合本公司股東整體利益；(iii)按一般商業條款或就本集團而言，該等條款不遜於獨立第三方可獲得或提供之條款進行；及(iv)並無超過各自之上限。



# Report of the Directors

## 董事會報告

Ernst & Young, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Further details of other related party transactions undertaken by the Group in the ordinary course of business during the year under review, which fell under Rule 14A.73 of the Listing Rules, are set out in note 44 to the financial statements.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and save as disclosed above, there were no other transactions which need to be disclosed as continuing connected transactions in accordance with the requirements of the Listing Rules.

### Connected Transaction

On 2 May 2019, the Company, through its subsidiary, namely Wai Yuen Tong (Retail) Limited (as the tenant), entered into a tenancy agreement (the "**Tenancy Agreement**") with Vincent Investments Limited (as the landlord), a wholly-owned subsidiary of WOP for a shop located at a retail shop, Ground Floor of Ladder Dundas, Nos. 575 and 575A Nathan Road, Kowloon for a term of three years from 1 May 2019 to 30 April 2022 (both days inclusive) at a monthly rental of HK\$380,000 (exclusive of rates and management charge). The tenancy agreement constituted a connected transaction for the Company during the year ended 31 March 2020 which is exempt from annual review and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Further details of other related party transactions undertaken by the Group in the ordinary course of business, which fell under Rule 14A.73 of the Listing Rules, during the year are set out in note 44 to the financial statements. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and save as disclosed above, there were no other transactions which need to be disclosed as continuing connected transaction in accordance with the requirements of the Listing Rules.

### Emolument Policy

The Group's emolument policy for its employees is set up and approved by the Remuneration Committee and the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are determined by the Remuneration Committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded to the Group's operating results, individual performance and comparable market statistics.

本公司之核數師安永會計師事務所已獲委聘，根據香港會計師公會頒佈之香港核證工作準則第3000號(經修訂)審核或審閱歷史財務資料以外之核證工作及參照實務說明第740號關於香港上市規則所述持續關連交易之核數師函件，以報告本集團之持續關連交易。安永會計師事務所已根據上市規則第14A.56條發出無保留意見函件，當中載有核數師對有關上述本集團披露之持續關連交易之發現及結論。本公司已將核數師函件副本送呈聯交所。

於回顧年度內，本集團於一般業務過程中進行之其他關聯方交易(屬上市規則第14A.73條範圍內)進一步詳情載於財務報表附註44。

本公司已遵守上市規則第14A章之披露規定，且除上文披露者外，概無其他交易須根據上市規則規定披露為持續關連交易。

### 關連交易

於二零一九年五月二日，本公司透過其附屬公司位元堂(零售)有限公司(作為租戶)與宏安之全資附屬公司永宜投資有限公司(作為業主)就位於九龍彌敦道575及575A號之Ladder Dundas地下零售舖之店舖訂立租賃協議(「租賃協議」)，自二零一九年五月一日至二零二二年四月三十日(包括首尾兩日)為期三年，月租380,000港元(不包括差餉及管理費)。租賃協議構成本公司截至二零二零年三月三十一日止年度之關連交易，根據上市規則第14A.76條獲豁免年度審閱及股東批准規定。

年內，本集團於一般業務過程中進行之其他關聯方交易(屬上市規則第14A.73條範圍內)進一步詳情載於財務報表附註44。本公司已遵守上市規則第14A章之披露規定，且除上文披露者外，概無其他交易須根據上市規則規定披露為持續關連交易。

### 薪酬政策

本集團就其僱員之薪酬政策由薪酬委員會及董事會根據僱員之功績、資歷及能力而設立及批准。

董事之薪酬由薪酬委員會及董事會在股東週年大會上獲得股東授權後，視乎本集團之經營業績、個人表現及市場上可資比較的統計數字釐定。

# Report of the Directors

## 董事會報告



The Company has adopted the 2013 Share Option Scheme at the annual general meeting held on 22 August 2013, as an incentives to Directors and eligible employees, details of the 2013 Scheme are set out in Note 35 to the financial statements.

### Major Customers and Suppliers

During the year ended 31 March 2020, sales to the Group's five largest customers accounted for less than approximately 22.3% (2019: approximately 17.6%) of the Group's total sales and the sales to the Group's largest customer included therein accounted to approximately 6.9% (2019: approximately 8.2%).

During the year, the largest supplier accounted for approximately 14.5% (2019: approximately 10.7%) of the Group's purchases and the five largest suppliers of the Group accounted for approximately 36.7% (2019: approximately 28.6%) of the Group's purchases.

At no time during the year did a Director or any of their associates or a shareholder of the Company, which to the best knowledge of the Directors, owns more than 5% of the Company's issued shares, had any beneficial interest in any of the Group's five largest customers or the largest suppliers.

### Disclosures Pursuant to Rules 13.12 and 13.20 of the Listing Rules

The Group through Winning Rich, an indirect wholly-owned subsidiary of the Company, advanced an aggregate outstanding principal amount of HK\$920.0 million to CAP by way of (i) subscription of up to an aggregate principal amount of HK\$720.0 million of the 2019 CAP Bonds pursuant to the subscription agreement dated 4 October 2014 (as supplemented on 28 November 2014) entered into, among others, CAP, Winning Rich and Double Leads Investments Limited ("**Double Leads**"), an indirect wholly-owned subsidiary of Wang On; and (ii) acquisition of HK\$200.0 million of the 2019 CAP Bonds from Double Leads, pursuant to the agreement dated 5 July 2016 (as supplemented on 8 July 2016) entered into between Winning Rich, Double Leads and Wang On.

As at 1 April 2019, CAP was indebted an aggregate principal sum of HK\$700.0 million to Winning Rich. During the year under review, CAP repaid a principal sum of HK\$175.0 million. As at 27 November 2019, Winning Rich granted a new loan to CAP in the principal amount of HK\$525.0 million for a term of three years at an interest rate of 10% per annum under the loan agreement dated 26 September 2019 for the purpose of refinancing the outstanding indebtedness of CAP owed to Winning Rich under the 2019 CAP Bonds, details of which were set out in the Company's announcements dated 26 September 2019 and 27 November 2019 respectively. Immediately upon completion of the CAP Acquisition, CAP became a non wholly-owned subsidiary of the Company.

本公司已於二零一三年八月二十二日舉行之股東週年大會上採納二零一三年購股權計劃，獎勵董事及合資格僱員，二零一三年計劃詳情載於財務報表附註35。

### 主要客戶及供應商

截至二零二零年三月三十一日止年度內，本集團五大客戶之銷售額佔本集團之總銷售少於約22.3%(二零一九年：約17.6%)及計入其中之向本集團最大客戶之銷售佔約6.9%(二零一九年：約8.2%)。

年內，最大供應商佔本集團採購額約14.5%(二零一九年：約10.7%)，而本集團五大供應商則佔本集團採購額約36.7%(二零一九年：約28.6%)。

於年內任何時間，董事或彼等之任何緊密聯繫人士或本公司股東(據董事所深知擁有本公司已發行股份總數5%以上者)概無於本集團五大客戶或最大供應商擁有任何實益權益。

### 根據上市規則第13.12及13.20條作出的披露

本集團透過本公司之間接全資附屬公司Winning Rich通過以下形式向中國農產品墊出未償還總本金額920,000,000港元的款項：(i) 根據中國農產品、Winning Rich及宏安之間接全資附屬公司倍利投資有限公司(「**倍利**」)訂立之日期為二零一四年十月四日之認購協議(於二零一四年十一月二十八日補充)認購中國農產品所發行總本金額達720,000,000港元之二零一九年中國農產品債券；及(ii)根據Winning Rich、倍利及宏安訂立之日期為二零一六年七月五日之協議(於二零一六年七月八日補充)向倍利收購200,000,000港元之二零一九年中國農產品債券。

於二零一九年四月一日，中國農產品結欠Winning Rich款項之本金總額為700,000,000港元。於回顧年度內，中國農產品償還本金額為175,000,000港元之款項。於二零一九年十一月二十七日，Winning Rich根據日期為二零一九年九月二十六日之貸款協議按年利率10%向中國農產品授出本金額為525,000,000港元之新貸款，為期三年，藉以為中國農產品根據二零一九年中國農產品債券結欠Winning Rich的未償還債務進行再融資(其詳情分別載於本公司日期為二零一九年九月二十六日及二零一九年十一月二十七日之公佈)。緊隨中國農產品收購事項完成後，中國農產品成為本公司之非全資附屬公司。

# Report of the Directors

## 董事會報告

### Donations

During the year, the Group made charitable and other donations totaling approximately HK\$1.8 million (2019: approximately HK\$0.5 million).

### Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

### Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices in the interests of the Company and its shareholders as a whole.

In the opinion of the Directors, the Company has complied with the code provisions under the CG Code contained in Appendix 14 to the Listing Rules throughout the financial year under review, except for the deviation of the code provision A.5.1 of the CG Code. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 76 to 99 of this annual report.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient amount of public float as required under the Listing Rules throughout the financial year under review and up to the date of this annual report.

### Audit Committee

The Company has established its Audit Committee with specific written terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises Mr. Li Ka Fai, David, Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon and Mr. Cho Wing Mou, all of them are the INEDs, and Mr. Li Ka Fai, David is elected as the chairman of the Audit Committee.

During the year, the Audit Committee met twice with the management and the external auditor to review and consider, among other things, the accounting principles and practices adopted by the Group, the financial report matters (including the review of audited consolidated financial statement for the year ended 31 March 2019 and the consolidated interim results for the six-month ended 30 September 2019), the statutory compliance, internal controls and risk management, continuing connected transactions and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget. The Audit Committee has also reviewed the consolidated financial statements for the year ended 31 March 2020 with the independent auditor and the management of the Company.

### 捐款

年內，本集團之慈善及其他捐款合共約 1,800,000 港元（二零一九年：約 500,000 港元）。

### 優先購買權

公司細則或本公司註冊成立之司法權區百慕達法律概無載列關於優先購買權之條文，規定本公司須按比例基準向現有股東發售新股。

### 企業管治

本公司致力維持高水平之企業管治，以符合本公司及其股東之整體利益。

董事認為，本公司於整個回顧財政年度內已遵守上市規則附錄十四所載之企業管治守則之守則條文，惟就偏離企業管治守則之守則條文第 A.5.1 條者除外。本公司所採納企業管治常規之詳情載於本年報第 76 至 99 頁之企業管治報告。

### 足夠之公眾持股量

根據本公司公開獲得的資料及據董事所知，本公司於整個回顧財政年度及直至本年報日期已根據上市規則規定維持足夠公眾持股量。

### 審核委員會

本公司已遵照上市規則第 3.21 條之規定成立審核委員會，並訂明其具體書面職權範圍。審核委員會由全體獨立非執行董事李家暉先生、梁偉浩先生、蕭文豪先生及曹永牟先生組成。李家暉先生獲選為審核委員會主席。

年內，審核委員會與管理層及外部核數師舉行兩次會議，審閱及考慮（其中包括）本集團採納之會計原則及常規、財務報告事宜（包括審閱截至二零一九年三月三十一日止年度之經審核綜合財務報表及截至二零一九年九月三十日止六個月之綜合中期業績）、合規情況、內部監控及風險管理、持續關連交易及本公司會計及財務申報職能員工是否具有充足的才智、資格及經驗以及其培訓計劃及預算。審核委員會亦已與本公司獨立核數師及管理層審閱截至二零二零年三月三十一日止年度之綜合財務報表。



## Events After the Reporting Period

Details of significant events after the reporting period of the Group are set out in note 49 to the financial statements.

## Auditors

The financial statements for the year ended 31 March 2020 have been audited by Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

## Tang Ching Ho

*Chairman and Managing Director*

Hong Kong, 30 June 2020

## 報告期後事項

報告期後之本集團重要事項之詳情，載於財務報表附註49。

## 核數師

截至二零二零年三月三十一日止年度之財務報表已由安永會計師事務所審核。安永會計師事務所將退休，並符合資格且願意重選連任。本公司將於應屆股東週年大會上提呈決議案，重新委聘安永會計師事務所為本公司核數師。

代表董事會

## 鄧清河

*主席兼董事總經理*

香港，二零二零年六月三十日



# Independent Auditor's Report

## 獨立核數師報告



**To the shareholders of Wai Yuen Tong Medicine Holdings Limited**  
(Incorporated in Bermuda with limited liability)

### Opinion

We have audited the consolidated financial statements of Wai Yuen Tong Medicine Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 126 to 286, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

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

致位元堂藥業控股有限公司股東  
(於百慕達註冊成立的有限公司)

### 意見

我們已審計列載於第126至286頁的位元堂藥業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年三月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了 貴集團於二零二零年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

### 意見的基礎

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。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。



## Key audit matters (continued)

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.

## 關鍵審計事項(續)

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

| Key audit matter<br>關鍵審計事項   | How our audit addressed the key audit matter<br>我們的審計如何處理關鍵審計事項   |
|--|---|
| <p><i>Valuation of investment properties</i><br/>投資物業之估值</p> <p>The Group holds various investment properties in Hong Kong and mainland China for rental earning purposes. Such investment properties are measured at fair value at the end of each reporting period and the aggregate carrying amount of these investment properties was HK\$3,190,791,000 as at 31 March 2020, which represented approximately 41% of the total assets of the Group.</p> <p>貴集團於香港及中國內地持有多項投資物業以賺取租金。有關投資物業於各報告期末按公平值計量及該等投資物業於二零二零年三月三十一日之總賬面值為3,190,791,000港元，佔貴集團總資產約41%。</p> <p>This is identified as a key audit matter because significant estimation is required to determine the fair values of the investment properties, which reflect market conditions at the end of the reporting period. Management of the Company engaged external valuers to perform the valuation of these investment properties as at 31 March 2020 and in the absence of current prices in an active market for similar properties, the external valuers considered information from a variety of sources such as current prices of properties of similar locations and conditions.</p> <p>此項被列為一項關鍵審計事項乃因釐定投資物業之公平值須作出重大估計，其可反映報告期末之市場狀況。貴公司管理層於二零二零年三月三十一日委聘外部估值師對該等投資物業進行估值。於缺乏類似物業在活躍市場中之現行價格資料下，外部估值師會考慮來自多種來源之資料，如在類似地點及狀況之物業的現行價格。</p> <p>The accounting policies and disclosures in relation to the valuation of investment properties are included in notes 2.4, 3 and 14 to the consolidated financial statements.</p> <p>有關投資物業估值之會計政策及披露載於綜合財務報表附註2.4、3及14。</p> | <p>Our audit procedures to assess the valuation of investment properties included the following:<br/>我們評估投資物業估值之審計程序包括以下各項：</p> <ul style="list-style-type: none"><li>obtaining and reviewing the valuation reports prepared by the external valuers engaged by the Group;<br/>獲得及審閱由貴集團委聘之外部估值師所編製之估值報告；</li><li>assessing the external valuers' qualification, experience and expertise and considering their competence, objectivity and independence; and<br/>評估外部估值師之資格、經驗及專業知識並考慮其能力、客觀性及獨立性；及</li><li>involving our internal valuation specialists to assist us in the assessment of the valuation methodologies applied and the key assumptions and estimates adopted in the valuations.<br/>邀請我們的內部估值專家協助我們評估估值中應用之估值方法以及採用之關鍵假設及估計。</li></ul> |

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matters (continued)

### 關鍵審計事項(續)

| Key audit matter<br>關鍵審計事項  | How our audit addressed the key audit matter<br>我們的審計如何處理關鍵審計事項   |
|---|---|
| <p data-bbox="164 488 695 546"><i>Impairment assessment of property, plant and equipment</i><br/>物業、廠房及設備之減值評估</p> <p data-bbox="164 591 783 958">As at 31 March 2020, the Group had property, plant and equipment (including right-of-use assets) before current year impairment of HK\$975,105,000, which relate to the cash-generating units ("CGUs") of Chinese pharmaceutical and health food products and Western pharmaceutical and health food products. Given that the operating results of both CGUs were loss-making for the current year, management of the Company performed an impairment assessment of the related property, plant and equipment to determine their recoverable amounts based on either their value in use or fair values less costs of disposal.</p> <p data-bbox="164 969 783 1167">於二零二零年三月三十一日，貴集團持有與中藥及健康食品產品和西藥及健康食品產品之現金產生單位(「現金產生單位」)相關的物業、廠房及設備(包括使用權資產)975,105,000港元(扣除本年度減值前)。由於現金產生單位之經營業績於本年度內均錄得虧損，貴公司管理層對相關物業、廠房及設備進行減值評估，根據使用價值或公平值減出售成本釐定可收回金額。</p> <p data-bbox="164 1211 783 1308">During the year, an impairment of HK\$81,813,000 was recognised against these property, plant and equipment.<br/>於年內，已就該等物業、廠房及設備確認減值81,813,000港元。</p> | <p data-bbox="810 591 1430 719">For impairment assessments using the value in use calculations, our audit procedures included the following:<br/>就以計算使用價值進行減值評估而言，我們的審計程序包括以下各項：</p> <ul data-bbox="810 763 1430 1478" style="list-style-type: none"><li data-bbox="810 763 1430 1070">• enquiring of management in relation to the key assumptions applied in the cash flow projections, such as the revenue growth rates and gross margins, and comparing them to historical information and our understanding of the latest market information and conditions;<br/>向管理層查詢現金流預測中使用之關鍵假設(如收入增長率及毛利率)並將所採用的關鍵假設與歷史數據及我們對最近期市場信息及狀況的理解進行比較；</li><li data-bbox="810 1115 1430 1272">• involving our internal valuation specialists to assist us in the assessment of the methodologies and the discount rates used to determine the recoverable amounts; and<br/>邀請我們的內部估值專家協助我們評估釐定可收回金額中採用之方法及折現率；及</li><li data-bbox="810 1317 1430 1478">• assessing the adequacy of the disclosures of the Group's impairment assessment of property, plant and equipment in the consolidated financial statements.<br/>評估對貴集團綜合財務報表中物業、廠房及設備之減值評估之披露是否充足。</li></ul> |

Key audit matters (continued)

關鍵審計事項(續)

| Key audit matter<br>關鍵審計事項  | How our audit addressed the key audit matter<br>我們的審計如何處理關鍵審計事項   |
|---|---|
| <p><i>Impairment assessment of property, plant and equipment (continued)</i><br/>物業、廠房及設備之減值評估(續)</p> <p>The impairment assessment has been identified as a key audit matter due to the materiality of the carrying values of the property, plant and equipment, and the significant judgements and estimations involved in the assessment of their recoverable amounts.<br/>物業、廠房及設備賬面值之重要性以及評估其可收回金額時涉及重大判斷及估計，因此減值評估被列為一項關鍵審計事項。</p> <p>The accounting policies and disclosures in relation to the impairment of property, plant and equipment are included in notes 2.4, 3 and 13 to the consolidated financial statements.<br/>有關物業、廠房及設備減值之會計政策及披露載於綜合財務報表附註2.4、3及13。</p> | <p>For impairment assessments using the fair value less costs of disposal of the relevant property, plant and equipment, our audit procedures included the following:<br/>就以公平值減出售相關物業、廠房及設備的成本進行減值評估而言，我們的審計程序包括以下各項：</p> <ul style="list-style-type: none"><li data-bbox="810 801 1430 927">• obtaining and reviewing the valuation reports prepared by the external valuer engaged by the Group;<br/>獲得及審閱由貴集團委聘之外部估值師所編製之估值報告；</li><li data-bbox="810 976 1430 1137">• assessing the external valuer's qualification, experience and expertise and considering its competence, objectivity and independence; and<br/>評估外部估值師之資格、經驗及專業知識並考慮其能力、客觀性及獨立性；及</li><li data-bbox="810 1187 1430 1375">• involving our internal valuation specialists to assist us in the assessment of the valuation methodologies applied and the key assumptions and estimates adopted in the valuations.<br/>邀請我們的內部估值專家協助我們評估估值中應用之估值方法以及採用之關鍵假設及估計。</li></ul> |

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matters (continued)

### 關鍵審計事項(續)

| Key audit matter<br>關鍵審計事項   | How our audit addressed the key audit matter<br>我們的審計如何處理關鍵審計事項  |
|--|--|
| <p><i>Impairment assessment of investment in an associate</i><br/>於一間聯營公司投資之減值評估</p> <p>As at 31 March 2020, the Group held a 29.06% interest in a listed associate, Easy One Financial Group Limited ("Easy One"), before current year impairment, with a carrying amount of HK\$316,550,000. As the market value of Easy One's shares held by the Group as at 31 March 2020 was significantly lower than the then carrying amount of the Group's investment in Easy One, there was an impairment indicator on the Group's investment in Easy One.</p> <p>於二零二零年三月三十一日，貴集團於上市聯營公司易易壹金融集團有限公司(「易易壹」)中持有29.06%權益(扣除本年度減值前)，賬面值為316,550,000港元。由於二零二零年三月三十一日貴集團持有的易易壹股份之市值遠低於貴集團當時於易易壹投資之賬面值，貴集團於易易壹之投資有減值跡象。</p> <p>Accordingly, management of the Company has performed an impairment assessment on its investment in Easy One using a value in use calculation to determine its recoverable amount. This is identified as a key audit matter because the value in use calculation was based on the discounted cash flow method which was complex and required management to use significant judgements and make assumptions which were affected by future market or economic conditions.</p> <p>因此，貴公司管理層對其於易易壹之投資進行減值評估，按使用價值方法計算其可收回金額。此項被為一項關鍵審計事項乃因使用價值乃按折現現金流方法計算，此方法較為複雜並須由管理層作出受未來市場或經濟狀況影響的重大判斷及假設。</p> <p>During the year, an impairment of HK\$8,737,000 was recognised against the investment in Easy One.</p> <p>於年內，已就於易易壹之投資確認減值8,737,000港元。</p> <p>The accounting policies and disclosures in relation to the investment in the associate are included in notes 2.4, 3 and 17 to the consolidated financial statements.</p> <p>有關於聯營公司投資之會計政策及披露載於綜合財務報表附註2.4、3及17。</p> | <p>Our audit procedures to assess the impairment assessment of the investment in Easy One included the following:<br/>我們評估於易易壹投資之減值評估之審計程序包括以下各項：</p> <ul style="list-style-type: none"><li>enquiring of management in relation to the key assumptions applied in the cash flow projection, such as the revenue growth rate and gross margin, and comparing them to historical information and our understanding of the latest market information and conditions; and<br/>向管理層查詢現金流預測中使用之關鍵假設(如收入增長率及毛利率)並將所採用的關鍵假設與歷史數據及我們對最近期市場信息及狀況的理解進行比較；及</li><li>involving our internal valuation specialists to assist us in the assessment of the methodology and the discount rate used to determine the recoverable amount.<br/>邀請我們的內部估值專家協助我們評估釐定可收回金額中採用之方法及折現率。</li></ul> |

Key audit matters (continued)

關鍵審計事項(續)

| Key audit matter<br>關鍵審計事項  | How our audit addressed the key audit matter<br>我們的審計如何處理關鍵審計事項  |
|---|--|
| <p><i>Net realisable value of properties under development and properties held for sale</i><br/>發展中物業及持作出售物業之可變現淨值</p> <p>The Group's properties under development and properties held for sale are stated at the lower of cost and net realisable value. As at 31 March 2020, the aggregate carrying amount of the Group's properties under development and properties held for sale was HK\$1,942,311,000, which represented approximately 25% of the total assets of the Group.</p> <p>貴集團之發展中物業及持作出售物業按成本與可變現淨值兩者中較低者列賬。於二零二零年三月三十一日，貴集團發展中物業及持作出售物業之總賬面值為1,942,311,000港元，佔貴集團總資產約25%。</p> <p>Significant estimation is required to determine the net realisable value of the properties under development and properties held for sale, which reflects market conditions at the end of the reporting period. Management of the Company engaged an external valuer to perform the valuations of these properties under development and properties held for sale as at 31 March 2020.</p> <p>釐定發展中物業及持作出售物業之可變現淨值須作出重大估計，其可反映報告期末之市場狀況。貴公司管理層於二零二零年三月三十一日委聘外部估值師對該等發展中物業及持作出售物業進行估值。</p> <p>The accounting policies and disclosures in relation to the properties under development and properties held for sale are included in notes 2.4, 3, 19 and 20 to the consolidated financial statements.</p> <p>有關發展中物業及持作出售物業之會計政策及披露載於綜合財務報表附註2.4、3、19及20。</p> | <p>Our audit procedures to assess the net realisable value of properties under development and properties held for sale included the following:<br/>我們評估發展中物業及持作出售物業可變現淨值之審計程序包括以下各項：</p> <ul style="list-style-type: none"><li>• obtaining and reviewing the valuation reports prepared by the external valuer engaged by the Group;<br/>獲得及審閱由貴集團委聘之外部估值師所編製之估值報告；</li><li>• assessing the external valuer's qualification, experience and expertise and considering its competence, objectivity and independence; and<br/>評估外部估值師之資格、經驗及專業知識並考慮其能力、客觀性及獨立性；及</li><li>• involving our internal valuation specialists to assist us in the assessment of the valuation methodologies applied and the key assumptions and estimates adopted in the valuations.<br/>邀請我們的內部估值專家協助我們評估估值中應用之估值方法以及採用之關鍵假設及估計。</li></ul> |



# 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 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.

### 刊載於年報之其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

### 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, in accordance with section 90 of the Bermuda Companies Act 1981, 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.

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們遵照百慕達一九八一年《公司法》第90條僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和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的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。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的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

# 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.

### 核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的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的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

**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 Mr. CHUNG, Ho Ling.

**核數師就審計綜合財務報表承擔的責任(續)**

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是鍾浩齡先生。

**Ernst & Young**

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

30 June 2020

**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

二零二零年六月三十日

# 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 March 2020 截至二零二零年三月三十一日止年度

|   |   |    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---|----|----------------------------------|----------------------------------|
| <b>REVENUE</b>  | <b>收益</b>                               | 5  | <b>620,741</b>                   | 751,443                          |
| Cost of sales   | 銷售成本                                    |    | <b>(339,165)</b>                 | (449,915)                        |
| Gross profit  | 毛利                                      |    | <b>281,576</b>                   | 301,528                          |
| Other income and gains, net   | 其他收入及收益，淨額                              | 5  | <b>498,048</b>                   | 115,671                          |
| Selling and distribution expenses   | 銷售及分銷開支                                 |    | <b>(233,238)</b>                 | (281,769)                        |
| Administrative expenses   | 行政開支                                    |    | <b>(178,229)</b>                 | (166,170)                        |
| Reversal of impairment losses/(impairment losses) on financial assets, net                              | 財務資產減值虧損撥回／<br>(減值虧損)，淨額                | 6  | <b>(16,013)</b>                  | 82,767                           |
| Other expenses  | 其他開支                                    |    | <b>(93,487)</b>                  | (6,205)                          |
| Finance costs   | 融資成本                                    | 7  | <b>(56,697)</b>                  | (28,553)                         |
| Fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, net | 按公平值經損益入賬之財務資產<br>及負債之公平值收益／<br>(虧損)，淨額 |    | <b>(7,323)</b>                   | 593                              |
| Fair value gains/(losses) on owned investment properties, net   | 自用投資物業之公平值收益／<br>(虧損)，淨額                | 14 | <b>(99,198)</b>                  | 17,445                           |
| Share of profits and losses of associates   | 分佔聯營公司溢利及虧損                             |    | <b>15,177</b>                    | 46,387                           |
| <b>PROFIT BEFORE TAX</b>  | <b>除稅前溢利</b>                            | 6  | <b>110,616</b>                   | 81,694                           |
| Income tax expense  | 所得稅開支                                   | 10 | <b>(17,199)</b>                  | (7,448)                          |
| <b>PROFIT FOR THE YEAR</b>  | <b>本年度溢利</b>                            |    | <b>93,417</b>                    | 74,246                           |



# 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 March 2020 截至二零二零年三月三十一日止年度

|  |                                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
|  |                                | Notes<br>附註                      |                                  |
| <b>OTHER COMPREHENSIVE LOSS</b>  | <b>其他全面虧損</b>                  |                                  |                                  |
| <i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>      | <i>可能於往後期間重新分類至損益之其他全面虧損：</i>  |                                  |                                  |
| Debt investments at fair value through other comprehensive income:                                     | 按公平值經其他全面收益入賬之債務投資：            |                                  |                                  |
| Changes in fair value  | 公平值變動                          | <b>(16,428)</b>                  | (2,019)                          |
| Reclassification adjustments for gains/losses included in profit or loss:                              | 計入損益之收益／虧損之重新分類調整：             |                                  |                                  |
| – Impairment losses/(reversal of impairment losses)  | – 減值虧損／(減值虧損撥回)                | 6<br><b>10,165</b>               | (80,353)                         |
| – Gain on disposal/redemption, net   | – 出售／贖回之收益，淨額                  | 5<br><b>(100,078)</b>            | (1,179)                          |
|  |                                | <b>(106,341)</b>                 | (83,551)                         |
| Share of other comprehensive loss of associates  | 分佔聯營公司之其他全面虧損                  | <b>(13,093)</b>                  | (26,917)                         |
| Translation reserve:   | 匯兌儲備：                          |                                  |                                  |
| Translation of foreign operations  | 換算海外業務                         | <b>(83,845)</b>                  | (13,326)                         |
| Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods          | 可能於往後期間重新分類至損益之其他全面虧損淨額        | <b>(203,279)</b>                 | (123,794)                        |
| <i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i> | <i>將不會於往後期間重新分類至損益之其他全面虧損：</i> |                                  |                                  |
| Share of other comprehensive loss of an associate  | 分佔一間聯營公司之其他全面虧損                | <b>(6,331)</b>                   | (4,240)                          |
| Equity investments at fair value through other comprehensive income:                                   | 按公平值經其他全面收益入賬之股權投資：            |                                  |                                  |
| Changes in fair value  | 公平值變動                          | <b>(35,522)</b>                  | (39,296)                         |
| Deferred tax   | 遞延稅項                           | 33<br><b>1,832</b>               | 3,521                            |
| Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods     | 將不會於往後期間重新分類至損益之其他全面虧損淨額       | <b>(40,021)</b>                  | (40,015)                         |
| <b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>   | <b>本年度除稅後其他全面虧損</b>            | <b>(243,300)</b>                 | (163,809)                        |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>   | <b>本年度全面虧損總額</b>               | <b>(149,883)</b>                 | (89,563)                         |

# 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 March 2020 截至二零二零年三月三十一日止年度

|   | Note             | 2020                                 | 2019                     |
|---|------------------|--------------------------------------|--------------------------|
|   | 附註               | 二零二零年<br>HK\$'000<br>千港元             | 二零一九年<br>HK\$'000<br>千港元 |
| Profit/(loss) attributable to:  | 以下人士應佔溢利/(虧損)：   |                                      |                          |
| Owners of the parent  | 母公司擁有人           | <b>95,823</b>                        | 74,627                   |
| Non-controlling interests   | 非控股權益            | <b>(2,406)</b>                       | (381)                    |
|   |                  | <b>93,417</b>                        | 74,246                   |
| Total comprehensive loss attributable to:                                       | 以下人士應佔全面虧損總額：    |                                      |                          |
| Owners of the parent  | 母公司擁有人           | <b>(137,829)</b>                     | (88,025)                 |
| Non-controlling interests   | 非控股權益            | <b>(12,054)</b>                      | (1,538)                  |
|   |                  | <b>(149,883)</b>                     | (89,563)                 |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b> | 母公司普通權益持有人應佔每股盈利 |                                      |                          |
|   | 12               |                                      |                          |
| Basic and diluted   | 基本及攤薄            | <b>HK7.78 cents</b><br><b>7.78港仙</b> | HK5.98 cents<br>5.98港仙   |

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 March 2020 二零二零年三月三十一日

|   |                    |       | 2020             | 2019      |
|---|--------------------|-------|------------------|-----------|
|   |                    | Notes | 二零二零年            | 二零一九年     |
|   |                    | 附註    | HK\$'000         | HK\$'000  |
|   |                    |       | 千港元              | 千港元       |
| <b>NON-CURRENT ASSETS</b>   | <b>非流動資產</b>       |       |                  |           |
| Property, plant and equipment   | 物業、廠房及設備           | 13    | 974,940          | 957,323   |
| Investment properties   | 投資物業               | 14    | 3,190,791        | 558,000   |
| Net investments in subleases  | 分租投資淨額             | 15    | 9,619            | -         |
| Investments in associates   | 於聯營公司之投資           | 17    | 314,033          | 329,584   |
| Financial assets at fair value through other comprehensive income           | 按公平值經其他全面收益入賬之財務資產 | 18    | 125,100          | 228,623   |
| Deposits  | 按金                 | 24    | 19,905           | 21,702    |
| Deferred tax assets   | 遞延稅項資產             | 33    | 48               | 10,122    |
| <b>Total non-current assets</b>   | <b>總非流動資產</b>      |       | <b>4,634,436</b> | 2,105,354 |
| <b>CURRENT ASSETS</b>   | <b>流動資產</b>        |       |                  |           |
| Properties under development  | 發展中物業              | 19    | 297,146          | -         |
| Properties held for sale  | 持作出售物業             | 20    | 1,645,165        | -         |
| Inventories   | 存貨                 | 21    | 154,890          | 161,508   |
| Trade receivables   | 貿易應收款項             | 22    | 67,302           | 92,210    |
| Loans and interest receivables  | 應收貸款及利息            | 23    | 68,250           | 24,031    |
| Prepayments, deposits and other receivables                                 | 預付款項、按金及其他應收款項     | 24    | 249,376          | 46,298    |
| Net investments in subleases  | 分租投資淨額             | 15    | 10,526           | -         |
| Financial assets at fair value through other comprehensive income           | 按公平值經其他全面收益入賬之財務資產 | 18    | 48,120           | 710,788   |
| Financial assets at fair value through profit or loss                       | 按公平值經損益入賬之財務資產     | 25    | 56,675           | 21,289    |
| Tax recoverable   | 可收回稅項              |       | 14,438           | 1,157     |
| Restricted bank balances  | 受限制銀行結餘            | 26    | 8,157            | -         |
| Cash and cash equivalents   | 現金及現金等同項目          | 26    | 475,702          | 171,209   |
| <b>Total current assets</b>   | <b>總流動資產</b>       |       | <b>3,095,747</b> | 1,228,490 |
| Assets classified as held for sale  | 分類為持作出售的資產         | 27    | -                | 120,826   |
| <b>Total current assets</b>   | <b>總流動資產</b>       |       | <b>3,095,747</b> | 1,349,316 |
| <b>CURRENT LIABILITIES</b>  | <b>流動負債</b>        |       |                  |           |
| Trade payables  | 貿易應付款項             | 28    | 66,709           | 35,959    |
| Other payables and accruals   | 其他應付款項及應計費用        | 29    | 1,188,483        | 100,741   |
| Contract liabilities  | 合約負債               | 29    | 548,829          | 7,098     |
| Financial liabilities at fair value through profit or loss                  | 按公平值經損益入賬之財務負債     | 25    | 621              | -         |
| Interest-bearing bank and other borrowings                                  | 計息銀行及其他借貸          | 31    | 653,127          | 232,290   |
| Tax payable   | 應付稅項               |       | 58,006           | 4,896     |
| <b>Total current liabilities</b>  | <b>總流動負債</b>       |       | <b>2,515,775</b> | 380,984   |
| Liabilities directly associated with the assets classified as held for sale | 與分類為持作出售的資產直接相關的負債 | 27    | -                | 361       |
| <b>Total current liabilities</b>  | <b>總流動負債</b>       |       | <b>2,515,775</b> | 381,345   |
| <b>NET CURRENT ASSETS</b>   | <b>流動資產淨值</b>      |       | <b>579,972</b>   | 967,971   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                | <b>總資產減流動負債</b>    |       | <b>5,214,408</b> | 3,073,325 |

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 March 2020 二零二零年三月三十一日

|  |                   |       | 2020             | 2019      |
|--|-------------------|-------|------------------|-----------|
|  |                   |       | 二零二零年            | 二零一九年     |
|  |                   | Notes | HK\$'000         | HK\$'000  |
|  |                   | 附註    | 千港元              | 千港元       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>       | <b>總資產減流動負債</b>   |       | <b>5,214,408</b> | 3,073,325 |
| <b>NON-CURRENT LIABILITIES</b>                     | <b>非流動負債</b>      |       |                  |           |
| Other payables                                     | 其他應付款項            | 29    | <b>81,586</b>    | 1,883     |
| Unsecured bonds and notes                          | 無抵押債券及票據          | 30    | <b>181,220</b>   | –         |
| Interest-bearing bank and other borrowings         | 計息銀行及其他借貸         | 31    | <b>716,598</b>   | 619,937   |
| Convertible notes                                  | 可換股票據             | 32    | <b>249,814</b>   | –         |
| Deferred tax liabilities                           | 遞延稅項負債            | 33    | <b>633,916</b>   | 3,416     |
| Total non-current liabilities                      | 總非流動負債            |       | <b>1,863,134</b> | 625,236   |
| Net assets   | 資產淨值              |       | <b>3,351,274</b> | 2,448,089 |
| <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> |       |                  |           |
| Issued capital                                     | 已發行股本             | 34    | <b>12,316</b>    | 12,316    |
| Reserves   | 儲備                | 36    | <b>2,287,745</b> | 2,431,802 |
|  |                   |       | <b>2,300,061</b> | 2,444,118 |
| Non-controlling interests                          | 非控股權益             |       | <b>1,051,213</b> | 3,971     |
| Total equity                                       | 總權益               |       | <b>3,351,274</b> | 2,448,089 |

**Tang Ching Ho**

鄧清河

Director

董事

**Chan Chun Hong, Thomas**

陳振康

Director

董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 March 2020 截至二零二零年三月三十一日止年度

|   |                     | Attributable to owners of the parent<br>母公司擁有人應佔 |               |                 |                     |                      |                     |               |               |                                |                                    |                           |                    |               |                           |                 |           |
|---|---------------------|--|---------------|-----------------|---------------------|----------------------|---------------------|---------------|---------------|--------------------------------|------------------------------------|---------------------------|--------------------|---------------|---------------------------|-----------------|-----------|
|   |                     |  |               |                 |                     |                      |                     |               |               | Fair value                     |                                    |                           |                    |               |                           |                 |           |
|   |                     | Issued capital                                   | Share premium | Special reserve | Contributed surplus | Share option reserve | Translation reserve | Reserve funds | Other reserve | Fair value reserve (recycling) | Fair value reserve (non-recycling) | Asset revaluation reserve | Accumulated losses | Total         | Non-controlling interests | Total equity    |           |
|   |                     | 已發行股本  | 股份溢價          | 特別儲備            | 實繳盈餘                | 購股權儲備                | 匯兌儲備                | 儲備基金          | 其他儲備          | 公平值儲備 (可劃轉)                    | 公平值儲備 (不可劃轉)                       | 重估儲備                      | 累計虧損               | 總計            | 非控股權益                     | 總權益             |           |
|   |                     | HK\$'000   | HK\$'000      | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000            | HK\$'000      | HK\$'000      | HK\$'000                       | HK\$'000                           | HK\$'000                  | HK\$'000           | HK\$'000      | HK\$'000                  | HK\$'000        |           |
|   |                     | 千港元  | 千港元           | 千港元             | 千港元                 | 千港元                  | 千港元                 | 千港元           | 千港元           | 千港元                            | 千港元                                | 千港元                       | 千港元                | 千港元           | 千港元                       | 千港元             |           |
|   |                     | Note   | (note 34)     | (note 34)       | (note 36(i))        | (note 36(ii))        | (note 36(iv))       | (note 36(v))  | (note 36(vi)) | (note 36(vii))                 | (note 36(viii))                    | (note 36(ix))             | (note 36(x))       | (note 36(xi)) | (note 36(xii))            | (note 36(xiii)) |           |
|   |                     | 附註   | (附註34)        | (附註34)          | (附註36(i))           | (附註36(ii))           | (附註36(iv))          | (附註36(v))     | (附註36(vi))    | (附註36(vii))                    | (附註36(viii))                       | (附註36(ix))                | (附註36(x))          | (附註36(xi))    | (附註36(xii))               | (附註36(xiii))    |           |
| At 1 April 2018   | 於二零一八年四月一日          |  | 12,651        | 2,116,420       | (27,150)            | 275,693              | 332                 | 3,200         | 359           | 1,501                          | 179,080                            | 49,049                    | 28,014             | (97,050)      | 2,542,099                 | 5,509           | 2,547,608 |
| Profit/(loss) for the year  | 本年度溢利/(虧損)          |  | -             | -               | -                   | -                    | -                   | -             | -             | -                              | -                                  | -                         | 74,627             | 74,627        | (381)                     | 74,246          |           |
| Other comprehensive income/(loss) for the year:                           | 本年度其他全面收益/(虧損):     |  |               |                 |                     |                      |                     |               |               |                                |                                    |                           |                    |               |                           |                 |           |
| Financial assets at fair value through other comprehensive income:        | 按公平值經其他全面收益入賬之財務資產: |  |               |                 |                     |                      |                     |               |               |                                |                                    |                           |                    |               |                           |                 |           |
| Changes in fair value, net of tax   | 公平值變動, 扣除稅項         |  | -             | -               | -                   | -                    | -                   | -             | -             | (2,019)                        | (35,775)                           | -                         | -                  | (37,794)      | -                         | (37,794)        |           |
| Reclassification adjustment for gains/(losses) included in profit or loss | 計入損益之收益/(虧損)之重新分類調整 |  |               |                 |                     |                      |                     |               |               |                                |                                    |                           |                    |               |                           |                 |           |
| - Reversal of impairment losses   | - 減值虧損撥回            |  | -             | -               | -                   | -                    | -                   | -             | -             | (80,353)                       | -                                  | -                         | -                  | (80,353)      | -                         | (80,353)        |           |
| - Gain on disposal/redemption, net  | - 出售/贖回之收益, 淨額      |  | -             | -               | -                   | -                    | -                   | -             | -             | (1,179)                        | -                                  | -                         | -                  | (1,179)       | -                         | (1,179)         |           |
| Share of other comprehensive income/(loss) of associates                  | 分佔聯營公司之其他全面收益/(虧損)  |  | -             | -               | -                   | -                    | (27,435)            | -             | 518           | -                              | (4,240)                            | -                         | -                  | (31,157)      | -                         | (31,157)        |           |
| Translation reserve:  | 匯兌儲備:               |  |               |                 |                     |                      |                     |               |               |                                |                                    |                           |                    |               |                           |                 |           |
| Exchange differences on translation of foreign operations                 | 換算海外業務所產生之匯兌差額      |  | -             | -               | -                   | -                    | (12,169)            | -             | -             | -                              | -                                  | -                         | -                  | (12,169)      | (1,157)                   | (13,326)        |           |
| Total comprehensive income/(loss) for the year                            | 本年度全面收益/(虧損)總額      |  | -             | -               | -                   | -                    | (39,604)            | -             | 518           | (83,551)                       | (40,015)                           | -                         | 74,627             | (88,025)      | (1,538)                   | (89,563)        |           |
| Shares repurchased and cancelled  | 購回及註銷之股份            | 34   | (335)         | (9,621)         | -                   | -                    | -                   | -             | -             | -                              | -                                  | -                         | -                  | (9,956)       | -                         | (9,956)         |           |
| Forfeiture and expiration of share options                                | 購股權沒收及屆滿            |  | -             | -               | -                   | (246)                | -                   | -             | -             | -                              | -                                  | -                         | 246                | -             | -                         | -               |           |
| At 31 March 2019  | 於二零一九年三月三十一日        |  | 12,316        | 2,106,799*      | (27,150)*           | 275,693*             | 86*                 | (36,404)*     | 359*          | 2,019*                         | 95,529*                            | 9,034*                    | 28,014*            | (22,177)*     | 2,444,118                 | 3,971           | 2,448,089 |



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 March 2020 截至二零二零年三月三十一日止年度

|   |                      | Attributable to owners of the parent<br>母公司擁有人應佔 |               |                 |                     |                      |                     |                |               |                                |                                    |                           |  |           |                           |              |
|---|----------------------|--|---------------|-----------------|---------------------|----------------------|---------------------|----------------|---------------|--------------------------------|------------------------------------|---------------------------|--|-----------|---------------------------|--------------|
|   |                      | Issued capital                                   | Share premium | Special reserve | Contributed surplus | Share option reserve | Translation reserve | Reserve funds  | Other reserve | Fair value reserve (recycling) | Fair value reserve (non-recycling) | Asset revaluation reserve | Retained profits/ losses (accumulated) | Total     | Non-controlling interests | Total equity |
|   |                      | 已發行股本  | 股份溢價          | 特別儲備            | 實繳盈餘                | 購股權儲備                | 匯兌儲備                | 儲備基金           | 其他儲備          | 公平值儲備 (可劃轉)                    | 公平值儲備 (不可劃轉)                       | 重估儲備                      | 保留溢利/ (累計虧損)                           | 總計        | 非控股權益                     | 總權益          |
|   |                      | HK\$'000   | HK\$'000      | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000            | HK\$'000       | HK\$'000      | HK\$'000                       | HK\$'000                           | HK\$'000                  | HK\$'000                               | HK\$'000  | HK\$'000                  | HK\$'000     |
|   |                      | 千港元  | 千港元           | 千港元             | 千港元                 | 千港元                  | 千港元                 | 千港元            | 千港元           | 千港元                            | 千港元                                | 千港元                       | 千港元                                    | 千港元       | 千港元                       | 千港元          |
| Notes   |                      | (note 34)  | (note 34)     | (note 36(ii))   | (note 36(iii))      |                      | (note 36(iv))       | (note 36(iii)) |               |                                |                                    |                           |  |           |                           |              |
| 附註  |                      | (附註34)   | (附註34)        | (附註36(ii))      | (附註36(iii))         |                      | (附註36(iv))          | (附註36(iii))    |               |                                |                                    |                           |  |           |                           |              |
| At 31 March 2019  | 於二零一九年三月三十一日         | 12,316   | 2,106,799     | (27,150)        | 275,693             | 86                   | (36,404)            | 359            | 2,019         | 95,529                         | 9,034                              | 28,014                    | (22,177)                               | 2,444,118 | 3,971                     | 2,448,089    |
| Effect of adoption of HKFRS 16  | 採納香港財務報告準則第16號的影響    | 2.2  | -             | -               | -                   | -                    | -                   | -              | -             | -                              | -                                  | -                         | (6,228)                                | (6,228)   | (15)                      | (6,243)      |
| At 1 April 2019 (restated)  | 於二零一九年四月一日(經重列)      | 12,316   | 2,106,799     | (27,150)        | 275,693             | 86                   | (36,404)            | 359            | 2,019         | 95,529                         | 9,034                              | 28,014                    | (28,405)                               | 2,437,890 | 3,956                     | 2,441,846    |
| Profit/(loss) for the year  | 本年度溢利/(虧損)           | -  | -             | -               | -                   | -                    | -                   | -              | -             | -                              | -                                  | -                         | 95,823                                 | 95,823    | (2,406)                   | 93,417       |
| Other comprehensive income/(loss) for the year:                               | 本年度其他全面收益/(虧損):      |  |               |                 |                     |                      |                     |                |               |                                |                                    |                           |  |           |                           |              |
| Financial assets at fair value through other comprehensive income:            | 按公平值經其他全面收益入賬之財務資產:  |  |               |                 |                     |                      |                     |                |               |                                |                                    |                           |  |           |                           |              |
| Changes in fair value, net of tax   | 公平值變動, 扣除稅項          | -  | -             | -               | -                   | -                    | -                   | -              | -             | (16,428)                       | (33,690)                           | -                         | -                                      | (50,118)  | -                         | (50,118)     |
| Reclassification adjustment for gains/(losses) included in profit or loss     | 計入損益之收益/(虧損)之重新分類調整: | -  | -             | -               | -                   | -                    | -                   | -              | -             | -                              | -                                  | -                         | -                                      | -         | -                         | -            |
| - Impairment losses   | - 減值虧損               | -  | -             | -               | -                   | -                    | -                   | -              | -             | 10,165                         | -                                  | -                         | -                                      | 10,165    | -                         | 10,165       |
| - Gain on disposal/redemption, net  | - 出售/贖回之收益, 淨額       | -  | -             | -               | -                   | -                    | -                   | -              | -             | (100,078)                      | -                                  | -                         | -                                      | (100,078) | -                         | (100,078)    |
| Share of other comprehensive loss of associates                               | 分佔聯營公司之其他全面虧損        | -  | -             | -               | -                   | -                    | (13,093)            | -              | -             | -                              | (6,331)                            | -                         | -                                      | (19,424)  | -                         | (19,424)     |
| Translation reserve: Exchange differences on translation of foreign operation | 匯兌儲備: 換算海外業務所產生之匯兌差額 | -  | -             | -               | -                   | -                    | (74,197)            | -              | -             | -                              | -                                  | -                         | -                                      | (74,197)  | (9,648)                   | (83,845)     |
| Total comprehensive income/(loss) for the year                                | 本年度全面收益/(虧損)總額       | -  | -             | -               | -                   | -                    | (87,290)            | -              | -             | (106,341)                      | (40,021)                           | -                         | 95,823                                 | (137,829) | (12,054)                  | (149,883)    |
| Acquisition of subsidiaries   | 收購附屬公司               | 38   | -             | -               | -                   | -                    | -                   | -              | -             | -                              | -                                  | -                         | -                                      | -         | 1,059,311                 | 1,059,311    |
| Forfeiture of share options   | 購股權沒收                | -  | -             | -               | -                   | (3)                  | -                   | -              | -             | -                              | -                                  | -                         | 3                                      | -         | -                         | -            |
| At 31 March 2020  | 於二零二零年三月三十一日         | 12,316   | 2,106,799*    | (27,150)*       | 275,693*            | 83*                  | (123,694)*          | 359*           | 2,019*        | (10,812)*                      | (30,987)*                          | 28,014*                   | 67,421*                                | 2,300,061 | 1,051,213                 | 3,351,274    |

\* These reserve accounts comprise the consolidated reserves of HK\$2,287,745,000 (2019: HK\$2,431,802,000) in the consolidated statement of financial position.

\* 該等儲備賬目包括綜合財務狀況表中的綜合儲備2,287,745,000港元(二零一九年: 2,431,802,000港元)。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 March 2020 截至二零二零年三月三十一日止年度

|  | Notes<br>附註                            | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--|----------------------------------|----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  | <b>經營業務所得現金流量</b>                      |                                  |                                  |
| Profit before tax  | 除稅前溢利                                  | <b>110,616</b>                   | 81,694                           |
| Adjustments for:   | 已調整以下各項：                               |                                  |                                  |
| Finance costs  | 融資成本                                   | <b>56,697</b>                    | 28,553                           |
| Interest income on loans receivables   | 應收貸款之利息收入                              | <b>(9,922)</b>                   | (4,203)                          |
| Interest income on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income | 按公平值經損益入賬之財務資產及按公平值經其他全面收益入賬之財務資產之利息收入 | <b>(61,386)</b>                  | (90,528)                         |
| Interest income on bank deposits   | 銀行存款之利息收入                              | <b>(5,541)</b>                   | (1,208)                          |
| Dividends from financial assets at fair value through other comprehensive income   | 來自按公平值經其他全面收益入賬之財務資產之股息                | <b>(4,371)</b>                   | (3,145)                          |
| Fair value losses/(gains) on financial assets and liabilities at fair value through profit or loss, net  | 按公平值經損益入賬之財務資產及負債之公平值虧損/（收益）·淨額        | <b>7,323</b>                     | (593)                            |
| Gain on disposal/redemption of debt investments at fair value through other comprehensive income   | 出售/贖回按公平值經其他全面收益入賬之債務投資之收益             | <b>(100,078)</b>                 | (1,179)                          |
| Gain on disposal of an investment property   | 出售一項投資物業之收益                            | <b>(7,464)</b>                   | -                                |
| Loss on disposal of subsidiaries   | 出售附屬公司之虧損                              | <b>2,937</b>                     | -                                |
| Provisional gain on bargain purchase of subsidiaries   | 議價購買附屬公司之暫定收益                          | <b>(230,844)</b>                 | -                                |
| Fair value losses/(gains) on owned investment properties, net  | 自用投資物業之公平值虧損/（收益）·淨額                   | <b>99,198</b>                    | (17,445)                         |
| Fair value losses on sub-leased investment properties  | 分租投資物業之公平值虧損                           | <b>662</b>                       | -                                |
| Accrued rent-free rental income  | 應計免租租金收入                               | <b>10</b>                        | 357                              |
| Finance income on net investments in subleases   | 分租投資淨額之財務收入                            | <b>(1,059)</b>                   | -                                |
| Depreciation of owned assets   | 所擁有資產折舊                                | <b>50,768</b>                    | 51,323                           |
| Depreciation of right-of-use assets  | 使用權資產折舊                                | <b>61,906</b>                    | -                                |
| Impairment losses/(reversal of impairment losses) on items of property, plant and equipment  | 物業、廠房及設備項目減值虧損/（減值虧損撥回）                | <b>81,813</b>                    | (1,495)                          |
| Loss/(gain) on disposal of items of property, plant and equipment  | 出售物業、廠房及設備項目之虧損/（收益）                   | <b>(56,306)</b>                  | 4                                |
| Impairment losses/(reversal of impairment losses) on financial assets, net   | 財務資產減值虧損/（減值虧損撥回）·淨額                   | <b>16,013</b>                    | (82,767)                         |
| Allowance for obsolete inventories   | 陳舊存貨撥備                                 | <b>9,567</b>                     | 9,454                            |
| Impairment of goodwill   | 商譽減值                                   | <b>-</b>                         | 7,700                            |
| Impairment of investment in an associate   | 於一間聯營公司之投資減值                           | <b>8,737</b>                     | -                                |
| Share of profits and losses of associates  | 分佔聯營公司溢利及虧損                            | <b>(15,177)</b>                  | (46,387)                         |
|  |  | <b>14,099</b>                    | (69,865)                         |
| Decrease/(increase) in inventories   | 存貨減少/（增加）                              | <b>(2,860)</b>                   | 12,213                           |
| Increase in properties under development   | 發展中物業增加                                | <b>(12,261)</b>                  | -                                |
| Increase in properties held for sale   | 持作出售物業增加                               | <b>(1,723)</b>                   | -                                |
| Decrease in trade receivables  | 貿易應收款項減少                               | <b>19,880</b>                    | 17,482                           |
| Decrease/(increase) in prepayments, deposits and other receivables   | 預付款項、按金及其他應收款項減少/（增加）                  | <b>(11,681)</b>                  | 40,289                           |
| Decrease in trade payables   | 貿易應付款項減少                               | <b>(17,182)</b>                  | (24,694)                         |
| Increase in contract liabilities   | 合約負債增加                                 | <b>24,917</b>                    | -                                |
| Decrease in other payables and accruals  | 其他應付款項及應計費用減少                          | <b>(47,876)</b>                  | (2,419)                          |
| Cash used in operations  | 經營所用現金                                 | <b>(34,687)</b>                  | (26,994)                         |
| Proceeds from subleases  | 分租所得款項                                 | <b>11,606</b>                    | -                                |
| Interest received on bank deposits   | 銀行存款之已收利息                              | <b>5,541</b>                     | 1,208                            |
| Tax paid   | 已付稅項                                   | <b>(13,241)</b>                  | (847)                            |
| Net cash used in operating activities  | 經營業務所用之現金淨額                            | <b>(30,781)</b>                  | (26,633)                         |

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 March 2020 截至二零二零年三月三十一日止年度

|  | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------|----------------------------------|----------------------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |             |                                  |                                  |
| Purchases of items of property, plant and equipment  |             | (4,551)                          | (15,400)                         |
| Deposits paid for acquisition of items of property, plant and equipment                                |             | (2,254)                          | (1,570)                          |
| Proceeds from disposal of items of property, plant and equipment                                       |             | 142,950                          | –                                |
| Proceeds from disposal of an investment property   |             | 18,464                           | –                                |
| Additions to investment properties   | 14          | (3,705)                          | –                                |
| Proceeds from disposal of subsidiaries   | 40          | 148,723                          | –                                |
| Purchase of financial assets at fair value through profit or loss                                      |             | (82,062)                         | (18,786)                         |
| Proceeds from disposal of financial assets at fair value through profit or loss                        |             | 44,243                           | –                                |
| Purchase of financial assets at fair value through other comprehensive income                          |             | (396,600)                        | (163,146)                        |
| Proceeds from disposal/redemption of debt investments at fair value through other comprehensive income |             | 588,584                          | 220,000                          |
| Decrease in loan receivables   |             | –                                | 100,000                          |
| Decrease in restricted bank balances   |             | 754                              | –                                |
| Investments in associates  |             | –                                | (17,540)                         |
| Return of capital from an associate  |             | 2,364                            | –                                |
| Dividends received from associates   |             | 203                              | 1,054                            |
| Interest received from loan receivables and debt investments   |             | 82,253                           | 101,018                          |
| Dividends received from financial assets at fair value through other comprehensive income              |             | 4,371                            | 3,145                            |
| Acquisition of subsidiaries  | 38          | (118,500)                        | –                                |
| Acquisitions of subsidiaries that are not a business, net  | 39          | –                                | (311,662)                        |
| Net cash flows from/(used in) investing activities   |             | 425,237                          | (102,887)                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |             |                                  |                                  |
| Shares repurchased   | 34          | –                                | (9,956)                          |
| New bank borrowings  |             | 590,780                          | 190,000                          |
| Repayments of bank borrowings  |             | (535,996)                        | (264,790)                        |
| Redemption of unsecured bonds  |             | (26,000)                         | –                                |
| Principal portion of lease payments  |             | (67,025)                         | –                                |
| Interest paid  |             | (45,126)                         | (28,553)                         |
| Net cash flows used in financing activities  |             | (83,367)                         | (113,299)                        |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>  |             |                                  |                                  |
| Cash and cash equivalents at beginning of year   |             | 171,209                          | 420,849                          |
| Effect of foreign exchange rate changes, net   |             | (6,596)                          | (6,821)                          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  |             | <b>475,702</b>                   | <b>171,209</b>                   |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>   |             |                                  |                                  |
| Cash and bank balances   |             | 455,023                          | 149,209                          |
| Non-pledged time deposits with original maturity of less than three months when acquired               |             | 20,679                           | 22,000                           |
|  |             | <b>475,702</b>                   | <b>171,209</b>                   |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information

Wai Yuen Tong Medicine Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its head office and principal place of business are both located at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- production and sale of Chinese pharmaceutical and health food products
- production and sale of Western pharmaceutical and health food products
- property investment
- management and sale of properties in agricultural produce exchange markets (newly acquired in the current year)

In the opinion of the directors of the Company, the immediate holding company of the Company is Rich Time Strategy Limited, which is incorporated in the British Virgin Islands, and the ultimate holding company of the Company is Wang On Group Limited ("Wang On"), which is incorporated in Bermuda and is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

### 1. 公司及集團資料

位元堂藥業控股有限公司(「本公司」)為一間於百慕達註冊成立之獲豁免有限公司，其總辦事處及主要營業地點均位於為香港九龍九龍灣宏光道39號宏天廣場31樓3101室。

於年內，本公司及其附屬公司(統稱「本集團」)主要涉及下列業務：

- 生產及銷售中藥及保健食品產品
- 生產及銷售西藥及保健食品產品
- 物業投資
- 管理及銷售農產品交易市場之物業(於本年度收購)

本公司董事認為，本公司之直接控股公司為Rich Time Strategy Limited，其於英屬處女群島註冊成立。本公司之最終控股公司為宏安集團有限公司(「宏安」)，其於百慕達註冊成立，並於香港聯合交易所有限公司(「聯交所」)主板上市。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information (continued)

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

### 1. 公司及集團資料(續)

#### 附屬公司之資料

本公司主要附屬公司之詳情如下：

| Name<br>公司名稱   | Place of incorporation and business<br>註冊成立及營業地點 | Issued ordinary/<br>registered share capital<br>已發行普通/<br>註冊股本 | Percentage of equity attributable to the Company<br>本公司應佔股權百分比 |               |                |               | Principal activities<br>主要業務             |
|--|--|--|--|---------------|----------------|---------------|--|
|  |  |  | Direct<br>直接   |               | Indirect<br>間接 |               |  |
|  |  |  | 2020<br>二零二零年  | 2019<br>二零一九年 | 2020<br>二零二零年  | 2019<br>二零一九年 |  |
| Asia Brighter Investment Limited<br>益暉投資有限公司   | Hong Kong<br>香港                                  | Ordinary HK\$1<br>普通股1港元                                       | -  | -             | 100%           | 100%          | Property investment<br>物業投資              |
| Billion Good Investment Limited<br>維富投資有限公司  | Hong Kong<br>香港                                  | Ordinary HK\$2<br>普通股2港元                                       | -  | -             | 99.79%         | 99.79%        | Property holding<br>物業持有                 |
| China Agri-Products Exchange Limited*/@/^(("CAP")<br>中國農產品交易有限公司<br>*/@/^(("中國農產品")) | Bermuda<br>百慕達                                   | Ordinary<br>HK\$99,530,678<br>普通股99,530,678港元                  | -  | -             | 53.37%         | -             | Investment holding<br>投資控股               |
| Cloud Hero Limited   | Hong Kong<br>香港                                  | Ordinary HK\$1<br>普通股1港元                                       | -  | -             | 100%           | 100%          | Provision of financial service<br>提供金融服務 |
| Full Gainer Investment Limited<br>卓怡投資有限公司   | Hong Kong<br>香港                                  | Ordinary HK\$1<br>普通股1港元                                       | -  | -             | 100%           | 100%          | Property holding<br>物業持有                 |
| Grand Quality Development Limited<br>廣均發展有限公司  | Hong Kong<br>香港                                  | Ordinary HK\$2<br>普通股2港元                                       | -  | -             | 100%           | 100%          | Property holding<br>物業持有                 |
| Good Excellent Limited<br>港威龍有限公司  | Hong Kong<br>香港                                  | Ordinary HK\$1<br>普通股1港元                                       | -  | -             | 100%           | 100%          | Property holding<br>物業持有                 |
| Info World Investment Limited<br>裕訊投資有限公司  | Hong Kong<br>香港                                  | Ordinary HK\$1<br>普通股1港元                                       | -  | -             | 100%           | 100%          | Property investment<br>物業投資              |



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

### 1. 公司及集團資料(續)

#### 附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

| Name<br>公司名稱   | Place of<br>incorporation<br>and business<br>註冊成立及<br>營業地點 | Issued ordinary/<br>registered share<br>capital<br>已發行普通/<br>註冊股本 | Percentage of equity attributable<br>to the Company<br>本公司應佔股權百分比 |               |                |               | Principal<br>activities<br>主要業務  |
|--|--|---|---|---------------|----------------|---------------|--|
|  |  |   | Direct<br>直接  |               | Indirect<br>間接 |               |  |
|  |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 | 2020<br>二零二零年  | 2019<br>二零一九年 |  |
| Luxembourg Medicine Company Limited<br>盧森堡大藥廠有限公司                            | Hong Kong<br>香港  | Ordinary HK\$933,313<br>普通股933,313港元                              | -   | -             | 99.79%         | 99.79%        | Production and sale of Western pharmaceutical and health food products<br>製造及銷售西藥及保健食品產品 |
| Oriental Sino Investments Limited<br>("Oriental Sino")<br>東華投資有限公司<br>("東華") | Hong Kong<br>香港  | Ordinary HK\$2<br>普通股2港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有   |
| Precious Investments Limited<br>("Precious Investments")                     | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有   |
| Sky Success Limited<br>悦生有限公司  | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property investment and holding<br>物業投資及持有   |
| Sino Fame Investments Limited<br>信洋投資有限公司                                    | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property investment<br>物業投資  |
| Star Sense Limited<br>昇迅有限公司   | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有   |
| Sunbo Investment Limited<br>森寶投資有限公司   | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property investment<br>物業投資  |
| Topmate Investment Limited<br>德美投資有限公司                                       | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有   |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

### 1. 公司及集團資料(續)

#### 附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

| Name<br>公司名稱   | Place of<br>incorporation<br>and business<br>註冊成立及<br>營業地點                             | Issued ordinary/<br>registered share<br>capital<br>已發行普通/<br>註冊股本   | Percentage of equity attributable<br>to the Company<br>本公司應佔股權百分比 |               |                |               | Principal<br>activities<br>主要業務   |
|--|--|---|---|---------------|----------------|---------------|---|
|  |  |   | Direct<br>直接  |               | Indirect<br>間接 |               |   |
|  |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 | 2020<br>二零二零年  | 2019<br>二零一九年 |   |
| Total Smart Investments Limited  | British Virgin Islands<br>英屬處女群島   | Ordinary USD1<br>普通股1美元   | 100%  | 100%          | -              | -             | Investment holding<br>投資控股  |
| Wai Yuen Tong Company Limited<br>位元堂有限公司   | Hong Kong<br>香港  | Ordinary HK\$1<br>普通股1港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有  |
| Wai Yuen Tong (Macao) Limited<br>位元堂(澳門)有限公司   | Macau<br>澳門  | Ordinary Macau Pataca<br>25,000<br>普通股25,000澳門元   | -   | -             | 99.79%         | 99.79%        | Retail sale of Chinese<br>pharmaceutical and<br>health food products<br>零售中藥及保健食品產品                         |
| Wai Yuen Tong (Retail) Limited<br>位元堂(零售)有限公司  | Hong Kong<br>香港  | Ordinary HK\$2<br>普通股2港元  | -   | -             | 99.79%         | 99.79%        | Retail sale of Chinese<br>pharmaceutical and<br>health food products<br>零售中藥及保健食品產品                         |
| Wai Yuen Tong Medicine Company Limited<br>("WYT Medicine Company")<br>位元堂藥廠有限公司<br>(「位元堂藥廠」) | Hong Kong<br>香港  | Ordinary HK\$13,417,374<br>Non-voting<br>deferred shares**<br>HK\$17,373,750<br>普通股13,417,374港元<br>無投票權遞延<br>股份**17,373,750港元 | -   | -             | 99.79%         | 99.79%        | Production and<br>sale of Chinese<br>pharmaceutical and<br>health food products<br>製造及銷售中藥及保健<br>食品產品       |
| 深圳市延養堂醫藥有限公司*  | People's Republic of<br>China (the "PRC")/<br>Mainland China<br>中華人民共和國<br>(「中國」)/中國內地 | Registered capital<br>Renminbi ("RMB")<br>102,000,000<br>註冊股本人民幣<br>(「人民幣」)<br>102,000,000元                                   | -   | -             | 99.79%         | 99.79%        | Retail sale and<br>wholesale of Chinese<br>pharmaceutical and<br>health food products<br>零售及批發中藥及保健<br>食品產品 |
| 冠尊(深圳)商貿發展有限公司*  | The PRC/<br>Mainland China<br>中國/中國內地  | Registered capital<br>HK\$100,000,000<br>註冊資本100,000,000<br>港元  | -   | -             | 100%           | 100%          | Property holding<br>物業持有  |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

### 1. 公司及集團資料(續)

#### 附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

| Name<br>公司名稱                         | Place of<br>incorporation<br>and business<br>註冊成立及<br>營業地點 | Issued ordinary/<br>registered share<br>capital<br>已發行普通/<br>註冊股本 | Percentage of equity attributable<br>to the Company<br>本公司應佔股權百分比 |               |                     |  | Principal<br>activities<br>主要業務 |
|--------------------------------------|--|---|---|---------------|---------------------|--|---------------------------------|
|                                      |  |   | Direct<br>直接  |               | Indirect<br>間接      |  |                                 |
|                                      |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 | 2020<br>二零二零年       | 2019<br>二零一九年  |                                 |
| 徐州源洋商貿發展<br>有限公司 <sup>①/##</sup>     | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB61,220,000<br>註冊資本人民幣<br>61,220,000元     | -   | -             | 27.22% <sup>+</sup> | - Agricultural produce<br>exchange market<br>operation<br>經營農產品交易市場                                |                                 |
| 武漢白沙洲農副產品大<br>市場有限公司 <sup>①/##</sup> | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB88,500,000<br>註冊資本人民幣<br>88,500,000元     | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation<br>經營農產品交易市場                                |                                 |
| 玉林宏進農副產品<br>批發市場有限公司 <sup>①/##</sup> | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB76,230,000<br>註冊資本人民幣<br>76,230,000元     | -   | -             | 34.69% <sup>+</sup> | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 玉林宏進物流發展<br>有限公司 <sup>①/#</sup>      | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB320,000,000<br>註冊資本人民幣<br>320,000,000元   | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 欽州宏進農副產品批發<br>市場有限公司 <sup>①/#</sup>  | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB450,000,000<br>註冊資本人民幣<br>450,000,000元   | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 開封宏進農副產品<br>批發市場有限公司 <sup>①/#</sup>  | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>USD23,230,000<br>註冊資本<br>23,230,000美元       | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 1. Corporate and Group Information (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

### 1. 公司及集團資料(續)

#### 附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

| Name<br>公司名稱                        | Place of<br>incorporation<br>and business<br>註冊成立及<br>營業地點 | Issued ordinary/<br>registered share<br>capital<br>已發行普通/<br>註冊股本 | Percentage of equity attributable<br>to the Company<br>本公司應佔股權百分比 |               |                     |  | Principal<br>activities<br>主要業務 |
|-------------------------------------|--|---|---|---------------|---------------------|--|---------------------------------|
|                                     |  |   | Direct<br>直接  |               | Indirect<br>間接      |  |                                 |
|                                     |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 | 2020<br>二零二零年       | 2019<br>二零一九年  |                                 |
| 洛陽宏進農副產品<br>批發市場有限公司 <sup>④#</sup>  | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB443,000,000<br>註冊資本人民幣<br>443,000,000元   | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 濮陽宏進農副產品<br>批發市場有限公司 <sup>④##</sup> | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB140,000,000<br>註冊資本人民幣<br>140,000,000元   | -   | -             | 40.03% <sup>+</sup> | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 盤錦宏進農副產品<br>批發市場有限公司 <sup>④#</sup>  | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB200,000,000<br>註冊資本人民幣<br>200,000,000元   | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 淮安宏進農副產品<br>物流有限公司 <sup>④#</sup>    | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>USD35,000,000<br>註冊資本<br>35,000,000美元       | -   | -             | 53.37%              | - Agricultural produce<br>exchange market<br>operation and<br>property sales<br>經營農產品交易市場及<br>物業銷售 |                                 |
| 黃石宏進農副產品<br>批發市場有限公司 <sup>④##</sup> | The PRC/<br>Mainland China<br>中國/中國內地                      | Registered capital<br>RMB2,000,000<br>註冊資本人民幣<br>2,000,000元       | -   | -             | 42.70% <sup>+</sup> | - Agricultural produce<br>exchange market<br>operation<br>經營農產品交易市場                                |                                 |

31 March 2020 二零二零年三月三十一日

## 1. Corporate and Group Information (continued)

### Information about subsidiaries (continued)

- \* CAP is a company incorporated in Bermuda and its shares are listed on the Main Board of the Stock Exchange. It is an investment holding company and the principal activities of its subsidiaries are management and sale of properties in agricultural produce exchange markets. The acquisition of CAP was completed on 12 February 2020, further details of which are disclosed in note 38 to the financial statements.
- \*\* The non-voting deferred shares carry no voting rights nor rights to dividends. On the wind-up of WYT Medicine Company, holders of the non-voting deferred shares have a right to repayment in proportion to the amounts paid up on all ordinary and deferred shares after the first HK\$1,000,000,000,000 thereof has been distributed among the holders of the ordinary shares.
- # A wholly-foreign-owned enterprise under PRC law.
- \*\* A Sino-foreign equity joint venture under PRC law.
- ⊙ Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.
- ^ Listed on the Main Board of the Stock Exchange.
- + A subsidiary of a non-wholly-owned subsidiary of the Company and, accordingly accounted for as a subsidiary by virtue of the Company's control over it.

Details of the subsidiaries acquired and disposed of during the year are summarised in notes 38 and 40 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

## 1. 公司及集團資料(續)

### 附屬公司之資料(續)

- \* 中國農產品乃於百慕達註冊成立之公司，其股份於聯交所主板上市。其為投資控股公司，其附屬公司之主要業務為管理及銷售農產品交易市場之物業。收購中國農產品事項已於二零二零年二月十二日完成，進一步詳情於財務報表附註38披露。
- \*\* 無投票權遞延股份無權投票或收取股息。於位元堂藥廠清盤時，向普通股持有人分派有關之首筆1,000,000,000,000港元後，無投票權遞延股份持有人有權按所有普通股及遞延股份之實繳股款比例獲得退還款項。
- # 中國法律下的外商獨資企業。
- \*\* 中國法律下的中外合資合營企業。
- ⊙ 並非由香港安永會計師事務所或安永會計師事務所全球網絡的其他成員公司審核。
- ^ 於聯交所主板上市。
- + 為本公司非全資附屬公司之附屬公司，鑒於本公司對其擁有控制權，因此，按附屬公司入賬處理。

年內收購及出售之附屬公司詳情於財務報表附註38及40概述。

上表載列本公司董事認為主要影響本集團之年度業績或佔資產淨值重大部分之本公司附屬公司。本公司董事認為列出其他附屬公司之詳情會令篇幅過於冗長。



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 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, financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value. Assets classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell as further explained in note 2.4 to the financial statements.

These financial statements are presented in Hong Kong dollars ("HK\$") 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 for the year ended 31 March 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

### 2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「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)、香港公認會計原則及香港公司條例之披露規定編製。綜合財務報表按歷史成本基準編製，惟投資物業、按公平值經損益入賬之財務資產及負債及按公平值經其他全面收益入賬之財務資產以公平值計量除外。分類為持作出售之資產乃按賬面值與公平值減出售成本兩者中之較低者列賬，誠如財務報表附註2.4進一步詳述。

該等財務報表以港元(「港元」)呈列，除另有註明者外，所有數值均取整計至千數。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零二零年三月三十一日止年度之財務報表。附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力對被投資方行使權力影響有關回報，則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的現有權利)。

倘本公司直接或間接擁有被投資方的投票權或類似權利不及大半，本集團評估對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就本公司之相同報告期使用貫徹一致之會計政策編製。附屬公司之業績乃由本集團獲取控制權之日開始作綜合計算，並繼續綜合入賬直至失去有關控制權之日為止。

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## 2.1 Basis of Preparation (continued)

### Basis of consolidation (continued)

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)

### 綜合基準(續)

損益及其他全面收益之各組成部分乃歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益錄得虧損結餘。關於本集團成員公司間交易之所有集團內資產及負債、權益、收益、開支及現金流量會在綜合計算賬目時全數對銷。

倘有事實及情況顯示上述三項控制因素中有一項或多項因素出現變動，本集團會對是否擁有被投資方的控制權作出重新評估。附屬公司之擁有權益變動（並無喪失控制權）會被視為股本交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益內記錄之累計換算差額；及確認(i)已收代價之公平值；(ii)所保留任何投資之公平值；及(iii)損益中任何因此產生之盈餘或虧損。先前於其他全面收益內確認之本集團應佔部分按倘本集團已直接出售相關資產或負債時須遵守的相同基準，重新分類至損益或保留溢利(視乎情況而定)。

# Notes to Financial Statements

## 財務報表附註

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### 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 to HKFRSs 2015–2017 Cycle</i> | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23        |
| Amendment to HKFRS 16*                               | <i>COVID-19-Related Rent Concession</i>                     |

\* Early adopted by the Group in the current year's financial statements.

### 2.2 會計政策之變動及披露資料

本集團已於本年度財務報表首次採納下列新訂及經修訂香港財務報告準則。

|                            |   |
|----------------------------|---|
| 香港財務報告準則第9號之修訂             | 具有負補償的提前還款特性                                      |
| 香港財務報告準則第16號               | 租賃  |
| 香港會計準則第19號之修訂              | 計劃修訂、縮減或結清  |
| 香港會計準則第28號之修訂              | 於聯營公司及合營企業之長期權益                                   |
| 香港(國際財務報告詮釋委員會)一詮釋第23號     | 所得稅處理之不確定性  |
| 香港財務報告準則二零一五年至二零一七年週期的年度改進 | 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號之修訂 |
| 香港財務報告準則第16號之修訂*           | 新型冠狀病毒肺炎相關租金寬減                                    |

\* 獲本集團於本年度之財務報表中提前採納。

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## 2.2 Changes in Accounting Policies and Disclosures (continued)

Except for the amendments to HKFRS 9 and HKAS 19, 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.

For a sublease arrangement, the classification of the sublease is made by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The Group reassessed the sublease arrangements at 1 April 2019 that were previously classified as an operating lease applying HKAS 17 based on the remaining contractual terms and conditions of the head lease and sublease at 1 April 2019, and determined that these arrangements are finance leases applying HKFRS 16. Accordingly, the Group recognised net investments in subleases amounting to HK\$27,588,000 and derecognised the corresponding right-of-use asset of the head lease amounting to HK\$27,333,000, resulting in a gain of HK\$255,000 recognised in the opening balance of accumulated losses at 1 April 2019.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 April 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 accumulated losses at 1 April 2019, and the comparative information for 2019 was not restated and continued to be reported under HKAS 17 and related interpretations.

## 2.2 會計政策之變動及披露資料 (續)

除香港財務報告準則第9號及香港會計準則第19號之修訂以及香港財務報告準則二零一五年至二零一七年週期的年度改進與編製本集團財務報表不相關外，新訂及經修訂香港財務報告準則的性質及影響載列如下：

- (a) 香港財務報告準則第16號取代了香港會計準則第17號租賃、香港（國際財務報告詮釋委員會）一詮釋第4號釐定安排是否包括租賃、香港（準則詮釋委員會）一詮釋第15號經營租賃－優惠及香港（準則詮釋委員會）一詮釋第27號評估涉及租賃法律形式交易之內容。該準則規定了租賃的確認、計量、列報和披露的原則，並要求承租人按照單一資產負債表模式對所有租賃進行會計處理，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。香港財務報告準則第16號下的出租人會計處理與香港會計準則第17號大致不變。出租人繼續使用與香港會計準則第17號類似的原則將租賃分類為經營或融資租賃。

就分租安排而言，分租乃參考總租賃產生的使用權資產而非相關資產進行分類。本集團於二零一九年四月一日重新評估分租安排，該等安排先前根據總租賃及分租於二零一九年四月一日的剩餘合約條款及條件應用香港會計準則第17號分類為經營租賃，並應用香港財務報告準則第16號釐定該等安排為融資租賃。因此，本集團確認分租投資淨額27,588,000港元及終止確認總租賃的相應使用權資產27,333,000港元，導致於二零一九年四月一日的累計虧損期初結餘內確認收益255,000港元。

本集團已使用經修訂的追溯法採納香港財務報告準則第16號，首次應用日期為二零一九年四月一日。根據該方法，本集團已追溯應用該準則，並將首次採納的累計影響確認為對於二零一九年四月一日之累計虧損期初結餘的調整，且二零一九年之比較資料未經重述，並繼續根據香港會計準則第17號及相關詮釋進行報告。

# Notes to Financial Statements

## 財務報表附註

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### 2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

#### 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 April 2019.

#### 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 properties and office 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 April 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 會計政策之變動及披露資料 (續)

(a) (續)

#### 租賃新定義

根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約是租賃或包含租賃。當客戶有權從使用已識別資產獲得絕大部分經濟利益，且有權主導已識別資產的使用時，則控制權已被讓渡。本集團選擇使用過渡性的實際權宜辦法，使該準則僅適用於先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號於首次應用日期確定為租賃的合約。在香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號下未確定為租賃的合約未經重新評估。因此，香港財務報告準則第16號項下的租賃定義僅適用於在二零一九年四月一日或之後訂立或變更的合約。

#### 作為承租人—先前分類為經營租賃的租賃

##### 採納香港財務報告準則第16號的影響性質

本集團擁有若干物業及辦公設備項目之租賃合約。作為承租人，本集團先前基於租賃是否將資產所有權的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確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產（基於每一項租賃選擇）與租期為12個月或以下之租賃（「短期租賃」）（基於每一類相關資產選擇）兩類租賃的選擇性豁免除外。本集團並未於自二零一九年四月一日開始之租期內按直線法確認經營租賃項下之租金開支，而是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（作為融資成本）。



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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)

#### Impact on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and included in other payables and accruals. 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 April 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 as part of the elements of property, plant and equipment in the consolidated statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 April 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 April 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Using a single discount rate to a portfolio of leases with reasonably similar characteristics

## 2.2 會計政策之變動及披露資料 (續)

(a) (續)

### 作為承租人－先前分類為經營租賃的租賃(續)

#### 過渡影響

於二零一九年四月一日的租賃負債乃根據剩餘租賃付款按於二零一九年四月一日的遞增借貸利率折現的現值確認，並計入其他應付款項及應計費用。使用權資產乃按租賃負債金額計量，並按就緊接二零一九年四月一日前於財務狀況表確認與租賃相關的任何預付或應計租賃付款金額進行調整。

所有該等資產已於該日根據香港會計準則第36號就任何減值作出評估。本集團選擇於綜合財務狀況表中將使用權資產呈列為物業、廠房及設備的一部分。

就先前計入投資物業並按公平值計量的租賃土地及樓宇(持作以賺取租金收入及/或資本增值)而言，本集團於二零一九年四月一日繼續將其列為投資物業。彼等繼續應用香港會計準則第40號按公平值計量。

本集團於二零一九年四月一日應用香港財務報告準則第16號時已使用以下選擇性實際權宜辦法：

- 對於租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
- 倘合約包含延期/終止租賃的選擇權，則於事後釐定租期
- 就具有合理相似特徵之租賃組合使用單一折現率

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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)

##### Impact on transition (continued)

Financial impact at 1 April 2019

The impact arising from the adoption of HKFRS 16 at 1 April 2019 was as follows:

|   |                      | HK\$'000<br>千港元 |
|---|----------------------|-----------------|
| <b>Assets</b>   | <b>資產</b>            |                 |
| Increase in property, plant and equipment                             | 物業、廠房及設備增加           | 90,395          |
| Increase in net investments in subleases                              | 分租投資淨額增加             | 27,588          |
| Decrease in prepayments, deposits and other receivables               | 預付款項、按金及其他應收款項減少     | (822)           |
| Increase in total assets  | 總資產增加                | 117,161         |
| <b>Liabilities</b>  | <b>負債</b>            |                 |
| Increase in lease liabilities included in other payables and accruals | 計入其他應付款項及應計費用的租賃負債增加 | 122,890         |
| Increase in other payables and accruals                               | 其他應付款項及應計費用增加        | 514             |
| Increase in total liabilities   | 總負債增加                | 123,404         |
| <b>Equity</b>   | <b>權益</b>            |                 |
| Increase in accumulated losses  | 累計虧損增加               | (6,228)         |
| Decrease in non-controlling interests                                 | 非控股權益減少              | (15)            |
| Decrease in total equity  | 總權益減少                | (6,243)         |

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

於二零一九年四月一日的租賃負債與於二零一九年三月三十一日的經營租賃承擔的對賬如下：

|   |  | HK\$'000<br>千港元 |
|---|--|-----------------|
| <b>Operating lease commitments as at 31 March 2019</b>  | <b>於二零一九年三月三十一日的經營租賃承擔</b>             | 132,740         |
| Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 March 2020 | 減：有關短期租賃及餘下租期於二零二零年三月三十一日或之前終止的該等租賃的承擔 | (10,510)        |
| Add: Payments for optional extension periods not recognised as at 31 March 2019   | 加：於二零一九年三月三十一日未確認的可選擇延長期付款             | 12,764          |
|   |  | 134,994         |
| Weighted average incremental borrowing rate as at 1 April 2019  | 於二零一九年四月一日的加權平均遞增借貸利率                  | 3.76%           |
| <b>Lease liabilities as at 1 April 2019</b>   | <b>於二零一九年四月一日的租賃負債</b>                 | 122,890         |

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## 2.2 Changes in Accounting Policies and Disclosures (continued)

- (b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group's accounting policy for the long-term interests in associates is consistent with the requirements of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.
- (c) 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 significant impact on the financial position or performance of the Group.

## 2.2 會計政策之變動及披露資料 (續)

- (b) 香港會計準則第28號之修訂澄清，香港財務報告準則第9號的範圍豁免僅包括於聯營公司或合營企業的權益(應用權益法)，並不包括實質上構成於聯營公司或合營企業淨投資一部分的長期權益(不應用權益法)。因此，實體將該等長期權益入賬時採用香港財務報告準則第9號而非香港會計準則第28號，包括香港財務報告準則第9號的減值規定。香港會計準則第28號可應用於淨投資，包括長期權益，惟僅在確認一間聯營公司或合營企業虧損及於聯營公司或合營企業的淨投資減值的情況下方可應用。本集團有關於聯營公司的長期權益的會計政策與該等修訂的規定相符。因此，該等修訂對本集團的財務狀況或表現並無任何影響。
- (c) 香港(國際財務報告詮釋委員會)一詮釋第23號於稅項處理涉及影響香港會計準則第12號應用的不確定性(通常稱為「不確定稅項狀況」)時，處理該情況下的所得稅(即期及遞延)的會計處理。該詮釋不適用於香港會計準則第12號範圍以外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項：(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關的稅項處理檢查所作的假設；(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。於應用該詮釋時，本集團考慮其集團內銷售之轉移定價是否會產生任何不確定稅項狀況。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，該詮釋對本集團的財務狀況或表現並無任何重大影響。

# Notes to Financial Statements

## 財務報表附註

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### 2.2 Changes in Accounting Policies and Disclosures (continued)

- (d) The Group has early adopted the amendment to HKFRS 16 which provides relief to lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; (iii) there is no substantive change to other terms and conditions of the lease. The Group elects to adopt the practical expedient to account for the COVID-19 pandemic related rent concession as negative variable lease payments. Accordingly, the Group credited HK\$1,742,000 to profit or loss for the rent concessions received by the Group during the year.

### 2.2 會計政策之變動及披露資料 (續)

- (d) 本集團提前採納香港財務報告準則第16號之修訂，該準則授予承租人寬免而毋須考慮個別租賃合約以釐定新型冠狀病毒肺炎疫情直接引致之租金寬減是否為租賃修改，並准許承租人將有關租金寬減入賬，猶如其並非租賃修改。該實際權宜辦法僅適用於新型冠狀病毒肺炎疫情直接引致之租金寬減，且僅於符合以下所有條件時適用：(i)租賃付款變動導致之經修訂租賃代價與緊接變動前之租賃代價大致相同，或少於有關代價；(ii)租賃付款之任何減幅僅影響原先於二零二一年六月三十日或之前到期之付款；(iii)租賃之其他條款及條件並無實質變動。本集團選擇採取該實際權宜辦法，將新型冠狀病毒肺炎疫情相關租金寬減入賬為負浮動租賃付款。因此，本集團於年內就其獲得的租金寬減將1,742,000港元計入損益。

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## 2.3 Issued But Not Yet Effective HKFRSs

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>  |

<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

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

## 2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於該等財務報表內應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

|                                       |   |
|---------------------------------------|---|
| 香港財務報告準則第3號之修訂                        | <i>業務之定義</i> <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號之修訂 | <i>利率基準改革</i> <sup>1</sup>                  |
| 香港財務報告準則第10號及香港會計準則第28號 (二零一一年)之修訂    | <i>投資者與其聯營公司或合營企業之間資產出售或注資</i> <sup>3</sup> |
| 香港財務報告準則第17號                          | <i>保險合同</i> <sup>2</sup>                    |
| 香港會計準則第1號及香港會計準則第8號之修訂                | <i>重大之定義</i> <sup>1</sup>                   |

<sup>1</sup> 於二零二零年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效

<sup>3</sup> 尚未釐定強制生效日期，但可提前採用

有關預期適用於本集團之該等香港財務報告準則之進一步資料載述如下。



# Notes to Financial Statements

## 財務報表附註

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### 2.3 Issued But Not Yet Effective HKFRSs (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 April 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 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.

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 April 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3號之修訂澄清業務的定義，並提供額外指引。該修訂本訂明，就可視為業務之一組整合活動及資產而言，必須至少包括一項投入及一項重要過程，而兩者必須對形成收益之能力有重大貢獻。業務毋須包括形成產出所需之所有投入或過程。該修訂本取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得之投入及重要過程是否共同對形成收益之能力有重大貢獻。該修訂本亦已收窄收益的定義範圍，重點關注為客戶提供的貨品或服務、投資收入或來自日常活動的其他收益。此外，該修訂本為評估所取得的過程是否具有實質性提供指引，並引入可選的公平值集中度測試，允許對所取得的一組活動及資產是否不屬於業務進行簡化評估。本集團預期自二零二零年四月一日起前瞻性採納該等修訂。由於本集團已就首次應用日期或之後發生之交易或其他事件前瞻性應用該等修訂，故本集團於過渡日期不會受該等修訂之影響。

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂解決香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間對於處理投資者及其聯營公司或合營企業之間的資產出售或投入的規定的不一致性。該等修訂本要求於投資者及其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關連的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本只對未來適用。於二零一六年一月，香港會計師公會取消了之前香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂的強制生效日期，並將在完成聯營公司及合營企業的會計準則的覆核後決定新的強制生效日期。然而，該等修訂本可於現時應用。

香港會計準則第1號及香港會計準則第8號之修訂提供新的重要性定義。新定義列明，倘可合理預期任何資料遭遺漏、錯誤陳述或模糊不清會影響通用財務報表的主要用戶根據該等財務報表作出的決定，則有關資料將屬重大。該等修訂本澄清，重大性將取決於資料的性質或重要程度。倘可合理預期資料的錯誤陳述會影響主要用戶作出的決定，則有關資料將屬重大。本集團預期將自二零二零年四月一日起以未來適用法採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

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## 2.4 Summary of Significant Accounting Policies

### Investments in associates

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

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and other comprehensive income of the Group. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

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

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

## 2.4 主要會計政策概要

### 於聯營公司之投資

聯營公司指本集團擁有一般不少於20%股份投票權的長期權益，並可對其實施重大影響力的實體。重大影響力指參與被投資方財政及經營決策的權力，但非控制或聯合控制該等政策。

本集團於聯營公司之投資乃以權益會計法，按本集團分佔資產淨值減任何減值虧損，在綜合財務狀況表列賬。

若存有不相近之會計政策，本公司將作相應調整。

本集團應佔聯營公司收購後業績及其他全面收益於本集團綜合損益及其他全面收益表內列賬。此外，倘直接於聯營公司的權益確認一項變動，則本集團會視乎情況於綜合權益變動表確認應佔任何變動。本集團與其聯營公司進行交易所產生的未變現收益及虧損均予以對銷，並以本集團於聯營公司之投資為限，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致除外。因收購聯營公司產生之商譽計入本集團於聯營公司之投資的一部分。

倘於一間聯營公司之投資成為於一間合營公司之投資，或於一間合營公司之投資成為於一間聯營公司之投資，則不會重新計量留存權益，而是繼續按權益法將投資列賬。在所有其他情況下，若本集團失去對聯營公司的重大影響力，會按公平值計量及確認留存投資。失去對聯營公司的重大影響力時聯營公司的賬面值與留存投資公平值加出售所得款項之間的差額於損益確認。

倘於一間聯營公司之投資被歸類為持作出售，則根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務入賬。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### 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.

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.

### 2.4 主要會計政策概要(續)

#### 業務合併及商譽

業務合併採用收購法入賬。所轉讓代價按收購日期的公平值計量，即本集團对被收購方原擁有人所轉讓資產、本集團所承擔負債以及本集團為換取被收購方控制權所發行股權於收購日期之公平值總和。就各項業務合併，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分乃按公平值計量。收購相關成本於產生時支銷。

本集團收購業務時根據按合同條款、收購日期的經濟狀況及相關條件所作適當分類及指定用途評估所接收財務資產及負債，其中包括分離被收購方主合約中的嵌入式衍生工具。

若業務合併分階段進行，則先前所持權益按收購日期公平值重新計量，產生的任何收益或虧損於損益確認。

收購方所轉讓的任何或然代價於收購日期按公平值確認。歸類為資產或負債的或然代價按公平值計量，公平值的變動於損益確認。歸類為權益之或然代價毋須重新計量，其後結算在權益中入賬。

商譽初始按成本計量，即所轉讓代價、已確認非控股權益數額以及本集團先前所持被收購方權益的公平值總額超出所收購可識別資產淨值及所承擔負債之差額。倘該代價及其他項目總和低於所收購資產淨值的公平值，則差額經重新評估後於損益確認為議價購買收益。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Business combinations and goodwill (continued)

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 March. 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.

### Fair value measurement

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

## 2.4 主要會計政策概要(續)

### 業務合併及商譽(續)

於初始確認後，商譽乃按成本減任何累計減值虧損計量。每年檢查商譽的賬面值有否減值，如出現任何事件或情況轉變而顯示賬面值可能減值，則會更頻繁地進行檢查。本集團於每年三月三十一日對商譽進行減值測試，就減值測試而言，業務合併所得的商譽自收購當日起分配至本集團的各個現金產生單位或各組現金產生單位(預期會產生合併協同效益)，而不論本集團其他資產或負債有否指定撥往該等單位或單位組別。

減值乃按評估商譽有關之現金產生單位(一組現金產生單位)可收回金額而釐定。倘現金產生單位(一組現金產生單位)之可收回金額低於賬面值，則確認減值虧損。已確認之商譽減值虧損並不會於較後期間撥回。

倘商譽被分配至現金產生單位(或一組現金產生單位)及該單位內之部分業務被出售，則於釐定出售之收益或虧損時，將出售業務有關之商譽計入業務賬面值。在此情況下出售之商譽，乃按出售業務與所保留現金產生單位部分之相對價值計量。

### 公平值計量

本集團於各報告期末按公平值計量投資物業、按公平值經損益入賬之財務資產、按公平值經其他全面收益入賬之財務資產及按公平值經損益入賬之財務負債。公平值指於計量日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負債所支付之價格。計量公平值時假設出售資產或轉讓負債之交易於資產或負債的主要市場或(在未有主要市場的情況下)最有利市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公平值使用市場參與者為資產或負債定價所用假設計量。

# Notes to Financial Statements

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Fair value measurement (continued)

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

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

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

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

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 主要會計政策概要(續)

#### 公平值計量(續)

非財務資產之公平值計量會計及市場參與者將資產用於最高增值及最佳用途或售予會將資產用於最高增值及最佳用途之另一名市場參與者而創造經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公平值，並盡量利用相關可觀察輸入數據，減少使用不可觀察輸入數據。

公平值於財務報表計量或披露之所有資產及負債，均基於對計量公平值整體而言屬重要之最低層輸入數據按下述公平值層級分類：

- |     |   |                                     |
|-----|---|-------------------------------------|
| 第一級 | – | 按同等資產或負債於活躍市場之報價(未經調整)              |
| 第二級 | – | 按公平值計量而言屬重大的可觀察(直接或間接)最低級別輸入數據的估值方法 |
| 第三級 | – | 按公平值計量而言屬重大的不可觀察最低級別輸入數據的估值方法       |

就按經常性基準於財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(根據對計量公平值整體而言屬重要的最低層輸入數據)，釐定公平值層級之間是否出現轉移。



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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, financial assets, properties under development, properties held for sale, investment properties, deferred tax assets and non-current assets or a disposal group classified as held for sale), 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.

## 2.4 主要會計政策概要(續)

### 非財務資產減值

倘出現減值跡象或有需要就資產(存貨、財務資產、發展中物業、持作出售物業、投資物業、遞延稅項資產及分類為持作出售的非流動資產或出售組別除外)進行年度減值測試,則會估計資產之可收回金額。資產之可收回金額乃按資產或現金產生單位的使用價值及公平值扣減出售成本兩者中之較高者,並按個別資產釐定,除非該項資產所產生現金流入很大程度上未能獨立於其他資產或資產組合的現金流入,於此情況下,可收回金額則按資產所屬現金產生單位釐定。

減值虧損只會於資產賬面值超出其可收回金額時確認。於評估使用價值時,會使用可反映目前市場對貨幣時間價值及資產特定風險的評估之稅前折現率,將估計未來現金流量折算至現值。減值虧損於產生期間於損益中應列入與該減值資產相應的支出類別。

本集團於各報告期末評估有否跡象顯示以往確認減值虧損不再存在或可能已減少。倘出現上述跡象,則會估計可收回金額。當用以釐定資產可收回金額的估計有變時,方會撥回先前確認的除商譽外之資產減值虧損,惟撥回後的金額不可超過過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊/攤銷後)。撥回的減值虧損乃於產生期間計入損益。

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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;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2.4 主要會計政策概要(續)

#### 關連方

在下列情況下，有關人士將被視為與本集團有關：

- (a) 有關人士為一名人士或該人士之關係密切家庭成員，而該人士
  - (i) 控制本集團或共同控制本集團；
  - (ii) 可對本集團發揮重大影響力；或
  - (iii) 為本集團或其母公司的主要管理人員成員之一；

或

- (b) 有關人士為適用任何以下條件的實體：
  - (i) 該實體與本集團屬同一集團的成員公司；
  - (ii) 該實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
  - (iii) 該實體與本集團為同一第三方的合營企業；
  - (iv) 一實體為一第三方實體的合營企業，而另一實體為同一第三方實體的聯營公司；
  - (v) 該實體為本集團或屬本集團關連方的實體的僱員離職後福利計劃；
  - (vi) 該實體為(a)項所識別人士控制或共同控制；
  - (vii) 於(a)(i)項所識別人士對實體有重大影響或屬該實體(或該實體母公司)主要管理人員的其中一名成員；及
  - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Property, plant and equipment and depreciation

Property, plant and equipment, including owned assets and right-of-use assets classified as property, plant and equipment and 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, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to 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 主要會計政策概要(續)

### 物業、廠房及設備及折舊

物業、廠房及設備(包括分類為物業、廠房及設備之所擁有資產及使用權資產，且除在建工程外)乃按成本值減去累計折舊及任何減值虧損後列賬。倘物業、廠房及設備項目被分類為持作出售或屬分類為持作出售的出售組別其中一部分，則其不會計提折舊並按香港財務報告準則第5號入賬，誠如「持作出售之非流動資產及出售組別」的會計政策進一步詳述。物業、廠房及設備項目成本包括其購買價格及任何使資產達至營運狀況及地點作擬定用途的直接應佔成本。

物業、廠房及設備項目開始運作後產生之支出，如維修及保養費用等，一般於產生期間計入損益。倘符合確認標準，主要檢查之支出於資產賬面值中資本化為重置成本。倘物業、廠房及設備的重大部分須分段置換，則本集團確認該等部分為個別資產，具有特別可使用年期及相應計提折舊。

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## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Property, plant and equipment and depreciation (continued)

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:

##### Owned assets

|                         |  |
|-------------------------|--|
| Buildings               | 2 – 3 $\frac{1}{3}$ % or over the terms of the relevant leases, whichever is shorter   |
| Leasehold improvements  | 20 – 33 $\frac{1}{3}$ % or over the terms of the relevant leases, whichever is shorter |
| Plant and machinery     | 10 – 20%   |
| Furniture and equipment | 20 – 33 $\frac{1}{3}$ %  |
| Motor vehicles          | 10 – 20%   |
| Computer system         | 20 – 33 $\frac{1}{3}$ %  |

##### Right-of-use assets

|                |   |
|----------------|---|
| Leasehold land | 2% or over the terms of the relevant leases ranging from 32 to 68 years, whichever is shorter |
| Buildings      | Over the lease terms of 2 to 6 years  |

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

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in 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.

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. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis.

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備及折舊(續)

折舊乃按每項物業、廠房及設備之估計可使用年期，採用直線法撇銷成本至其剩餘價值計算。就此所使用之主要折舊年率如下：

##### 所擁有資產

|       |                                       |
|-------|---------------------------------------|
| 樓宇    | 2–3 $\frac{1}{3}$ %或按有關租賃年期(以較短者為準)   |
| 租賃裝修  | 20–33 $\frac{1}{3}$ %或按有關租賃年期(以較短者為準) |
| 廠房及機器 | 10–20%                                |
| 傢俬及設備 | 20–33 $\frac{1}{3}$ %                 |
| 汽車    | 10–20%                                |
| 電腦系統  | 20–33 $\frac{1}{3}$ %                 |

##### 使用權資產

|      |                               |
|------|-------------------------------|
| 租賃土地 | 2%或按介乎32至68年不等之有關租賃年期(以較短者為準) |
| 樓宇   | 按租賃年期2至6年                     |

倘一項物業、廠房及設備各部分的可使用年期並不相同，該項目各部分的成本將按合理基礎分配，每部分將分別計提折舊。剩餘價值、可使用年限及折舊方法至少於每個財政年度結算日進行檢討，並在需要時作出適當調整。

物業、廠房及設備項目(包括初始確認時之任何重大部份)於出售或預期使用或出售有關項目不會產生未來經濟利益時終止確認。於終止確認資產之年度內，於損益確認的出售或報廢之收益或虧損，按有關資產銷售所得款項淨額與賬面值兩者間之差額確認。

使用權資產於租賃開始日期(即相關資產可供使用當日)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，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債款額、已產生初步直接成本及於開始日期或之前作出的租賃款項減任何已收取租賃獎勵。在適用情況下，使用權資產成本亦包括為拆卸並移除相關資產或復原相關資產或其所在場地而產生的估計成本。使用權資產按直線法進行折舊。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Property, plant and equipment and depreciation (continued)

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

Construction in progress represents plant and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is 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 (including the leasehold property held as a right-of-use asset (2019: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) 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.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of use asset is initially measured at cost, and subsequently measured at fair value.

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊(續)

倘租賃資產的擁有權於租期結束前轉讓予本集團或成本反映行使購買選擇權，則按資產估計可使用年期計算折舊。

在建工程指建造中之廠房及機器，其按成本值扣減任何減值虧損入賬且不作折舊。成本包括直接建造及成本及有關借貸資金在建造期內資本化的借貸成本。在建工程完工並達到預計可使用狀態時，重新分類至物業、廠房及設備之相應類別。

### 投資物業

投資物業乃持有土地及樓宇之權益(包括以其他方式符合投資物業定義之持作使用權資產的租賃物業(二零一九年：經營租賃項下之租賃物業))，用以賺取租金收入及／或資本升值，而非用於貨物或服務之生產或供應或行政用途；或用於日常業務營運中銷售。該等物業初始按成本(包括交易成本)計量。初始確認後，投資物業以反映於報告期末之市場狀況之公平值列賬。

倘使用權資產符合投資物業之定義，則會計入投資物業內。相關使用權資產初始按成本計量，其後按公平值計量。

未來用作投資物業之在建或開發中物業分類為在建投資物業。倘公平值不能可靠地釐定，在建投資物業將按成本計量，直至公平值可釐定之時或工程完工為止。

投資物業公平值變動產生之收益或虧損於其產生年度之損益中入賬。

因投資物業報廢或出售而產生之任何收益或虧損於報廢或出售年度之損益中確認。

倘投資物業轉撥為自置物業或存貨，進行後續會計處理之物業推定成本為其改變用途之日之公平值。



# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Non-current assets and disposal groups held for sale

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

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

#### 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 assets 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.

#### Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

### 2.4 主要會計政策概要(續)

#### 持作出售之非流動資產及出售組別

倘非流動資產及出售組別的賬面值將主要透過一項銷售交易而非透過持續使用得以收回，該等非流動資產及出售組別則分類為持有出售。為此，該資產或出售組別必須在其當前情況下僅根據出售此類資產或出售組別的通常及慣用條款即可立即出售，並且出售必須極可能發生。所有分類為出售組別的附屬公司資產及負債重新歸類為持有出售，而不論本集團於出售後有否保留其前附屬公司的非控股股東權益。

分類為持作出售的非流動資產及出售組別(投資物業及財務資產除外)乃按其賬面值及公平值減銷售成本後餘額的較低者計量。分類為持作出售的物業、廠房及設備及無形資產不予折舊或攤銷。

#### 無形資產(除商譽外)

單獨收購之無形資產於初始確認時按照成本進行計量。於業務合併時取得的無形資產成本為收購日期的公平值。無形資產之可使用年期分為有限使用年期或無限使用年期。有確定使用限期的無形資產其後在經濟可用年限內攤銷並對有跡象顯示可能減值之無形資產進行減值評估。有確定使用限期之無形資產的攤銷年限及攤銷方法至少需於每個財政年度結算日進行檢討。

#### 研究及開發成本

所有研究成本於產生時自損益表中扣除。

當進行開發新產品的項目時，只有當本集團能證實完成無形資產的技術屬可行使其可供使用或出售、具有完成產品的意圖和有使用或出售資產的能力、資產將會帶來未來經濟利益的方法、完成項目的可動用資源，以及於開發期間內能可靠地計量有關開支的能力，所產生的開支方會撥充資本及遞延入賬。不符合以上條件之產品開發開支於產生時支銷。

遞延開發成本按成本減任何減值損失列賬並以直線法按相關產品自其投產日期起計的不超過五至七年的商業年期攤銷。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Leases (applicable from 1 April 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 applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The right-of-use assets which meet the definition of investment property are initially measured at cost and subsequently measured at fair value in accordance with the Group's policy for "Investment properties". Other right-of-use assets are included in property, plant and equipment, the accounting policy of which are included in the policy for "Property, plant and equipment and depreciation" above.

#### (a) 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.

The Group's lease liabilities are included in other payables and accruals.

## 2.4 主要會計政策概要(續)

### 租賃(自二零一九年四月一日起應用)

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可識別資產使用的權利，則該合約屬於或包含租賃。

#### 本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。根據本集團有關「投資物業」之政策，符合投資物業定義之持作使用權資產初始按成本計量，其後按公平值計量。其他使用權資產則計入物業、廠房及設備內，其會計政策載於上文有關「物業、廠房及設備」之政策。

#### (a) 租賃負債

租賃負債於租賃開始日期以租期內作出的租賃付款現值確認。租賃付款包括定額付款(含實質定額款項)減任何應收租賃優惠款項、取決於指數或利率的可變租賃付款以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及倘租期反映本集團正行使終止選擇權時，有關終止租賃支付的罰款。不取決於指數或利率的可變租賃付款於出現觸發付款的事件或條件的期間內確認為支出。

計算租賃付款現值時，因租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因租賃付款而減少。此外，倘有任何修改(即租期變更、租賃付款變更(例如指數或利率變動導致對未來租賃付款發生變化)或購買相關資產的選擇權評估的變更)則重新計量租賃負債的賬面值。

本集團的租賃負債計入其他應付款項及應計費用內。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Leases (applicable from 1 April 2019) (continued)

##### Group as a lessee (continued)

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

The Group applies the short-term lease recognition exemption to its short-term leases of buildings 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). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets that are not capitalised 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 profit or loss. 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 in profit or loss 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. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases are recognised to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

### 2.4 主要會計政策概要(續)

#### 租賃(自二零一九年四月一日起應用) (續)

##### 本集團作為承租人(續)

###### (b) 短期租賃及低價值資產租賃

本集團對其樓宇及設備短期租賃(即自開始日期起計租期為12個月或以下且並不包含購買權之租賃)應用確認短期租賃豁免。倘本集團就低價值資產訂立租賃,則本集團決定是否按個別租賃基準將租賃資本化。

短期租賃及低價值資產租賃並未撥作資本的租賃付款在租賃期內按直線法確認為開支。

##### 本集團作為出租人

當本集團作為出租人時,其於租賃開始時(或發生租賃變更時)將其各項租賃分類為經營租賃或融資租賃。

本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。倘合約包括租賃及非租賃部分,本集團根據相對獨立的售價基準將合約代價分配予各部分。租金收入於租期內按直線法列賬,並計入損益內。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值,並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間於損益確認。

轉移承租人相關資產所有權附帶的絕大部分風險及回報的租賃入賬為融資租賃。於開始日期,租賃資產的成本按租賃付款及相關付款(包括初始直接成本)的現值資本化,並按相等於租賃投資淨額的應收款項呈列。有關租賃的財務收入於損益確認,以得出租期內的不變週期收費率。

本集團為中間出租人時,轉租乃參考主租賃產生的使用權資產分類為融資租賃或經營租賃。倘主租賃為本集團將資產負債表確認豁免應用於其中的短期租賃,則本集團將轉租分類為經營租賃。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Leases (applicable before 1 April 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 profit or loss so as to provide a constant periodic rate of charge over the lease terms.

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 profit or loss 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 profit or loss on the straight-line basis over the lease terms.

### Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Sales deposits/instalments received and receivable from purchasers in respect of the pre-sale of properties under development prior to completion of the development are included in contract liabilities.

When the right-of-use assets relate to interests in leasehold land held as properties under development, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for properties under development.

## 2.4 主要會計政策概要(續)

### 租賃(於二零一九年四月一日前應用)

凡資產所有權(法定業權除外)之絕大部份回報與風險轉移至本集團之租約，均列作融資租約。於融資租約生效日，租賃資產之成本乃按租約最低租金之現值撥充資本，並連同債務(不包括利息部份)一併入賬，以反映購買及融資。根據資本化融資租約持有之資產(包括融資租約中的土地租賃預付款項)均列作物業、廠房及設備，並按租約期或資產之預計可用年期(以較短者為準)計算折舊。此等租約之融資成本自損益扣除，以在租約期內提供固定分期支出費用率。

凡資產所有權之絕大部份回報及風險仍由出租方保留之租約，均列作經營租約。倘本集團為出租方，則本集團按經營租約出租之資產包含在非流動資產中，經營租約下應收之租金按租約年期以直線法計入損益。倘本集團為承租方，則經營租約下應付之租金在扣除已收出租方的任何優惠後，按租約年期以直線法於損益中扣除。

### 發展中物業

發展中物業按成本與可變現淨值兩者中較低者列賬，包括建築成本、借貸成本、專業費用、土地使用權款項及於發展期間產生之該等物業直接應佔的其他成本。

發展中物業分類為流動資產，除非相關物業發展項目之建設預計在正常運營週期外完工。完工後，物業轉撥至已落成待售物業。

於發展項目落成前就預售發展中物業向買家已收及應收的銷售按金／分期付款，計入合約負債內。

倘使用權資產與持作發展中物業之租賃土地權益相關，則隨後根據本集團有關發展中物業之政策按成本與可變現淨值兩者中較低者列賬。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for properties held for sale.

#### 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 主要會計政策概要(續)

#### 持作出售物業

持作出售物業按成本與可變現淨值兩者中較低者列賬。成本按未出售物業應佔土地及樓宇總成本之分攤比例釐定。可變現淨值由董事按個別物業基準根據當前市價估計。

倘使用權資產與持作出售物業之租賃土地權益相關，則隨後根據本集團有關持作出售物業之政策按成本與可變現淨值兩者中較低者列賬。

#### 投資及其他財務資產

##### 初始確認及計量

財務資產於初始確認時分類為其後按攤銷成本計量、以公平值計量且其變動計入全面收益，以及以公平值計量且其變動計入損益。

初始確認財務資產分類取決於財務資產的合約現金流特徵，以及本集團管理財務資產的業務模式。除並未包含重大融資組成部分的應收賬款或本集團已實行權宜措施不作調整重大融資組成部分影響的應收賬款外，本集團最初按其公平值計量財務資產，倘財務資產並非按公平值計入損益，則另外交易成本。並未包含重大融資組成部分的應收賬款或本集團已實行權宜措施的應收賬款按依照下文「收益確認」所載政策根據香港財務報告準則第15號釐定的交易價計量。

財務資產需要令現金流量僅為償還本金及未償還本金利息，方可分類為按攤銷成本計量或按公平值經其他全面收益入賬之財務資產。現金流量並非僅可用作償還本金及未償還本金利息的財務資產分類為按公平值經損益計量，而不論業務模式。



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## 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 profit or loss when the asset is derecognised, modified or impaired.

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

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

## 2.4 主要會計政策概要(續)

### 投資及其他財務資產(續)

#### 初始確認及計量(續)

本集團管理財務資產的業務模式指本集團如何管理其財務資產以產生現金流量。業務模式釐定現金流量是否因收取合約現金流量、出售財務資產或因前述兩者而引起。分類為按攤銷成本計量的財務資產乃於以持有財務資產為目標的業務模式內持有，旨在收取合約現金流量。分類為按公平值經其他全面收益計量之財務資產則於以持有作收取合約現金流量及出售為目標的業務模式內持有。並非於上述業務模式內持有之財務資產分類為按公平值經損益計量。

所有以常規方式購買及出售的財務資產於交易日(即本集團承諾購買或出售該資產當日)確認。以常規方式購買或出售指需要於一般按規例或市場慣例設定的期限內交付資金的財務資產購買或出售。

#### 其後計量

財務資產的後續計量取決於其分類如下：

##### *按攤銷成本計量的財務資產(債務工具)*

按攤銷成本計量的財務資產其後使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損會於損益確認。

##### *按公平值經其他全面收益入賬之財務資產(債務工具)*

就按公平值經其他全面收益入賬之債務工具而言，利息收入、外匯重估及減值虧損或撥回於損益確認，計算方式與計算按攤銷成本計量的財務資產者相同。餘下公平值變動於其他全面收益確認。於終止確認後，於其他全面收益確認的累計公平值變動回流至損益。

# Notes to Financial Statements

## 財務報表附註

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### 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)*

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.

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

##### *Financial assets at fair value through profit or loss*

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

This category includes derivative instruments and certain 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 profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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 profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### 2.4 主要會計政策概要(續)

#### 投資及其他財務資產(續)

##### 其後計量(續)

*按公平值經其他全面收益入賬之財務資產(股權投資)*

於初始確認後，倘股權投資符合香港會計準則第32號金融工具：呈列項下的股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定按公平值經其他全面收益入賬之股權投資。分類按個別工具基準而定。

該等財務資產的收益及虧損永不回流至損益。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於損益確認為其他收入，惟倘本集團受惠於該等所得款項作為收回部分財務資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定按公平值經其他全面收益入賬之股權投資無須進行減值評估。

##### *按公平值經損益入賬之財務資產*

按公平值經損益入賬之財務資產乃於綜合財務狀況表按公平值列賬，而公平值變動淨額則於損益確認。

該類別包括本集團並無不可撤回地選擇分類為按公平值經其他全面收益入賬之衍生工具及若干投資。分類為按公平值經損益入賬之股權投資股息亦於付款權確立時在損益內確認為其他收入。有關股息的經濟利益可能會流向本集團，而股息的金額則可可靠計量。

於混合合約(連帶財務負債或非財務主合約)嵌入之衍生工具獨立於主合約，且作為獨立衍生工具入賬，條件為經濟特徵及風險與主合約並無緊密關係；擁有與嵌入式衍生工具相同條款之獨立工具符合衍生工具之定義；且混合合約並非按公平值經損益計量。嵌入式衍生工具按公平值計量，而其公平值變動於損益確認。僅在合約條款出現變動而將重大修改另行需要之現金流量或財務資產從按公平值經損益計量類別中重新分類時，方會進行重新評估。

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## 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 主要會計政策概要(續)

### 投資及其他財務資產(續)

#### 其後計量(續)

*按公平值經損益入賬之財務資產(續)*

於混合合約(包含財務資產主合約)嵌入之衍生工具不會獨立入賬。財務資產主合約連同嵌入式衍生工具須全部分類為按公平值經損益入賬之財務資產。

#### 財務資產的終止確認

財務資產(或一項財務資產的一部分或一組同類財務資產的一部分,如適用)主要在下列情況將終止確認(即自本集團之綜合財務狀況表移除):

- 從該項資產取得現金流量的權利經已逾期;或
- 本集團轉讓從該項資產取得現金流量的權利,或已根據一項「轉付」安排,承擔在未有嚴重延緩的情況下,向第三方全額支付所收取的現金流量的責任;並(a)本集團已轉讓該項資產的絕大部份風險及回報;或(b)本集團並無轉讓或保留該項資產的絕大部份風險及回報,但已轉讓該項資產的控制權。

本集團凡轉讓其從該項資產取得現金流量的權利或訂立轉付安排,其評估是否以及多大程度保留該項資產所有權的風險及回報。倘其並無轉讓或保留該項資產的絕大部份風險及回報,亦無轉讓該項資產的控制權,本集團繼續確認轉讓資產,以本集團之持續參與為限。在此情況下,本集團將確認相關負債。轉讓資產及相關負債以反映本集團所保留之權利與義務為基礎進行計量。

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

# Notes to 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.

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

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

### 2.4 主要會計政策概要(續)

#### 財務資產減值

本集團對並非按公平值經損益入賬之所有債務工具確認預期信貸虧損(「預期信貸虧損」)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，並以原實際利率的近似值折現。預期現金流量將包括出售所持抵押品的現金流量或組成合約條款的其他信貸增級。

#### 一般方法

預期信貸虧損分兩個階段進行確認。就自初始確認後的信貸風險並無重大變動之信貸風險而言，對於未來12個月之可能違約事件產生之信貸虧損作出預期信貸虧損撥備(12個月預期信貸虧損)。就自初始確認後的信貸風險已出現重大增加之該等信貸風險而言，須對預期於風險之餘下年期之信貸虧損作出虧損撥備，而不論違約時間(全期預期信貸虧損)。

於各報告日，本集團評估金融工具之信貸風險是否已自初始確認後大幅增加。於作出評估時，本集團將金融工具於報告日期發生違約風險與金融工具於初始確認日期發生違約風險進行比較，並考慮毋須過度耗費成本或努力而取得之合理且具支持之資料，包括過往及前瞻性資料。

就按公平值經其他全面收益入賬之債務投資而言，本集團應用低信貸風險簡化方法。於各報告日期，本集團利用毋須付出成本或精力即可獲得的所有合理及可靠資料評估債務投資是否被認為有低信貸風險。於作出該評估時，本集團重新評估債務投資的外部信貸評級。此外，當合約付款逾期30日時，本集團認為信貸風險大幅增加。

本集團將合約付款逾期90日的財務資產視作違約。然而，在若干情況下，當內部或外部資料反映，在沒有計及任何現有增信措施前，本集團不大可能悉數收到未償還合約款項，則本集團可認為財務資產違約。倘無法合理預期收回合約現金流量，則撇銷財務資產。

## 2.4 Summary of Significant Accounting Policies (continued)

### Impairment of financial assets (continued)

#### General approach (continued)

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

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

#### Simplified approach

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

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

## 2.4 主要會計政策概要(續)

### 財務資產減值(續)

#### 一般方法(續)

按公平值經其他全面收益入賬之債務投資及按攤銷成本列賬之財務資產須根據一般法作出減值並就計量預期信貸虧損於以下階段內分類，惟應用下文詳述之簡化法的貿易應收款項及分租投資淨額除外。

|      |   |  |
|------|---|--|
| 第一階段 | – | 自首次確認起信貸風險並無大幅增加且按等同於12個月預期信貸虧損之金額計量虧損撥備之金融工具          |
| 第二階段 | – | 自首次確認起信貸風險已大幅增加而並非為信貸減值財務資產及按等同於全期預期信貸虧損之金額計量虧損撥備之金融工具 |
| 第三階段 | – | 於報告日期為信貸減值(惟並非購買或最初信貸減值)及按等同於全期預期信貸虧損之金額計量虧損撥備之金融工具    |

#### 簡化方法

就不包含重大融資組成部份或當本集團為權宜而不調整重大融資組成部份之影響之貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方法。根據該簡化方法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就包含重大融資成分的貿易應收款項而言，本集團會計政策選擇採用簡化方法根據上述政策進行預期信貸虧損計量。



# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### 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 and payables, as appropriate.

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

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities, interest-bearing bank and other borrowings, derivative financial liabilities, unsecured bonds and notes, and convertible notes.

##### Subsequent measurement

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

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

### 2.4 主要會計政策概要(續)

#### 財務負債

##### 初始確認及計量

財務負債於初始確認時被分類為按公平價值經損益入賬之財務負債、貸款及借款及應付款項(如適用)。

所有財務負債以公平值初始確認，而貸款和借款及應付款項則會扣除直接歸屬之交易成本。

本集團之財務負債包括貿易應付款項、計入其他應付款項及應計費用之財務負債、租賃負債、計息銀行及其他借款、衍生財務負債、無抵押債券及票據以及可換股票據。

##### 其後計量

財務負債按其分類之其後計量如下：

##### *按公平價值經損益入賬之財務負債*

按公平價值經損益入賬之財務負債包括持作交易用途之財務負債及於初始確認時指定為按公平價值經損益入賬之財務負債。

倘獲得該財務負債之目的為於近期購回，則該財務負債應分類為持作交易用途。此分類包括本集團根據香港財務報告準則第9號所界定之對沖關係不被指定為對沖工具之衍生金融工具。獨立嵌入式衍生工具亦分類為持作交易用途，除非其被指定為有效的對沖工具另作別論。持作交易用途之負債損益於損益確認。於損益確認之公平值收益或虧損淨額並不包括任何向該等財務負債所扣除之任何利息。

於初始確認時指定為按公平價值經損益入賬之財務負債在初始確認日期且僅在符合香港財務報告準則第9號之標準時指定。指定按公平價值經損益入賬之負債收益或虧損於損益確認，惟本集團自身信貸風險產生之收益或虧損，而其於其他全面收益呈列且其後並無重新分類至損益則除外。於損益確認之公平值收益或虧損淨額並不包括於該等財務負債扣除之任何利息。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Financial liabilities (continued)

#### Subsequent measurement (continued)

*Financial liabilities at amortised cost (loans and payables)*

After initial recognition, financial liabilities 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 profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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

#### *Financial guarantee contracts*

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### *Unsecured bonds and notes, and convertible notes*

If the conversion option of convertible notes and the early redemption option of unsecured notes and convertible notes exhibit characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the unsecured notes and convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the unsecured notes and convertible notes based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as a reduction of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

## 2.4 主要會計政策概要(續)

### 財務負債(續)

#### 其後計量(續)

*按攤銷成本計量的財務負債(貸款及應付款項)*

於初始確認後，財務負債隨後以實際利率法按攤銷成本計量，除非折現影響為微不足道，在該情況下則按成本列賬。當負債終止確認或按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本乃經計及收購之任何折讓或溢價，以及屬於實際利率組成部份之費用或成本後計算。實際利率攤銷額包含在損益表的融資成本中。

#### *財務擔保合約*

本集團發出的財務擔保合約為要求付款以彌償擔保持有人因指定債務人未能按照債務工具條款於到期時付款而招致的損失的合約。財務擔保合約初始按公平值確認為負債，並就直接歸屬於發出該擔保的交易成本作出調整。初始確認後，本集團按以下兩者中的較高者計量財務擔保合約：(i)根據「財務資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初始確認的金額減(若適用)已確認的累計收入金額。

#### *無抵押債券及票據以及可換股票據*

倘可換股票據之換股權以及無抵押票據及可換股票據之提前贖回權顯示嵌入式衍生工具之特徵，則與其負債部分分開入賬。於初始確認時，無抵押票據及可換股票據之衍生工具部分以公平值計量，並列作衍生金融工具之一部分。任何超過初始確認為衍生工具部分之所得款項確認為負債部分。於工具初始確認時，交易成本按所得款項分配到負債及衍生工具部分的比例分配到無抵押票據及可換股票據之負債及衍生工具部分。交易成本中與負債部分相關之部分初步確認為負債削減。與衍生工具部分相關之部分即時於損益確認。

# Notes to 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 profit or loss.

#### 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.

#### Treasury shares

Own equity instruments which are reacquired and held by the Company of the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and 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, which are not restricted as to use.

### 2.4 主要會計政策概要(續)

#### 財務負債的終止確認

財務負債於相關責任解除或取消或屆滿時終止確認。

倘現有財務負債被同一貸款人以幾乎完全不同的條款提供的另一項負債替換，或現有負債的條款作出重大修訂，則上述交換或修訂視為終止確認原有負債及確認新負債處理，而各自賬面值的差額於損益表內確認。

#### 金融工具抵銷

倘有抵銷已確認金額之現有可執行法定權利，且擬以淨額結算或同時變現該財務資產和清償該財務負債時，財務資產與財務負債可相互抵銷，並以相互抵銷後的淨額在綜合財務狀況表內列示。

#### 庫存股份

由本公司或本集團回購並持有的自身的權益工具(庫存股份)直接按成本計入權益。買入、賣出、發行或取消本集團自身的權益工具不於損益確認收益或虧損。

#### 存貨

存貨按成本與可變現淨值兩者中較低者列賬。成本按加權平均基準釐定。如為在製品及製成品，則包括直接材料、直接勞工及按適當比例計算的製造費用。可變現淨值乃根據估計售價減去預期達致完成及出售時產生的任何估計成本計算。

#### 現金及現金等同項目

就綜合現金流量表而言，現金及現金等同項目，包括手頭現金以及活期存款，以及流動性強並易兌換為已知金額現金且所涉價值變動風險不高而一般自取得起三個月內到期的短期投資，減去作為本集團現金管理組成部份的按要求償還的銀行透支。

就綜合財務狀況表而言，現金及現金等同項目包括手頭現金以及銀行存款，包括用途不受限制之定期存款。

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## 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.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

### 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.

## 2.4 主要會計政策概要(續)

### 撥備

倘因過往事件導致現時承擔責任(法定或推定責任)，且日後可能須流失資源以履行責任，並能可靠估計責任之數額，則確認撥備。

倘折現之影響屬重大，就撥備確認之金額乃預期日後為履行有關責任所需開支於報告期末之現值。已折現現值金額隨時間流逝而有所增加，有關增幅會計入損益表之融資成本內。

於業務合併中確認之或然負債初始按公平值計量，隨後按以下兩者中的較高者計量：(i)根據上述條款之一般政策釐定之金額；及(ii)初始確認的金額減(若適用)根據相關收益確認政策已確認的收入金額。

### 所得稅

所得稅包括即期及遞延稅項。與損益外已確認項目有關的所得稅於損益外確認，如可於其他全面收益或直接於權益中確認。

即期稅項資產及負債，按預期自稅務當局退回或付予稅務當局的金額計算，以截至報告期末已頒佈或大致頒佈的稅率(及稅法)為基礎及經考慮本集團經營所處國家的解釋及常用準則。

遞延稅項採用負債法，對所有於報告期末就資產及負債的計稅數額與用於財務報告的賬面值的不同而引致的暫時性差異作出撥備。

# Notes to 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 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 associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary 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 associates, 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 主要會計政策概要(續)

#### 所得稅(續)

遞延稅項負債乃就所有應課稅暫時性差額確認，惟：

- 因業務合併以外的交易(交易當時並不影響會計溢利或應課稅溢利或虧損者)下首次確認的商譽或資產或負債所產生的遞延稅項負債；及
- 就與附屬公司及聯營公司投資相關的應課稅暫時性差額而言，惟倘撥回暫時性差額的時間可予控制，且暫時性差額可能不會於可見將來撥回。

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅溢利抵銷可扣減暫時性差額，以及可動用結轉之未動用稅項抵免及稅務虧損，則會確認遞延稅項資產，惟下述情況除外：

- 因有關可扣減暫時性差額之遞延稅項資產源自初次確認一項交易中之資產或負債，而有關交易(非為業務合併)進行時不會影響會計溢利或應課稅溢利或虧損；及
- 就與附屬公司及聯營公司投資相關的可扣減暫時性差額而言，遞延稅項資產僅在暫時性差額可能於可見將來撥回，及應課稅溢利可予動用抵銷暫時性差額時方予確認。

於各報告期末審閱遞延稅項資產之賬面值，並在不再可能有足夠應課稅溢利以動用全部或部份遞延稅項資產時，相應扣減該賬面值。未被確認之遞延稅項資產會於每個報告期末重新評估，並在成為可能有足夠應課稅溢利以收回全部或部份遞延稅項資產時予以確認。



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## 2.4 Summary of Significant Accounting Policies (continued)

### Income tax (continued)

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

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

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, 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 主要會計政策概要(續)

### 所得稅(續)

遞延稅項資產及負債乃根據預計該遞延稅項資產變現時或遞延稅項負債清償時所適用的稅率計量，該稅率乃基於截至報告期末已頒佈或大致頒佈的稅率(及稅法)釐定。

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課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項負債及資產或同時變現資產及結算負債之不同課稅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。

### 政府補貼

政府補貼於有合理保證確定其可收到且滿足一切附屬條件時以公平值確認。若補貼與費用項目相關，則於將該項補貼用於擬補貼成本支銷期間系統地確認為收入。

### 收益確認

#### 來自客戶合約之收益

來自客戶合約之收益於貨物或服務的控制權轉移至客戶時確認，金額反映本集團預期就交換該等貨物或服務而有權獲得的代價。

倘合約代價包含可變金額，則其根據本集團於就交換向客戶轉讓貨物或服務時將享有的代價金額進行估計。可變代價於合約開始時估計並受到限制，直至與可變金額相關的不確定性於其後解除時，有關累計已確認收入金額的重大收入撥回極可能不會產生時方可解除。

# Notes to 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)

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

(a) *Sale of goods*

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

Some contracts for the sale of Chinese and Western pharmaceutical and health food products provide customers with rights of return. The rights of return give rise to variable consideration:

(i) *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.

### 2.4 主要會計政策概要(續)

#### 收益確認(續)

##### 來自客戶合約之收益(續)

倘合約中包含為客戶提供超過一年轉移貨品或服務的重大融資利益之融資成分，則收入按應收金額之現值計量，並使用訂立合約時本集團與客戶的單獨融資交易中反映之折現率折現。倘合約中包含為本集團提供超過一年重大融資利益之融資成分，則根據該合約確認的收入包括按實際利率法計算的合約負債所產生的利息開支。對於客戶付款與承諾的貨品或服務轉移之間的期限為一年或以下的合約，交易價不會因重大融資成分之影響而調整，而是採用香港財務報告準則第15號可行的權宜之計。

(a) *銷售貨物*

銷售貨物之收益於資產控制權轉讓予客戶之時間點確認，通常為交付貨物之時。

部分中西藥及保健食品產品銷售合約為客戶提供退貨權。退貨權引發可變代價：

(i) *退貨權*

就向客戶提供於指定期限內享有退回貨物權利的合約而言，採用預期估值法估計將不予以退回的貨物，原因為該方法最佳預測本集團將有權享有的可變代價金額。採用香港財務報告準則第15號有關限制估計可變代價的規定，以釐定可計入交易價內的可變代價金額。就預期將予退回的貨物而言，退款負債而非收入得以確認。退貨權資產(及相應調整銷售成本)亦就自客戶收回產品的權利確認。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Revenue recognition (continued)

#### Revenue from contracts with customers (continued)

(a) Sale of goods (continued)

(ii) 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.

(iii) Loyalty points programme

The Group has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

## 2.4 主要會計政策概要(續)

### 收益確認(續)

#### 來自客戶合約之收益(續)

(a) 銷售貨物(續)

(ii) 批量回扣

當若干客戶於期內購買的產品數目超過合約規定的限額時，本集團向該等客戶提供可追溯批量回扣。回扣抵銷客戶應付的金額。為估計預期未來回扣的可變代價，就單一數量限額的合約採用最可能的金額方法，而就超過一個數量限額的合約採用預期價值法。最能預測可變代價金額的所選方法主要由合同所載數量限額所影響。本集團應用限制可變代價估計的規定，並就預期未來回扣確認退款責任。

(iii) 忠誠獎賞計劃

本集團設有忠誠獎賞計劃，允許客戶積累可兌換免費產品的積分。由於忠誠度積分為客戶提供了兌換產品的權利，因此產生了單獨的履約責任。交易價格的一部分根據積分獨立銷售價格分配給授予客戶的忠誠度積分，並在兌換積分之前確認為合約負債。收益在客戶兌換產品時確認。在估計忠誠度積分獨立銷售價格時，集團考慮了客戶兌換積分的可能性。集團每季度更新其對將兌換積分的估計，並從收益中扣除任何對合約負債餘額的調整。

# Notes to 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)

(b) *Sale of properties*

Revenue from the sale of properties is recognised at the point in time when the purchasers obtained the physical possession and/or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

(c) *Provision of management, promotion and property ancillary services*

Revenue from the provision of management, promotion and property ancillary services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(d) *Commission income from the agricultural exchange markets*

Commission income from the agricultural exchange markets are recognised at the point in time when the services are rendered in accordance with the terms of the agreement signed.

##### Revenue from other sources

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

##### 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 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).

### 2.4 主要會計政策概要(續)

#### 收益確認(續)

##### 來自客戶合約之收益(續)

(b) *銷售物業*

銷售物業的收益於買方取得已落成物業的實際支配及/或法定業權，而本集團擁有收取付款之現有權利並極有可能收取代價時確認。

(c) *提供管理、宣傳及物業配套服務*

提供管理、宣傳及物業配套服務的收益於預定期間內以直線法確認，因為客戶同時收取及消耗本集團提供的利益。

(d) *農產品交易市場之佣金收入*

農產品交易市場之佣金收入於根據所簽署協議之條款提供服務時確認。

##### 來自其他來源之收益

租金收入按時間比例基準於租期內確認。不取決於指數或利率的可變租賃付款在發生期間確認為收入。

##### 其他收入

利息收入根據實際利率法按應計基準以可將金融工具預期期限的估計未來現金回報率折現為財務資產賬面淨值的比率計算。

股息收入在確定股東有權收取該款項，與股息相關的經濟利益很可能流入本集團且股息的金額能夠可靠計量時確認。

##### 合約負債

合約負債於本集團轉移相關貨品或服務前已收客戶款項或付款到期(以較早者為準)時確認。合約負債在本集團於履行合約(即將相關貨品或服務的控制權轉讓予客戶)時確認為收益。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Costs of obtaining contracts

Incremental costs of obtaining a contract were those costs that the Group incurs to obtain a contract with a customer it would not have incurred if the contract had not been obtained e.g., sales commission to sales agents. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

### 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.

### 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.

### Share-based payments

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

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 35 to the financial statements.

## 2.4 主要會計政策概要(續)

### 取得合約之成本

取得合約之增量成本為本集團就取得客戶合約而產生且倘未能取得合約則不會產生的成本(即給予銷售代理的銷售佣金)。倘有關收益的成本將在未來報告期內確認,而成本預期可收回,取得合約之增量成本會於產生時撥充資本。取得合約之其他成本在產生時支銷。

### 退貨權資產

退貨權資產確認為收回預期將由客戶退回的貨品的權利。該資產按退回貨品的前賬面值,減收回貨品的任何預期成本計量以及退回貨品價值的任何潛在跌幅。本集團就預期退貨水平的任何修訂以及退回貨品價值的任何額外跌幅更新資產的計量。

### 退款負債

退款負債確認為退回已收(或應收)客戶的若干或全部代價的責任,並按本集團最終預期需退回予客戶的金額計量。本集團於各報告期末更新其退款負債估計(及交易價格的相應變動)。

### 以股份為基礎之付款

為激勵和獎勵為本集團業務成就作出貢獻之合資格參與人員,本公司及中國農產品各自實行購股權計劃。本集團之僱員(包括董事)通過以股份為基礎之付款方式取得薪酬,而僱員通過提供服務作為權益工具之代價(「以權益結算之交易」)。

僱員進行之以權益結算之交易成本,參照其於授予日之公平值計量。公平值由外部評估師採用二項式定價模式釐定,進一步詳情載於財務報表附註35。



# Notes to Financial Statements

## 財務報表附註

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### 2.4 Summary of Significant Accounting Policies (continued)

#### Share-based payments (continued)

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

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

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

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

### 2.4 主要會計政策概要(續)

#### 以股份為基礎之付款(續)

在滿足表現及／或服務條件之期間，於僱員福利開支確認以權益結算之交易成本並同時相應增加權益。在各報告期末至歸屬日期就以權益結算之交易確認之累計開支反映歸屬期屆滿之程度及本集團對最終歸屬之權益工具數量的最佳估計。於期內損益表扣除或計入之金額指於期初及期終確認之累計開支變動。

釐定獎勵的授出日期公平值時，不會計及服務及非市場表現條件，但會評估達成該等條件的可能性，作為本集團對最終將歸屬的權益工具數量的最佳估計。市場表現條件反映於授出日期公平值內。獎勵所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。除非有另外的服務及／或表現條件，否則非歸屬條件反映於獎勵的公平值內，並將即時支銷獎勵。

基於未能達成非市場表現及／或服務條件而最終並無歸屬的獎勵不會確認開支。倘獎勵包括市場或非歸屬條件，交易視為歸屬，而不論市場或非歸屬條件是否達成，惟所有其他表現及／或服務條件須已達成。

倘以權益結算之獎勵之條款有所變更，則在達成獎勵原定條款情況下，所確認開支最少須達成猶如條款並無變更之水平。此外，倘任何變更導致變更當日以股份為基礎之付款之總公平值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Share-based payments (continued)

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

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

### Other employee benefits

#### Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and 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.

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 to a certain percentage 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.

## 2.4 主要會計政策概要(續)

### 以股份為基礎之付款(續)

倘若以權益結算之獎勵被註銷，應被視為已於註銷日期歸屬，而尚未就有關獎勵確認之任何開支，均應立刻確認。這包括非歸屬條件為本集團或僱員所控制但尚未達成之任何獎勵。然而，若授予新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵應被視為對原獎勵之變更，處理方法如前段所述。

計算每股盈利時，未行使購股權之攤薄影響反映為額外股份攤薄。

### 其他僱員福利

#### 退休金計劃

本集團根據《強制性公積金計劃條例》為合資格參與界定供款強制性公積金退休福利計劃(「強積金計劃」)的僱員經營一項強積金計劃。根據強積金計劃規則，須按僱員基本薪金的某個百分比作出供款，並於供款成為應付時在損益內扣除。強積金計劃的資產與本集團資產分開並由獨立管理基金持有。本集團所作僱主供款於向強積金計劃作出時全數歸屬予僱員。

本集團於中國內地營業的附屬公司的僱員須參加由地方市政府經營的中央退休金計劃。該等附屬公司須按其工資成本的若干百分比向中央退休金計劃供款。根據中央退休金計劃規則，有關供款於成為應付時在損益內扣除。

# Notes to 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.

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, 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.

### 2.4 主要會計政策概要(續)

#### 借貸成本

直接歸屬收購、建造或生產合資格資產(即須長時間準備方可作擬定用途或銷售之資產)之借貸成本,作為此等資產成本之一部分撥充資本。當資產已大致備妥作擬定用途或出售時,借貸成本將會停止撥充資本。為合資格資產取得之特定借貸在其尚未用於有關用途時作為短暫投資而賺取之投資收入於可作資本化之借貸成本內扣除。所有其他借貸成本在產生期間列為支出。借貸成本包括實體因借入資金所產生之利息及其他成本。

#### 股息

末期股息經股東於股東大會批准時確認為負債。擬派末期股息於財務報表附註披露。

由於本公司之組織章程大綱及細則授予董事宣派中期股息之權力,故中期股息同時獲建議及宣派。因此,中期股息於建議及宣派時,即時確認為負債。

#### 外幣

該等財務報表以本公司的功能貨幣港元呈列。本集團內各實體自行釐定其各自的功能貨幣,而各實體的財務報表項目乃以該功能貨幣計量。本集團內各實體所記錄之外幣交易初步按其各自於交易日適用的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債,按有關功能貨幣於報告期末的適用匯率換算。因貨幣項目結算或兌換產生的差額均會於損益確認。

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## 2.4 Summary of Significant Accounting Policies (continued)

### Foreign currencies (continued)

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).

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

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their profit or loss and other comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation 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 Hong Kong dollars 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 Hong Kong dollars at the weighted average exchange rates for the year.

## 2.4 主要會計政策概要(續)

### 外幣(續)

以外幣按歷史成本計量的非貨幣項目，採用初始交易日期的匯率換算。以外幣按公平值計量的非貨幣項目，採用公平值計量當日的匯率換算。換算按公平值計量之非貨幣項目產生之收益或虧損之處理方式與確認該項目公平值變動之收益或虧損一致(即於其他全面收益或損益中確認其公平值收益或虧損之項目，其匯兌差額亦相應於其他全面收益或損益中確認)。

於釐定初始確認與預付代價相關之非貨幣資產或非貨幣負債終止確認時的有關資產、開支或收入之匯率時，初始交易日期為本集團初始確認因預付代價產生之非貨幣資產或非貨幣負債之日期。倘存在多筆預付款項或預收款項，則本集團會釐定每筆預付款項或預收款項之交易日期。

若干海外附屬公司及聯營公司的功能貨幣均為港元以外的貨幣。於報告期末，該等實體的資產與負債按報告期末的適用匯率換算為港元，其損益及其他全面收益則按年內的加權平均匯率換算為港元。

因此而產生的匯兌差額已於其他全面收益中確認並累計計入匯兌儲備。出售海外業務時，與該特定海外業務有關的其他全面收益部分於損益確認。

任何因收購海外業務產生之商譽及任何由於收購所得之資產及負債賬面值之公平值調整均視為海外業務之資產及負債及以收市匯率換算。

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港元。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港元。

# Notes to Financial Statements

## 財務報表附註

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### 3. Significant Accounting 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.

#### Valuation of investment properties

Investment properties including commercial units in Hong Kong and agricultural produce exchange markets in mainland China are revalued at the end of the reporting period on a market value, existing use basis by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, information from current prices in an active market for similar properties is considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used.

#### Impairment of non-financial non-current assets (other than goodwill)

The Group assesses whether there are any indicators of impairment of all non-financial non-current assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 3. 主要會計估計

於編製本集團財務報表時，管理層須作出會影響收入、開支、資產及負債之呈報金額及其有關披露及或然負債之披露之判斷、估計及假設。該等假設及估計之不明朗因素可能導致需要對未來有關資產或負債之賬面值作出重大調整。

#### 估計不明朗因素

下文為於報告期末有關日後的主要假設及其他主要估計的不明朗因素，其涉及導致下個財政年度對資產及負債賬面值作出重大調整的重大風險。

#### 投資物業估值

投資物業（包括位於香港之商業單位以及位於中國內地之農產品交易市場）於報告期末由獨立專業合資格估值師按市場價值及現有用途基準重新估值。有關估值乃基於若干假設，受限於不明朗性及可能與實際結果有很大出入。於作出估計時，有關判斷已考慮到活躍市場內類似物業的通行價格的資料，及使用主要以各報告期末的市場狀況為基礎的假設。

#### 非財務非流動資產（除商譽外）之減值

本集團在各報告期末評估全部非財務非流動資產（包括使用權資產）是否有任何減值跡象。非財務資產於有跡象顯示賬面值可能無法收回時進行減值測試。倘資產或現金產生單位之賬面值超過其可收回金額時，則存在減值，可收回金額為其公平值減銷售成本與其使用價值之較高者。公平值減銷售成本按類似資產公平交易中具約束力之銷售交易所得數據或可觀察市場價格減出售資產之增加成本計算。倘進行計算使用價值時，管理層須估計資產之預期未來現金流量，及選用合適之折現率以計算該等現金流量現值。



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### 3. Significant Accounting Estimates (continued)

#### Estimation uncertainty (continued)

#### Impairment of non-financial non-current assets (other than goodwill) (continued)

(i) *Investment in an associate*

As at 31 March 2020, the Group held a 29.06% interest in a listed associate, Easy One Financial Group Limited ("Easy One"), before current year impairment, with a carrying amount of approximately HK\$316,550,000. As the market value of Easy One's shares held by the Group is significantly lower than the then carrying amount of the Group's investment in Easy One, there was an impairment indicator on the Group's investment in Easy One.

Accordingly, the Group has performed an impairment assessment on its investment in Easy One using a value in use calculation to determine its recoverable amount. The value in use calculation was based on the discounted cash flow method which was complex and required management to use significant judgements and make assumptions which were affected by expected future market or economic conditions.

(ii) *Property, plant and equipment*

The carrying value of an item of property, plant and equipment (including right-of-use assets) is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in note 2.4 to the financial statements. Given that both the Chinese pharmaceutical and health food products cash generating unit (the "Chinese Pharmaceutical CGU") and Western pharmaceutical and health food products cash-generating unit (the "Western Pharmaceutical CGU") (together, the "CGUs") were loss-making during the year, the directors of the Company performed an impairment assessment of the property, plant and equipment relating to these CGUs to determine their recoverable amounts. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to disposal and value in use, the calculations of which involve the use of estimates.

### 3. 主要會計估計(續)

#### 估計不明朗因素(續)

#### 非財務非流動資產(除商譽外)之減值(續)

(i) *於一間聯營公司之投資*

於二零二零年三月三十一日，本集團於上市聯營公司易易壹金融集團有限公司(「易易壹」)中持有29.06%權益(扣除本年度減值前)，賬面值約為316,550,000港元。由於本集團持有之易易壹股份之市值遠低於本集團當時於易易壹投資之賬面值，本集團於易易壹之投資有減值跡象。

因此，本集團對其於易易壹之投資進行減值評估，按使用價值方法計算其可收回金額。使用價格乃按折現現金流方法計算，此方法較為複雜並須由管理層作出受預測未來市場或經濟狀況影響之重大判斷及假設。

(ii) *物業、廠房及設備*

倘事件或情況變化顯示賬面值可能無法根據財務報表附註2.4所披露之會計政策收回，則會檢討物業、廠房及設備項目(包括使用權資產)之賬面值有否減值。鑒於中藥及保健食品現金產生單位(「中藥現金產生單位」)以及西藥及保健食品現金產生單位(「西藥現金產生單位」)(統稱「現金產生單位」)於年內均錄得虧損，本公司董事對與該等現金產生單位有關之物業、廠房及設備進行減值評估，以釐定其可收回金額。物業、廠房及設備項目之可收回金額按其公平值減出售成本及使用價值之較高者計算，計算時涉及使用估計。

# Notes to Financial Statements

## 財務報表附註

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### 3. Significant Accounting Estimates (continued)

#### Estimation uncertainty (continued)

##### Net realisable value of properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit is determined using the weighted average method. The estimated net realisable value is assessed at the end of the reporting period on a market value, existing use basis by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, information from current prices in an active market for similar properties is considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used.

##### Business combination

On 26 September 2019, the Group proposed a general offer to acquire a maximum of 54.83% equity interest in CAP and a maximum of 46.86% of the outstanding principal amount of the convertible notes issued by CAP (the "CAP Acquisition"). On 12 February 2020, the CAP Acquisition was completed and 5,312,395,685 shares of CAP (representing 53.37% of the issued shares of CAP) were acquired at HK\$0.091 each and CAP and its subsidiaries (collectively, the "CAP Group") became the subsidiaries of the Group.

The assessment of the fair value of the identifiable assets acquired and liabilities assumed and allocation of the purchase price required significant management estimation.

The Group recognised a provisional gain on bargain purchase of HK\$230,844,000, details of which is set out in note 38 to the financial statements.

### 3. 主要會計估計(續)

#### 估計不明朗因素(續)

##### 發展中物業及持作出售物業之可變現淨值

發展中物業及持作出售物業按成本與可變現淨值兩者中較低者列賬。各單位之成本按加權平均方法釐定。估計可變現淨值於報告期末由獨立專業合資格估價師按市值、現有用途基準評估。有關估值乃根據若干假設計算，而有關假設受不確定因素影響，且可能與實際結果存在重大差異。作出估計時，會考慮類似物業於活躍市場之現價資料，並使用主要以報告期末之市況為基準的假設。

##### 業務合併

於二零一九年九月二十六日，本集團提呈全面要約，以收購中國農產品最多54.83%之股本權益及中國農產品最多46.86%之已發行可換股票據未償還本金額(「中國農產品收購事項」)。於二零二零年二月十二日，中國農產品收購事項經已完成，且5,312,395,685股中國農產品股份(相當於中國農產品53.37%之已發行股本)已按每股0.091港元之價格予以收購，中國農產品及其附屬公司(統稱「中國農產品集團」)遂成為本集團之附屬公司。

評估可識別之已收購資產及所承擔負債的公平值以及調配收購價需管理層作出重大估計。

本集團確認識價購買之暫定收益230,844,000港元，有關詳情載於財務報表附註38。

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#### 4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) production and sale of Chinese pharmaceutical and health food products – manufacture, processing and sale of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured using selected medicinal materials with traditional prescriptions, mainly in mainland China and Hong Kong;
- (b) production and sale of Western pharmaceutical and health food products – processing and sale of Western pharmaceutical products and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”, respectively;
- (c) property investment – investment in commercial premises for rental income; and
- (d) management and sale of properties in agricultural produce exchange markets (commenced during the year upon completion of the CAP Acquisition).

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that other income and gains, net, finance costs, fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, net, head office and corporate income and expenses and share of profits and losses of associates are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

#### 4. 營運分類資料

就管理而言，本集團按產品及服務分為各業務單位，並有四個可報告之營運分類如下：

- (a) 生產及銷售中藥及保健食品產品 – 主要於中國內地及香港製造、加工及銷售傳統中藥，包括以「位元堂」品牌出售之中藥產品，以及一系列以精選藥材配以傳統配方製成之產品；
- (b) 生產及銷售西藥及保健食品產品 – 加工及銷售「珮夫人」及「珮氏」品牌之西藥產品及個人護理產品；
- (c) 物業投資 – 投資於商務物業以獲得租金收入；及
- (d) 管理及銷售農產品交易市場之物業（於完成中國農產品收購事項後於年內開始）。

管理層分開監控本集團營運分類之業績，旨在作出有關資源分配及表現評估之決定。分類表現按可報告分類之溢利／虧損作出評估，即計量經調整除稅前溢利／虧損。經調整除稅前溢利／虧損之計量與本集團除稅前溢利一致，惟其他收入及收益淨額、融資成本、按公平值經損益入賬之財務資產及負債之公平值收益／（虧損）淨額、總公司及企業收入及開支以及分佔聯營公司溢利及虧損均不計入有關計量。

各分類間之銷售及轉撥乃經參考向第三方銷售所採用之售價並按當時現行市價進行。

# Notes to Financial Statements

## 財務報表附註

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### 4. Operating Segment Information (continued)

#### Segment revenue and results Year ended 31 March

### 4. 營運分類資料(續)

#### 分類收益及業績 截至三月三十一日止年度

|   |                                 | Production and sale of Chinese pharmaceutical and health food products<br>生產及銷售中藥及保健食品產品 |                 | Production and sale of Western pharmaceutical and health food products<br>生產及銷售西藥及保健食品產品 |                 | Property investment<br>物業投資 |               | Management and sale of properties in agricultural produce exchange markets<br>管理及銷售農產品交易市場之物業 |          | Eliminations<br>對銷 |          | Total<br>總計      |                  |
|---|---------------------------------|--|-----------------|--|-----------------|-----------------------------|---------------|---|----------|--------------------|----------|------------------|------------------|
|   |                                 | 2020   | 2019            | 2020   | 2019            | 2020                        | 2019          | 2020  | 2019     | 2020               | 2019     | 2020             | 2019             |
|   |                                 | HK\$'000   | HK\$'000        | HK\$'000   | HK\$'000        | HK\$'000                    | HK\$'000      | HK\$'000  | HK\$'000 | HK\$'000           | HK\$'000 | HK\$'000         | HK\$'000         |
|   |                                 | 千港元  | 千港元             | 千港元  | 千港元             | 千港元                         | 千港元           | 千港元   | 千港元      | 千港元                | 千港元      | 千港元              | 千港元              |
| <b>Segment revenue:</b>   | <b>分類收益：</b>                    |  |                 |  |                 |                             |               |   |          |                    |          |                  |                  |
| Sales to external customers   | 銷售予外界客戶                         | 467,020  | 624,744         | 100,306  | 115,953         | 9,249                       | 10,746        | 44,166  | -        | -                  | -        | 620,741          | 751,443          |
| Intersegment sales  | 分類間銷售                           | 362  | 87              | -  | -               | 13,012                      | 13,883        | -   | -        | (13,374)           | (13,970) | -                | -                |
| Total   | 總計                              | 467,382  | 624,831         | 100,306  | 115,953         | 22,261                      | 24,629        | 44,166  | -        | (13,374)           | (13,970) | 620,741          | 751,443          |
| <b>Segment results</b>  | <b>分類業績</b>                     | <b>(180,127)</b>   | <b>(64,924)</b> | <b>(34,603)</b>  | <b>(75,419)</b> | <b>(84,341)</b>             | <b>35,429</b> | <b>5,071</b>  | <b>-</b> | <b>-</b>           | <b>-</b> | <b>(294,000)</b> | <b>(104,914)</b> |
| Other income and gains, net   | 其他收入及收益，淨額                      |  |                 |  |                 |                             |               |   |          |                    |          | 498,048          | 115,671          |
| Unallocated income and expense, net   | 未分配收入及開支，淨額                     |  |                 |  |                 |                             |               |   |          |                    |          | (44,589)         | 52,510           |
| Finance costs   | 融資成本                            |  |                 |  |                 |                             |               |   |          |                    |          | (56,697)         | (28,553)         |
| Fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, net | 按公平值經損益入賬之財務資產及負債之公平值收益/(虧損)，淨額 |  |                 |  |                 |                             |               |   |          |                    |          | (7,323)          | 593              |
| Share of profits and losses of associates   | 分佔聯營公司溢利及虧損                     |  |                 |  |                 |                             |               |   |          |                    |          | 15,177           | 46,387           |
| Profit before tax   | 除稅前溢利                           |  |                 |  |                 |                             |               |   |          |                    |          | 110,616          | 81,694           |
| Income tax expense  | 所得稅開支                           |  |                 |  |                 |                             |               |   |          |                    |          | (17,199)         | (7,448)          |
| Profit for the year   | 年度溢利                            |  |                 |  |                 |                             |               |   |          |                    |          | 93,417           | 74,246           |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 4. Operating Segment Information (continued)

Other segment information  
Year ended 31 March

### 4. 營運分類資料(續)

其他分類資料  
截至三月三十一日止年度

|   |                                  | Production and sale of Chinese pharmaceutical and health food products<br>生產及銷售中藥及保健食品產品 |          | Production and sale of Western pharmaceutical and health food products<br>生產及銷售西藥及保健食品產品 |          | Property investment<br>物業投資 |          | Management and sale of properties in agricultural produce exchange markets<br>管理及銷售農產品交易市場之物業 |          | Unallocated<br>未分配 |          | Total<br>總計 |          |
|---|----------------------------------|--|----------|--|----------|-----------------------------|----------|---|----------|--------------------|----------|-------------|----------|
|   |                                  | 2020   | 2019     | 2020   | 2019     | 2020                        | 2019     | 2020  | 2019     | 2020               | 2019     | 2020        | 2019     |
|   |                                  | HK\$'000   | HK\$'000 | HK\$'000   | HK\$'000 | HK\$'000                    | HK\$'000 | HK\$'000  | HK\$'000 | HK\$'000           | HK\$'000 | HK\$'000    | HK\$'000 |
|   |                                  | 千港元  | 千港元      | 千港元  | 千港元      | 千港元                         | 千港元      | 千港元   | 千港元      | 千港元                | 千港元      | 千港元         | 千港元      |
| <b>Other segment information:</b>   | <b>其他分類資料:</b>                   |  |          |  |          |                             |          |   |          |                    |          |             |          |
| Interest income   | 利息收入                             | -  | -        | -  | -        | -                           | -        | -   | -        | (76,849)           | (95,939) | (76,849)    | (95,939) |
| Capital expenditure (note)  | 資本開支(附註)                         | 7,061  | 13,688   | 989  | 1,642    | -                           | 350,000  | 3,705   | -        | -                  | 70       | 11,755      | 365,400  |
| Provisional gain on bargain purchase  | 議價購買之暫定收益                        | -  | -        | -  | -        | -                           | -        | -   | -        | (230,844)          | -        | (230,844)   | -        |
| Depreciation  | 折舊                               | 85,711   | 32,925   | 11,473   | 11,410   | 7,565                       | 5,474    | 2,500   | -        | 5,425              | 1,514    | 112,674     | 51,323   |
| Fair value losses/(gains) on financial assets and liabilities at fair value through profit or loss, net | 按公平值經損益入賬之財務資產及負債之公平值虧損/(收益), 淨額 | -  | -        | -  | -        | -                           | -        | (1,403)   | -        | 8,726              | (593)    | 7,323       | (593)    |
| Fair value losses/(gains) on owned investment properties, net   | 自用投資物業之公平值虧損/(收益), 淨額            | -  | -        | -  | -        | 95,490                      | (17,445) | 3,708   | -        | -                  | -        | 99,198      | (17,445) |
| Fair value losses on sub-leased investment properties   | 分租投資物業之公平值虧損                     | -  | -        | -  | -        | -                           | -        | 662   | -        | -                  | -        | 662         | -        |
| Gain on disposal/redemption of debt investments at fair value through other comprehensive income        | 出售/贖回按公平值經其他全面收益入賬之債務投資之收益       | -  | -        | -  | -        | -                           | -        | -   | -        | (100,078)          | (1,179)  | (100,078)   | (1,179)  |
| Loss/(gain) on disposal of items of property, plant and equipment, net                                  | 出售物業、廠房及設備項目之虧損/(收益), 淨額         | 101  | -        | -  | -        | (56,407)                    | -        | -   | -        | -                  | 4        | (56,306)    | 4        |
| Gain on disposal of an investment property  | 出售一項投資物業之收益                      | -  | -        | -  | -        | (7,464)                     | -        | -   | -        | -                  | -        | (7,464)     | -        |
| Impairment losses/(reversal of impairment losses) on financial assets, net                              | 財務資產減值虧損/(減值虧損撥回), 淨額            | 9,200  | 1,706    | (201)  | (980)    | -                           | -        | 215   | -        | 6,799              | (83,493) | 16,013      | (82,767) |
| Impairment of goodwill  | 商譽減值                             | -  | 7,700    | -  | -        | -                           | -        | -   | -        | -                  | -        | -           | 7,700    |
| Impairment losses/(reversal of impairment losses) on items of property, plant and equipment             | 物業、廠房及設備項目減值虧損/(減值虧損撥回)          | 75,615   | 1,205    | 6,198  | -        | -                           | (2,700)  | -   | -        | -                  | -        | 81,813      | (1,495)  |
| Impairment of investment in an associate  | 於一間聯營公司之投資減值                     | -  | -        | -  | -        | -                           | -        | -   | -        | 8,737              | -        | 8,737       | -        |
| Investments in associates   | 於聯營公司之投資                         | -  | -        | -  | -        | -                           | -        | -   | -        | 314,033            | 329,584  | 314,033     | 329,584  |
| Share of profits and losses of associates, net  | 分佔聯營公司溢利及虧損, 淨額                  | -  | -        | -  | -        | -                           | -        | -   | -        | (15,177)           | (46,387) | (15,177)    | (46,387) |
| Allowance for obsolete inventories  | 陳舊存貨撥備                           | 5,602  | 6,170    | 3,965  | 3,284    | -                           | -        | -   | -        | -                  | -        | 9,567       | 9,454    |

Note: Capital expenditure includes additions to investment properties and property, plant and equipment (excluding the addition of right-of-use assets and assets from business combination).

附註: 資本開支包括新增之投資物業及物業、廠房及設備(不包括新增之使用權資產及業務合併所得資產)。



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 4. Operating Segment Information (continued)

#### Geographical information

##### (a) Revenue from external customers

|                |      | 2020           | 2019     |
|----------------|------|----------------|----------|
|                |      | 二零二零年          | 二零一九年    |
|                |      | HK\$'000       | HK\$'000 |
|                |      | 千港元            | 千港元      |
| Hong Kong      | 香港   | 438,484        | 557,749  |
| Mainland China | 中國內地 | 149,810        | 156,925  |
| Macau          | 澳門   | 29,951         | 32,005   |
| Others         | 其他   | 2,496          | 4,764    |
|                |      | <b>620,741</b> | 751,443  |

The revenue information above is based on the locations of the customers.

### 4. 營運分類資料(續)

#### 地區資料

##### (a) 來自外界客戶之收益

上述收益資料乃按客戶所在地區劃分。

##### (b) Non-current assets

|                |      | 2020             | 2019      |
|----------------|------|------------------|-----------|
|                |      | 二零二零年            | 二零一九年     |
|                |      | HK\$'000         | HK\$'000  |
|                |      | 千港元              | 千港元       |
| Hong Kong      | 香港   | 1,467,357        | 1,746,008 |
| Mainland China | 中國內地 | 2,997,925        | 98,504    |
| Macau          | 澳門   | 14,482           | 395       |
|                |      | <b>4,479,764</b> | 1,844,907 |

The non-current assets information above is based on the locations of the assets and excluded financial instruments and deferred tax assets.

##### (b) 非流動資產

上述非流動資產資料乃按資產所在地區劃分，且不包括金融工具及遞延稅項資產。

#### Information about major customers

During the years ended 31 March 2020 and 2019, no revenue from transactions with a single external customer amounted to 10% or more of the total revenue of the Group.

#### 有關主要客戶之資料

截至二零二零年及二零一九年三月三十一日止年度，並無來自與單一外界客戶交易之收益為本集團收益總額的10%或以上。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net

An analysis of the Group's revenue is as follows:

### 5. 收益及其他收入及收益，淨額

本集團之收益分析如下：

|   |                 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| <b>Revenue from contracts with customers</b>                    | 來自客戶合約之收益       | <b>585,040</b>                   | 740,697                          |
| <b>Revenue from other sources</b>                               | 來自其他來源之收益       |                                  |                                  |
| Gross rental income from investment properties operating leases | 投資物業經營租賃之租金收入總額 | <b>35,701</b>                    | 10,746                           |
|   |                 | <b>620,741</b>                   | 751,443                          |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net (continued)

#### Revenue from contracts with customers

#### (i) Disaggregated revenue information For the year ended 31 March 2020

Segments

|  |                | Production and sale of Chinese pharmaceutical and health food products<br>生產及銷售中藥及保健食品產品<br>HK\$'000<br>千港元 | Production and sale of Western pharmaceutical and health food products<br>生產及銷售西藥及保健食品產品<br>HK\$'000<br>千港元 | Management and sale of properties in agricultural produce exchange markets<br>管理及銷售農產品交易市場之物業<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|----------------|---|---|--|--------------------------------|
| <b>Types of goods or services</b>                              | <b>貨物或服務類別</b> |   |   |  |                                |
| - Sale of goods  | - 銷售貨物         | 465,166   | 100,306   | 3,484  | 568,956                        |
| - Management and promotion services                            | - 管理及宣傳服務      | 1,854   | -   | -  | 1,854                          |
| - Commission income from agricultural produce exchange markets | - 農產品交易市場之佣金收入 | -   | -   | 5,618  | 5,618                          |
| - Agricultural produce exchange markets ancillary services     | - 農產品交易市場之配套服務 | -   | -   | 8,612  | 8,612                          |
| Total revenue from contracts with customers                    | 來自客戶合約之收益總額    | 467,020   | 100,306   | 17,714*  | 585,040                        |
| <b>Geographical markets</b>                                    | <b>地區市場</b>    |   |   |  |                                |
| Hong Kong  | 香港             | 379,421   | 49,814  | -  | 429,235                        |
| Mainland China   | 中國內地           | 62,827  | 42,817  | 17,714   | 123,358                        |
| Macau  | 澳門             | 23,495  | 6,456   | -  | 29,951                         |
| Others   | 其他             | 1,277   | 1,219   | -  | 2,496                          |
| Total revenue from contracts with customers                    | 來自客戶合約之收益總額    | 467,020   | 100,306   | 17,714*  | 585,040                        |
| <b>Timing of revenue recognition</b>                           | <b>收益確認時間</b>  |   |   |  |                                |
| Goods or services transferred at a point in time               | 於某一時間點轉移貨物     | 465,166   | 100,306   | 9,102  | 574,574                        |
| Services transferred over time                                 | 隨時間經過轉移服務      | 1,854   | -   | 8,612  | 10,466                         |
| Total revenue from contracts with customers                    | 來自客戶合約之收益總額    | 467,020   | 100,306   | 17,714*  | 585,040                        |

\* Gross rental income from investment properties operating leases of HK\$26,452,000 (2019: Nil) was included in management and sale of properties in agricultural produce exchange markets segment.

### 5. 收益及其他收入及收益，淨額(續)

#### 來自客戶合約之收益

#### (i) 分拆收益資料 截至二零二零年三月三十一日止 年度 分類

\* 投資物業經營租賃之租金收入總額26,452,000港元(二零一九年：無)計入管理及銷售農產品交易市場之物業分類。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net (continued)

### 5. 收益及其他收入及收益，淨額(續)

#### Revenue from contracts with customers (continued)

#### 來自客戶合約之收益(續)

#### (i) Disaggregated revenue information (continued) For the year ended 31 March 2019

#### (i) 分拆收益資料(續) 截至二零一九年三月三十一日止 年度 分類

Segments

|  |                | Production and<br>sale of Chinese<br>pharmaceutical<br>and health food<br>products<br>生產及銷售中藥<br>及保健食品產品<br>HK\$'000<br>千港元 | Production and<br>sale of Western<br>pharmaceutical<br>and health food<br>products<br>生產及銷售西藥<br>及保健食品產品<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|----------------|---|---|--------------------------------|
| <b>Types of goods or services</b>              | <b>貨物或服務類別</b> |   |   |                                |
| Sale of goods                                  | 銷售貨物           | 623,448   | 115,953   | 739,401                        |
| Management and<br>promotion services           | 管理及宣傳服務        | 1,296   | –   | 1,296                          |
| Total revenue from contracts<br>with customers | 來自客戶合約之收益總額    | 624,744   | 115,953   | 740,697                        |
| <b>Geographical markets</b>                    | <b>地區市場</b>    |   |   |                                |
| Hong Kong                                      | 香港             | 502,639   | 44,364  | 547,003                        |
| Mainland China                                 | 中國內地           | 95,716  | 61,209  | 156,925                        |
| Macau  | 澳門             | 23,891  | 8,114   | 32,005                         |
| Others   | 其他             | 2,498   | 2,266   | 4,764                          |
| Total revenue from contracts<br>with customers | 來自客戶合約之收益總額    | 624,744   | 115,953   | 740,697                        |
| <b>Timing of revenue recognition</b>           | <b>收益確認時間</b>  |   |   |                                |
| Goods transferred at a point in<br>time        | 於某一時間點轉移貨物     | 623,448   | 115,953   | 739,401                        |
| Services transferred over time                 | 隨時間經過轉移服務      | 1,296   | –   | 1,296                          |
| Total revenue from contracts<br>with customers | 來自客戶合約之收益總額    | 624,744   | 115,953   | 740,697                        |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net (continued)

#### Revenue from contracts with customers (continued)

##### (i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

#### For the year ended 31 March 2020

Segments

|  |             | Production and<br>sale of Chinese<br>pharmaceutical<br>and health<br>food products<br>生產及銷售中藥<br>及保健食品產品<br>HK\$'000<br>千港元 | Production and<br>sale of Western<br>pharmaceutical<br>and health<br>food products<br>生產及銷售西藥<br>及保健食品產品<br>HK\$'000<br>千港元 | Management<br>and sale of<br>properties in<br>agricultural<br>produce<br>exchange<br>markets<br>管理及銷售農產品<br>交易市場之物業<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-------------|---|---|--|--------------------------------|
| <b>Revenue from contracts with customers</b> | 來自客戶合約之收益   |   |   |  |                                |
| External customers                           | 外界客戶        | 467,020   | 100,306   | 17,714   | 585,040                        |
| Intersegment sales                           | 分類間銷售       | 362   | -   | -  | 362                            |
| <b>Segment revenue</b>                       | 分類收益        | <b>467,382</b>  | <b>100,306</b>  | <b>17,714</b>  | <b>585,402</b>                 |
| Intersegment adjustments and eliminations    | 分類間調整及對銷    | (362)   | -   | -  | (362)                          |
| Total revenue from contracts with customers  | 來自客戶合約之收益總額 | <b>467,020</b>  | <b>100,306</b>  | <b>17,714*</b>   | <b>585,040</b>                 |

### 5. 收益及其他收入及收益，淨額(續)

#### 來自客戶合約之收益(續)

##### (i) 分拆收益資料(續)

下文載列來自客戶合約之收益與分類資料所披露金額的對賬：

#### 截至二零二零年三月三十一日止

年度

分類



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net (continued)

#### Revenue from contracts with customers (continued)

#### (i) Disaggregated revenue information (continued) For the year ended 31 March 2019

Segments

|  | Production and sale of Chinese pharmaceutical and health food products<br>生產及銷售中藥及保健食品產品<br>HK\$'000<br>千港元 | Production and sale of Western pharmaceutical and health food products<br>生產及銷售西藥及保健食品產品<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|---|---|--------------------------------|
|--|---|---|--------------------------------|

#### Revenue from contracts with customers 來自客戶合約之收益

|   |             |                |                |                |
|---|-------------|----------------|----------------|----------------|
| External customers                          | 外界客戶        | 624,744        | 115,953        | 740,697        |
| Intersegment sales                          | 分類間銷售       | 87             | –              | 87             |
| <b>Segment revenue</b>                      | <b>分類收益</b> | <b>624,831</b> | <b>115,953</b> | <b>740,784</b> |
| Intersegment adjustments and eliminations   | 分類間調整及對銷    | (87)           | –              | (87)           |
| Total revenue from contracts with customers | 來自客戶合約之收益總額 | 624,744        | 115,953        | 740,697        |

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:

下表顯示於本報告期間收益確認之金額，其於報告期初計入合約負債，以及就過往期間完成之履約責任確認：

|  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------------------------|----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: |                                  |                                  |
| Sale of goods  | 7,098                            | 7,434                            |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 5. Revenue and Other Income and Gains, Net (continued)

#### Revenue from contracts with customers (continued)

##### (ii) Performance obligations

The following information about the Group's performance obligations is summarised below:

##### *Sale of goods*

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 7 to 120 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

##### *Management, promotion and property ancillary services*

The performance obligation is satisfied over time as services are rendered.

##### *Commission income from agricultural produce exchange markets*

The performance obligation is satisfied upon the completion of the related sales transactions.

##### *Sales of properties*

The performance obligation is satisfied when the physical possession and/or the legal title of the property is obtained by the purchaser.

### 5. 收益及其他收入及收益，淨額(續)

#### 來自客戶合約之收益(續)

##### (ii) 履行責任

有關本集團履行責任的資料概述如下：

##### *銷售貨物*

銷售貨物於交付時達成履約責任，且付款通常於交付後7至120日到期，惟新客戶除外，其通常須提前付款。部分合約向客戶提供退貨權，而其產生的可變代價須受限制。

##### *管理、宣傳及物業配套服務*

服務於提供時達成履約責任。

##### *農產品交易市場之佣金收入*

履約責任於完成相關銷售交易後履行。

##### *銷售物業*

履約責任乃於買方取得物業的實際支配及/或法定業權時履行。

# Notes to Financial Statements

## 財務報表附註

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### 5. Revenue and Other Income and Gains, Net (continued) 5. 收益及其他收入及收益，淨額(續)

|  |  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--|----------------------------------|----------------------------------|
| <b>Other income</b>  | <b>其他收入</b>                            |                                  |                                  |
| Interest income on loan receivables  | 應收貸款之利息收入                              | <b>9,922</b>                     | 4,203                            |
| Interest income on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income | 按公平值經損益入賬之財務資產及按公平值經其他全面收益入賬之財務資產之利息收入 | <b>61,386</b>                    | 90,528                           |
| Finance income on net investments in subleases   | 分租投資淨額之財務收入                            | <b>1,059</b>                     | –                                |
| Interest income on bank deposits   | 銀行存款利息收入                               | <b>5,541</b>                     | 1,208                            |
| Dividends from financial assets at fair value through other comprehensive income   | 來自按公平值經其他全面收益入賬之財務資產之股息                | <b>4,371</b>                     | 3,145                            |
| Sub-lease rental income  | 分租租金收入                                 | –                                | 13,075                           |
| Rental income from other properties  | 來自其他物業之租金收入                            | <b>12,636</b>                    | –                                |
| The PRC government subsidies*  | 中國政府補貼*                                | <b>3,531</b>                     | –                                |
| Others   | 其他                                     | <b>4,910</b>                     | 2,333                            |
|  |  | <b>103,356</b>                   | 114,492                          |
| <b>Gains, net</b>  | <b>收益，淨額</b>                           |                                  |                                  |
| Provisional gain on bargain purchase (note 38)   | 議價購買之暫定收益(附註38)                        | <b>230,844</b>                   | –                                |
| Gain on disposal of items of property, plant and equipment, net  | 出售物業、廠房及設備項目之收益，淨額                     | <b>56,306</b>                    | –                                |
| Gain on disposal of an investment property   | 出售一項投資物業之收益                            | <b>7,464</b>                     | –                                |
| Gain on disposal/redemption of financial assets at fair value through other comprehensive income, net  | 出售／贖回按公平值經其他全面收益入賬之財務資產之收益，淨額          | <b>100,078</b>                   | 1,179                            |
|  |  | <b>394,692</b>                   | 1,179                            |
| Other income and gains, net  | 其他收入及收益，淨額                             | <b>498,048</b>                   | 115,671                          |

\* The PRC government subsidies represent subsidies granted to the Group by the local governmental authority in mainland China for the business support on its investments in an agricultural produce exchange market in mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

\* 中國政府補貼乃指本集團獲中國內地當地政府機關授予之補貼，以作為其於中國內地投資農產品交易市場之業務支持。並無有關授予該等補貼之未達成條件或然事項。

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## 財務報表附註

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### 6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利

本集團之除稅前溢利於扣除／(計入)下列各項後入賬：

|  | Notes  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--|----------------------------------|----------------------------------|
|  | 附註   |                                  |                                  |
| Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK\$9,567,000 (2019: HK\$9,454,000)) | 確認為開支之存貨成本(包括陳舊存貨撥備9,567,000港元(二零一九年：9,454,000港元)) | <b>323,996</b>                   | 449,915                          |
| Cost of services provided  | 所提供服務之成本   | <b>15,169</b>                    | –                                |
| Research and development costs   | 研究及開發成本  | <b>10,843</b>                    | 7,902                            |
| Lease payments under operating leases in respect of land and buildings:  | 土地及樓宇經營租賃下的租賃付款：                                   |                                  |                                  |
| Minimum lease payments   | 最低租賃付款   | –                                | 77,205                           |
| Contingent rents   | 或然租金   | –                                | 10,441                           |
| Lease payments not included in the measurement of lease liabilities  | 未計入租賃負債計量之租賃付款                                     | <b>15,448</b>                    | –                                |
| Auditor's remuneration   | 核數師酬金  | <b>4,700</b>                     | 6,000                            |
| Depreciation of owned assets   | 所擁有資產折舊  | <b>50,768</b>                    | 51,323                           |
| Depreciation of right-of-use assets  | 使用權資產折舊  | <b>61,906</b>                    | –                                |
|  |  | <b>112,674</b>                   | 51,323                           |
| Employee benefit expense (excluding directors' remuneration (note 8)):   | 僱員福利開支(不包括董事酬金(附註8))：                              |                                  |                                  |
| Wages and salaries and other benefits  | 工資、薪金及其他福利   | <b>166,098</b>                   | 163,315                          |
| Pension scheme contributions   | 退休金計劃供款  | <b>9,458</b>                     | 11,831                           |
|  |  | <b>175,556</b>                   | 175,146                          |
| Foreign exchange differences, net  | 匯兌差額，淨額  | <b>638</b>                       | 3,723                            |
| Impairment losses/(reversal of impairment losses) on financial assets, net:  | 財務資產減值虧損／(減值虧損撥回)，淨額：                              |                                  |                                  |
| Impairment losses on trade receivables, net  | 貿易應收款項減值虧損，淨額                                      | <b>9,167</b>                     | 726                              |
| Impairment losses on financial assets included in prepayments, deposits and other receivables                                      | 計入預付款項、按金及其他應收款項之財務資產減值虧損                          | <b>30</b>                        | –                                |
| Impairment losses/(reversal of impairment losses) on debt investments at fair value through other comprehensive income, net        | 按公平值經其他全面收益入賬之債務投資減值虧損／(減值虧損撥回)，淨額                 | <b>10,165</b>                    | (80,353)                         |
| Reversal of impairment losses on loans and interest receivables, net   | 應收貸款及利息減值虧損撥回，淨額                                   | <b>(3,349)</b>                   | (3,140)                          |
|  |  | <b>16,013</b>                    | (82,767)                         |

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## 財務報表附註

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### 6. Profit Before Tax (continued)

The Group's profit before tax is arrived at after charging/(crediting):  
(continued)

### 6. 除稅前溢利(續)

本集團之除稅前溢利於扣除/(計入)下列各項後入賬：(續)

|  |                              |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------------------|-------------|----------------------------------|----------------------------------|
|  |                              | Notes<br>附註 |                                  |                                  |
| Gross rental income  | 租金收入總額                       | 5           | (48,337)                         | (10,746)                         |
| Less: direct outgoing expense  | 減：直接支出                       |             | 289                              | 491                              |
|  |                              |             | <b>(48,048)</b>                  | <b>(10,255)</b>                  |
| Gain on bargain purchase of additional equity interests in an associate*                           | 議價收購一間聯營公司之額外股權之收益*          | 17(b)       | -                                | 38,026                           |
| Loss/(gain) on disposal of items of property, plant and equipment, net                             | 出售物業、廠房及設備項目之虧損/(收益)·淨額      |             | (56,306)                         | 4                                |
| Loss on disposal of subsidiaries**   | 出售附屬公司之虧損**                  | 40          | 2,937                            | -                                |
| Impairment of goodwill**   | 商譽減值**                       | 16          | -                                | 7,700                            |
| Impairment of investment in an associate**   | 於一間聯營公司之投資減值**               | 17          | 8,737                            | -                                |
| Impairment losses/(reversal of impairment losses) on items of property, plant and equipment, net** | 物業、廠房及設備項目減值虧損/(減值虧損撥回)·淨額** | 13          | 81,813                           | (1,495)                          |
| Fair value losses on sub-leased investment properties***   | 分租投資物業之公平值虧損***              | 14          | 662                              | -                                |

\* The gain for the year ended 31 March 2019 was included in "Share of profits and losses of associates" in the consolidated statement of profit or loss and other comprehensive income.

\*\* These expenses are included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\*\* These expenses are included in "Cost of services provided" above.

\* 截至二零一九年三月三十一日止年度之收益計入綜合損益及其他全面收益表內之「分佔聯營公司溢利及虧損」。

\*\* 該等開支計入綜合損益及其他全面收益表內之「其他開支」。

\*\*\* 該等開支計入上文「所提供服務之成本」。



# Notes to Financial Statements

## 財務報表附註

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### 7. Finance Costs

An analysis of finance costs is as follows:

|   |                                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------------------------------|----------------------------------|----------------------------------|
| Interest on bank and other borrowings   | 銀行及其他借貸之利息                           | 39,175                           | 28,553                           |
| Interest on lease liabilities   | 租賃負債之利息                              | 5,648                            | –                                |
| Interest on unsecured bonds and notes   | 無抵押債券及票據之利息                          | 3,295                            | –                                |
| Interest on Promissory Notes<br>(as thereinafter defined in note 29)<br>included in other payables and accruals | 計入其他應付款項及應計費用之承兌票據<br>(定義見下文附註29)之利息 | 3,917                            | –                                |
| Interest on convertible notes   | 可換股票據之利息                             | 4,662                            | –                                |
|   |                                      | <b>56,697</b>                    | 28,553                           |

### 8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by the Stock Exchange, 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:

|   |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Fees                                      | 袍金          | 756                              | 756                              |
| Other emoluments for executive directors: | 執行董事之其他酬金：  |                                  |                                  |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益  | 14,906                           | 15,200                           |
| Performance-related bonuses*              | 按表現發放之相關花紅* | 2,969                            | 2,308                            |
| Pension scheme contributions              | 退休金計劃供款     | 92                               | 90                               |
|   |             | <b>17,967</b>                    | 17,598                           |
|   |             | <b>18,723</b>                    | 18,354                           |

\* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Group's operating results, individual performance of the directors and comparable market statistics during the year.

### 7. 融資成本

融資成本之分析如下：

### 8. 董事酬金

根據聯交所頒佈的聯交所證券上市規則（「上市規則」）、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司（披露董事利益資料）規例第二部披露年內的董事酬金如下：

\* 本公司若干執行董事有權享有花紅，而花紅乃參考年內本集團經營業績、董事個別表現及可供比較之市場統計數字所釐定。

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## 8. Directors' Remuneration (continued)

The remuneration paid to executive directors and independent non-executive directors during the year was as follows:

## 8. 董事酬金(續)

年內，已付執行董事及獨立非執行董事之酬金如下：

|   |              | Fees            | Salaries,<br>allowances<br>and benefits<br>in kind | Performance-<br>related<br>bonuses | Pension<br>scheme<br>contributions | Total<br>remuneration |
|---|--------------|-----------------|--|------------------------------------|------------------------------------|-----------------------|
|   |              | 袍金              | 薪金、津貼<br>及實物利益                                     | 與表現掛鈎<br>之花紅                       | 退休金<br>計劃供款                        | 薪酬總額                  |
|   |              | HK\$'000<br>千港元 | HK\$'000<br>千港元                                    | HK\$'000<br>千港元                    | HK\$'000<br>千港元                    | HK\$'000<br>千港元       |
| <b>2020</b>                             | <b>二零二零年</b> |                 |  |                                    |                                    |                       |
| Executive directors:                    | 執行董事：        |                 |  |                                    |                                    |                       |
| Mr. Tang Ching Ho                       | 鄧清河先生        | -               | 11,650   | 2,963                              | 18                                 | 14,631                |
| Mr. Chan Chun Hong,<br>Thomas           | 陳振康先生        | -               | 798  | 6                                  | 20                                 | 824                   |
| Ms. Tang Mui Fun                        | 鄧梅芬女士        | -               | 1,650  | -                                  | 36                                 | 1,686                 |
| Ms. Tang Wai Man                        | 鄧蕙敏女士        | -               | 808  | -                                  | 18                                 | 826                   |
|   |              | -               | 14,906   | 2,969                              | 92                                 | 17,967                |
| Independent non-executive<br>directors: | 獨立非執行董事：     |                 |  |                                    |                                    |                       |
| Mr. Leung Wai Ho                        | 梁偉浩先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Siu Man Ho, Simon                   | 蕭文豪先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Cho Wing Mou                        | 曹永牟先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Li Ka Fai, David                    | 李家暉先生        | 204             | -  | -                                  | -                                  | 204                   |
|   |              | 756             | -  | -                                  | -                                  | 756                   |
| Total                                   | 總計           | 756             | 14,906   | 2,969                              | 92                                 | 18,723                |
| <b>2019</b>                             | <b>二零一九年</b> |                 |  |                                    |                                    |                       |
| Executive directors:                    | 執行董事：        |                 |  |                                    |                                    |                       |
| Mr. Tang Ching Ho                       | 鄧清河先生        | -               | 12,000   | 2,308                              | 18                                 | 14,326                |
| Mr. Chan Chun Hong,<br>Thomas           | 陳振康先生        | -               | 661  | -                                  | 18                                 | 679                   |
| Ms. Tang Mui Fun                        | 鄧梅芬女士        | -               | 1,699  | -                                  | 36                                 | 1,735                 |
| Ms. Tang Wai Man                        | 鄧蕙敏女士        | -               | 840  | -                                  | 18                                 | 858                   |
|   |              | -               | 15,200   | 2,308                              | 90                                 | 17,598                |
| Independent non-executive<br>directors: | 獨立非執行董事：     |                 |  |                                    |                                    |                       |
| Mr. Leung Wai Ho                        | 梁偉浩先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Siu Man Ho, Simon                   | 蕭文豪先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Cho Wing Mou                        | 曹永牟先生        | 184             | -  | -                                  | -                                  | 184                   |
| Mr. Li Ka Fai, David                    | 李家暉先生        | 204             | -  | -                                  | -                                  | 204                   |
|   |              | 756             | -  | -                                  | -                                  | 756                   |
| Total                                   | 總計           | 756             | 15,200   | 2,308                              | 90                                 | 18,354                |

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

年內，並無其他應付獨立非執行董事之酬金(二零一九年：無)。

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 March 2020 and 2019.

截至二零二零年及二零一九年三月三十一日止年度，概無董事放棄或同意放棄任何酬金的安排。

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## 財務報表附註

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### 9. Five Highest Paid Employees

The five highest paid employees during the year included two (2019: two) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining three (2019: three) non-director, highest paid employees are as follows:

|   |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益   | 3,149                            | 2,970                            |
| Discretionary performance related bonuses | 按表現酌情發放之相關花紅 | 46                               | 134                              |
| Pension scheme contributions              | 退休金計劃供款      | 54                               | 50                               |
|   |              | <b>3,249</b>                     | 3,154                            |

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

### 9. 五名最高薪人士

年內，五位最高薪人士包括兩名(二零一九年：兩名)董事，其酬金詳情於上文附註8披露。餘下三名(二零一九年：三名)非董事最高薪人士的年內酬金詳情如下：

非董事最高薪人士之人數及酬金介乎以下範圍：

|                                |                         | Number of employees<br>僱員人數 |               |
|--------------------------------|-------------------------|-----------------------------|---------------|
|                                |                         | 2020<br>二零二零年               | 2019<br>二零一九年 |
| Nil to HK\$1,000,000           | 零至1,000,000港元           | 1                           | 1             |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 2                           | 2             |

# Notes to Financial Statements

## 財務報表附註

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### 10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

### 10. 所得稅

香港利得稅於年內按香港產生之估計應課稅溢利按稅率16.5%(二零一九年: 16.5%)作出撥備。其他地區之應課稅溢利之稅項已按本集團營運業務所在國家/司法權區的現行稅率計算。

|   |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Current – Hong Kong                           | 本期 – 香港        |                                  |                                  |
| Charge for the year                           | 本年度支出          | 1,074                            | 920                              |
| Underprovision/(overprovision) in prior years | 過往年度不足/(超額)之撥備 | (39)                             | 2,848                            |
| Current – other jurisdiction                  | 本期 – 其他司法權區    |                                  |                                  |
| Charge for the year                           | 本年度支出          | 3,406                            | –                                |
| Deferred taxation (note 33)                   | 遞延稅項(附註33)     | 12,758                           | 3,680                            |
| Total tax charge for the year                 | 本年度稅項總支出       | 17,199                           | 7,448                            |

A reconciliation of the tax expense applicable to profit before tax at the statutory/applicable rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

根據本公司及其大部份附屬公司所在司法權區的法定/適用稅率計算除稅前溢利適用的稅項開支與根據實際稅率計算的稅項開支對賬如下:

|  |                         | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Profit before tax  | 除稅前溢利                   | 110,616                          | 81,694                           |
| Tax at the statutory/applicable tax rates of different countries/jurisdictions | 按不同國家/司法權區之法定/適用稅率計算之稅項 | 17,360                           | 11,104                           |
| Adjustments in respect of current tax of previous periods                      | 就過往期間之即期稅項作出之調整         | (39)                             | 2,848                            |
| Profits and losses attributable to associates                                  | 聯營公司應佔之溢利及虧損            | (2,505)                          | (7,654)                          |
| Income not subject to tax  | 毋須課稅收入                  | (79,613)                         | (35,704)                         |
| Expenses not deductible for tax  | 不可扣稅開支                  | 33,523                           | 16,606                           |
| Tax losses utilised from previous periods                                      | 運用過往期間之稅項虧損             | (43)                             | (5,224)                          |
| Tax losses not recognised  | 未確認稅項虧損                 | 38,033                           | 25,445                           |
| Utilisation of deductible temporary differences previously not recognised      | 運用過往未確認之可扣稅暫時差額         | (28)                             | –                                |
| Deductible temporary differences not recognised                                | 未確認之可扣稅暫時差額             | 813                              | 247                              |
| Impairment of deferred tax asset   | 遞延稅項資產減值                | 9,891                            | –                                |
| Effect of tax concession   | 稅務優惠之影響                 | (193)                            | (220)                            |
| Tax charge at the Group's effective rate                                       | 以本集團實際稅率計算之稅項支出         | 17,199                           | 7,448                            |

The share of tax attributable to associates amounting to HK\$1,315,000 (2019: HK\$1,339,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss and other comprehensive income.

分佔聯營公司之稅項1,315,000港元(二零一九年: 1,339,000港元), 已計入綜合損益及其他全面收益表內之「分佔聯營公司溢利及虧損」。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 11. Dividends

The board of directors does not recommend the payment of any dividends in respect of the year ended 31 March 2020 (2019: Nil).

### 12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year of 1,231,642,888 (2019: 1,248,141,518).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2020 and 2019 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

### 11. 股息

董事會不建議就截至二零二零年三月三十一日止年度派付任何股息(二零一九年：無)。

### 12. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃根據母公司普通權益持有人應佔年內溢利及年內已發行普通股的加權平均數1,231,642,888股(二零一九年：1,248,141,518股)計算。

由於未行使之購股權對呈列的每股基本盈利金額並無攤薄效果，故並無就攤薄對截至二零二零年及二零一九年三月三十一日止年度呈列的每股基本盈利金額作出調整。



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 13. Property, Plant and Equipment

### 13. 物業、廠房及設備

|  | Right-of-use assets<br>使用權資產 |           |          |  |                           |                        | Owned assets<br>所擁有資產         |                   |                    |                             |           |                | Total | Total |
|--|------------------------------|-----------|----------|--|---------------------------|------------------------|-------------------------------|-------------------|--------------------|-----------------------------|-----------|----------------|-------|-------|
|  | Leasehold<br>land            | Buildings | Total    | Leasehold<br>land and<br>buildings/<br>buildings | Leasehold<br>improvements | Plant and<br>machinery | Furniture<br>and<br>equipment | Motor<br>vehicles | Computer<br>system | Construction<br>in progress | Total     |                |       |       |
|  |                              |           |          |  |                           |                        |                               |                   |                    |                             |           | 租賃土地及<br>樓宇/樓宇 |       |       |
|  | HKS'000                      | HKS'000   | HKS'000  | HKS'000  | HKS'000                   | HKS'000                | HKS'000                       | HKS'000           | HKS'000            | HKS'000                     | HKS'000   | HKS'000        |       |       |
| 千港元  | 千港元                          | 千港元       | 千港元      | 千港元  | 千港元                       | 千港元                    | 千港元                           | 千港元               | 千港元                | 千港元                         | 千港元       |                |       |       |
| <b>Cost:</b>   | <b>成本:</b>                   |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
| At 1 April 2018  | 於二零一八年四月一日                   |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | 729,712  | 65,540                    | 71,551                 | 24,410                        | 2,185             | 15,021             | 27,527                      | 935,946   | 935,946        |       |       |
| Additions  | 添置                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | 5,460  | 4,562                     | 2,175                  | 2,136                         | -                 | 345                | 722                         | 15,400    | 15,400         |       |       |
| Acquisitions of subsidiaries that are not a business (note 39) | 收購非業務性質之附屬公司 (附註39)          |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | 259,000  | -                         | -                      | -                             | -                 | -                  | -                           | 259,000   | 259,000        |       |       |
| Assets classified as held for sale                             | 分類為持作出售的資產                   |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | (69,000)   | -                         | -                      | -                             | -                 | -                  | -                           | (69,000)  | (69,000)       |       |       |
| Written off  | 撇銷                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | -  | (930)                     | -                      | -                             | -                 | -                  | -                           | (930)     | (930)          |       |       |
| Disposal   | 出售                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | -  | (30)                      | (5)                    | (96)                          | -                 | -                  | -                           | (131)     | (131)          |       |       |
| Transfer   | 轉讓                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | -  | 3,810                     | 23,484                 | 397                           | -                 | -                  | (27,691)                    | -         | -              |       |       |
| Exchange realignment   | 匯兌調整                         |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | (8,420)  | (1,446)                   | -                      | (128)                         | (62)              | (86)               | (33)                        | (10,175)  | (10,175)       |       |       |
| At 31 March 2019 (as originally presented)                     | 於二零一九年三月三十一日 (按原先呈列)         |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | 916,752  | 71,506                    | 97,205                 | 26,719                        | 2,123             | 15,280             | 525                         | 1,130,110 | 1,130,110      |       |       |
| Effect of adoption of HKFRS 16                                 | 採納香港財務報告準則第16號的影響            |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | 213,520                      | 96,893    | 310,413  | (213,520)  | -                         | -                      | -                             | -                 | -                  | -                           | (213,520) | 96,893         |       |       |
| At 1 April 2019 (as restated)                                  | 於二零一九年四月一日(經重列)              |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | 213,520                      | 96,893    | 310,413  | 703,232  | 71,506                    | 97,205                 | 26,719                        | 2,123             | 15,280             | 525                         | 916,590   | 1,227,003      |       |       |
| Additions  | 添置                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | 58,335    | 58,335   | -  | 4,797                     | 1,358                  | 1,165                         | -                 | 730                | -                           | 8,050     | 66,385         |       |       |
| Acquisition of subsidiaries (note 38)                          | 收購附屬公司(附註38)                 |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | 12,544                       | 14,538    | 27,082   | 4,106  | 3,030                     | -                      | 31,222                        | 4,055             | 4,963              | -                           | 47,376    | 74,458         |       |       |
| Written off  | 撇銷                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | -  | (1,228)                   | -                      | (725)                         | -                 | (60)               | -                           | (2,513)   | (2,513)        |       |       |
| Disposals  | 出售                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | (25,329)                     | -         | (25,329) | (2,466)  | (16)                      | (902)                  | (11)                          | -                 | (39)               | -                           | (3,434)   | (28,763)       |       |       |
| Modification   | 修訂                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | 761       | 761      | -  | -                         | -                      | -                             | -                 | -                  | -                           | -         | 761            |       |       |
| Transfer   | 轉讓                           |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | -                            | -         | -        | -  | 529                       | -                      | -                             | -                 | -                  | (529)                       | -         | -              |       |       |
| Exchange realignment   | 匯兌調整                         |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | (376)                        | (359)     | (735)    | 479  | 49                        | -                      | (752)                         | (96)              | (117)              | 4                           | (433)     | (1,168)        |       |       |
| At 31 March 2020   | 於二零二零年三月三十一日                 |           |          |  |                           |                        |                               |                   |                    |                             |           |                |       |       |
|  | 200,359                      | 170,168   | 370,527  | 705,351  | 78,167                    | 97,661                 | 57,618                        | 6,082             | 20,757             | -                           | 965,636   | 1,336,163      |       |       |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 13. Property, Plant and Equipment (continued)

### 13. 物業、廠房及設備(續)

|   | Right-of-use assets<br>使用權資產 |          |           |          |   |          | Owned assets<br>所擁有資產  |                     |                         |          |                |                 | Total    | Total   |                          |
|---|------------------------------|----------|-----------|----------|---|----------|------------------------|---------------------|-------------------------|----------|----------------|-----------------|----------|---------|--------------------------|
|   | Leasehold land               |          | Buildings | Total    | Leasehold land and buildings/<br>buildings/<br>租賃土地及樓宇/樓宇 |          | Leasehold improvements | Plant and machinery | Furniture and equipment |          | Motor vehicles | Computer system |          |         | Construction in progress |
|   | 租賃土地                         | 樓宇       |           |          | 樓宇/樓宇   | 租賃裝修     |                        |                     | 廠房及機器                   | 傢俬及設備    |                |                 |          |         |                          |
|   | HK\$'000                     | HK\$'000 | HK\$'000  | HK\$'000 | HK\$'000  | HK\$'000 | HK\$'000               | HK\$'000            | HK\$'000                | HK\$'000 | HK\$'000       | HK\$'000        |          |         | HK\$'000                 |
| 千港元   | 千港元                          | 千港元      | 千港元       | 千港元      | 千港元   | 千港元      | 千港元                    | 千港元                 | 千港元                     | 千港元      | 千港元            | 千港元             | 千港元      |         |                          |
| <b>Accumulated depreciation and impairment:</b> | <b>累計折舊及減值：</b>              |          |           |          |   |          |                        |                     |                         |          |                |                 |          |         |                          |
| At 1 April 2018                                 | 於二零一八年四月一日                   | -        | -         | -        | 60,242  | 30,363   | 11,839                 | 13,164              | 832                     | 10,130   | -              | -               | 126,570  | 126,570 |                          |
| Provided for the year                           | 年度撥備                         | -        | -         | -        | 25,008  | 11,170   | 9,442                  | 3,832               | 345                     | 1,526    | -              | -               | 51,323   | 51,323  |                          |
| Assets classified as held for sale              | 分類為持作出售的資產                   | -        | -         | -        | (1,284)   | -        | -                      | -                   | -                       | -        | -              | -               | (1,284)  | (1,284) |                          |
| Written off                                     | 撇銷                           | -        | -         | -        | -   | (930)    | -                      | -                   | -                       | -        | -              | -               | (930)    | (930)   |                          |
| Disposal  | 出售                           | -        | -         | -        | -   | (30)     | (1)                    | (96)                | -                       | -        | -              | -               | (127)    | (127)   |                          |
| Impairment/(reversal of impairment)             | 減值/(減值撥回)                    | -        | -         | -        | (2,700)   | 921      | -                      | 284                 | -                       | -        | -              | -               | (1,495)  | (1,495) |                          |
| Exchange realignment                            | 匯兌調整                         | -        | -         | -        | (674)   | (432)    | -                      | (89)                | (52)                    | (23)     | -              | -               | (1,270)  | (1,270) |                          |
| At 31 March 2019                                | 於二零一九年三月三十一日                 | -        | -         | -        | 80,592  | 41,062   | 21,280                 | 17,095              | 1,125                   | 11,633   | -              | -               | 172,787  | 172,787 |                          |
| Effect of adoption of HKFRS 16                  | 採納香港財務報告準則第16號的影響            | 37,202   | 6,498     | 43,700   | (37,202)  | -        | -                      | -                   | -                       | -        | -              | -               | (37,202) | 6,498   |                          |
| At 1 April 2019 (as restated)                   | 於二零一九年四月一日(經重列)              | 37,202   | 6,498     | 43,700   | 43,390  | 41,062   | 21,280                 | 17,095              | 1,125                   | 11,633   | -              | -               | 135,585  | 179,285 |                          |
| Provided for the year                           | 年度撥備                         | 4,886    | 57,020    | 61,906   | 22,456  | 11,718   | 9,377                  | 4,463               | 423                     | 2,331    | -              | -               | 50,768   | 112,674 |                          |
| Written off                                     | 撇銷                           | -        | -         | -        | -   | (1,708)  | -                      | (687)               | -                       | (57)     | -              | -               | (2,452)  | (2,452) |                          |
| Disposal  | 出售                           | (8,208)  | -         | (8,208)  | (799)   | (9)      | (833)                  | (8)                 | -                       | (39)     | -              | -               | (1,688)  | (9,896) |                          |
| Impairment                                      | 減值                           | 6,235    | 59,559    | 65,794   | 11,871  | 3,778    | -                      | 370                 | -                       | -        | -              | -               | 16,019   | 81,813  |                          |
| Exchange realignment                            | 匯兌調整                         | 8        | (15)      | (7)      | (110)   | 12       | -                      | (66)                | 4                       | (34)     | -              | -               | (194)    | (201)   |                          |
| At 31 March 2020                                | 於二零二零年三月三十一日                 | 40,123   | 123,062   | 163,185  | 76,808  | 54,853   | 29,824                 | 21,167              | 1,552                   | 13,834   | -              | -               | 198,038  | 361,223 |                          |
| <b>Carrying amount:</b>                         | <b>賬面值：</b>                  |          |           |          |   |          |                        |                     |                         |          |                |                 |          |         |                          |
| At 31 March 2020                                | 於二零二零年三月三十一日                 | 160,236  | 47,106    | 207,342  | 628,543   | 23,314   | 67,837                 | 36,451              | 4,530                   | 6,923    | -              | -               | 767,598  | 974,940 |                          |
| At 31 March 2019                                | 於二零一九年三月三十一日                 | -        | -         | -        | 836,160   | 30,444   | 75,925                 | 9,624               | 998                     | 3,647    | 525            | -               | 957,323  | 957,323 |                          |

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### 13. Property, Plant and Equipment (continued)

At 31 March 2020, certain of the Group's owned buildings with an aggregate carrying amount of HK\$186,777,000 and leasehold land, which is included in right-of-use assets, with an aggregate carrying amount of HK\$118,047,000 (2019: leasehold land and buildings of HK\$398,893,000) were pledged to secure general banking facilities granted to the Group (note 31).

As at 31 March 2020, the Group had property, plant and equipment, before current year impairment, of HK\$975,105,000 (2019: HK\$1,019,679,000) relating to the Chinese Pharmaceutical CGU and Western Pharmaceutical CGU. As mentioned in note 3 to the financial statements, given that both CGUs were loss-making during the year, an impairment assessment has been performed. For the purpose of impairment assessment of property, plant and equipment, each individual retail store is identified as a separate CGU.

As a result of the impairment assessment, impairment losses of HK\$3,446,000 (2019: HK\$921,000), HK\$370,000 (2019: HK\$284,000) and HK\$59,559,000 (2019: Nil) were recognised based on value-in-use in respect of the leasehold improvements, furniture and equipment, and right-of-use assets of certain retail stores which continued to underperform during the year and were therefore fully impaired. The discount rate applied to the cash flow projections was 11.0%.

Impairment losses of HK\$11,871,000, HK\$332,000 and HK\$6,235,000 (2019: Nil) were recognised in respect of the owned buildings, leasehold improvement and right-of-use assets of the Group's manufacturing facility due to the decrease in the recoverable amount. As at 31 March 2020, the aggregate carrying amount of HK\$389,000,000 represented the aggregated recoverable amount of the owned buildings, leasehold improvement and right-of-use assets of the Group's manufacturing facility for which impairment loss has been recognised during the year. The recoverable amount was determined based on the fair value less costs of disposal based on a market approach determined by an independent professional qualified valuer which took into account current prices of properties of similar locations and conditions and other unobservable inputs, and accordingly the fair value measurement was categorised within Level 3 of the fair value hierarchy.

For the year ended 31 March 2019, a reversal of impairment losses of HK\$2,700,000 was recognised in respect of the leasehold land and buildings due to the increase in the recoverable amount of certain leasehold land and buildings. As at 31 March 2019, the aggregate recoverable amount of leasehold land and buildings of a retail store of the Group for which impairment loss has been reversed during the year ended 31 March 2019 was HK\$18,800,000. The recoverable amount was determined based on the fair value less costs of disposal based on a market approach which took into account current prices of properties of similar locations and conditions and other unobservable inputs, and accordingly the fair value measurement was categorised within Level 3 of the fair value hierarchy.

### 13. 物業、廠房及設備(續)

於二零二零年三月三十一日，本集團賬面總值186,777,000港元之若干自用樓宇及賬面總值118,047,000港元且計入使用權資產之若干租賃土地(二零一九年：賬面淨值398,893,000港元之若干土地及樓宇)，已為取得授予本集團之一般銀行信貸作出抵押(附註31)。

於二零二零年三月三十一日，本集團擁有與中藥現金產生單位以及西藥現金產生單位有關之物業、廠房及設備(扣除本年度減值前)975,105,000港元(二零一九年：1,019,679,000港元)。如財務報表附註3所述，鑒於兩個現金產生單位於年內均錄得虧損，本集團已進行減值評估。就物業、廠房及設備之減值評估而言，各個零售店均被確定為獨立的現金產生單位。

由於減值評估，已根據年內表現持續欠佳的若干零售店之租賃裝修、傢俬及設備以及使用權資產使用價值確認減值虧損3,446,000港元(二零一九年：921,000港元)、370,000港元(二零一九年：284,000港元)及59,559,000港元(二零一九年：無)，故已全面減值。現金流量預測適用之折現率為11.0%。

由於可收回金額減少，已就本集團生產設施之自用樓宇、租賃裝修以及使用權資產確認減值虧損11,871,000港元、332,000港元及6,235,000港元(二零一九年：無)。於二零二零年三月三十一日，賬面總值389,000,000港元為本集團年內已確認減值虧損的生產設施的自用樓宇、租賃裝修以及使用權資產之可收回總額。可收回金額乃按照公平值減出售成本採用獨立專業合資格估值師釐定之市場法釐定，並經考慮類似位置及條件之物業之當前價格及其他不可觀察輸入數據，因此公平值計量歸入公平值等級第三級。

於截至二零一九年三月三十一日止年度，已因若干租賃土地及樓宇的可收回金額增加而就租賃土地及樓宇確認減值虧損撥回2,700,000港元。於二零一九年三月三十一日，本集團於截至二零一九年三月三十一日止年度撥回減值虧損的一間零售店的租賃土地及樓宇之可收回總額為18,800,000港元。可收回金額乃按照公平值減出售成本採用市場法釐定，並經考慮類似位置及條件之物業之當前價格及其他不可觀察輸入數據，因此公平值計量歸入公平值等級第三級。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 14. Investment Properties

### 14. 投資物業

|   |                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Carrying amount at beginning of year                                | 年初賬面值                | 558,000                          | 503,000                          |
| Acquisition of subsidiaries (note 38)                               | 收購附屬公司(附註38)         | 2,912,560                        | –                                |
| Acquisitions of subsidiaries that are not a business (note 39)      | 收購非業務性質之附屬公司(附註39)   | –                                | 91,000                           |
| Additions during the year   | 年內添置                 | 3,705                            | –                                |
| Disposal of subsidiaries  | 出售附屬公司               | (99,800)                         | –                                |
| Disposal during the year  | 年內出售                 | (11,000)                         | –                                |
| Accrued rent-free rental income                                     | 應計免租租金收入             | (10)                             | (357)                            |
| Net gains/(losses) from fair value adjustments for owned properties | 自用物業公平值調整之收益/(虧損)淨額  | (99,198)                         | 17,445                           |
| Net losses from fair value adjustments for sub-leased properties    | 分租物業公平值調整之虧損淨額       | (662)                            | –                                |
| Exchange realignment  | 匯兌調整                 | (72,804)                         | –                                |
|   |                      | <b>3,190,791</b>                 | 611,088                          |
| Less: included in assets classified as held for sale (note 27)      | 減：計入分類為持作出售的資產(附註27) | –                                | (53,088)                         |
| Carrying amount at end of year                                      | 年末賬面值                | <b>3,190,791</b>                 | 558,000                          |

The Group's investment properties are commercial properties in Hong Kong and agricultural produce exchange markets in mainland China. The investment properties were revalued by Asset Appraisal Limited and RHL Appraisal Limited, respectively (2019: Asset Appraisal Limited), independent professionally qualified valuers, at 31 March 2020. The finance department of the Group has a team that reviews the valuation performed by the independent valuers for financial reporting purposes and reports directly to the senior management of the Company. Discussions of valuation processes and results are held between management and the valuers twice a year when the valuation is performed for interim and annual financial reporting. At the end of each reporting period, the finance department holds discussion with the independent valuers to verify major inputs to the independent valuation reports. The finance department also assesses property valuation movements when comparing to the prior year valuation reports.

The investment properties are leased to third parties under operating leases, further details of which are included in note 15 to the financial statements.

At 31 March 2020, the Group's owned investment properties with an aggregate carrying value of HK\$1,652,579,000 (2019: HK\$611,088,000) and certain rental income generated therefrom were pledged to secure the general banking facilities granted to the Group (note 31).

本集團投資物業為位於香港之商用物業及位於中國內地之農產品交易市場。於二零二零年三月三十一日，投資物業由獨立專業且合乎資格的估值師一中誠達資產評估顧問有限公司及永利行評估顧問有限公司(二零一九年：中誠達資產評估顧問有限公司)重新估值。本集團財務部門包括有關團隊審閱獨立估值師就財務申報目的所進行的估值，並直接向本公司高級管理層報告。管理層與估值師於就中期及年度財務申報進行估值的年內，一年舉行兩次有關估值程序及結果的討論。於各報告期末，財務部門與獨立估值師進行商討，以核實獨立估值報告的主要輸入數據。財務部門亦與過往年度估值報告比較，評估物業估值變動。

投資物業乃以營運租賃形式出租予第三方，其進一步詳情載於財務報表附註15。

於二零二零年三月三十一日，本集團抵押賬面總值為1,652,579,000港元(二零一九年：611,088,000港元)之自用投資物業及該等投資物業所得若干租金收入，以取得授予本集團之一般銀行信貸(附註31)。

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#### 14. Investment Properties (continued)

As at 31 March 2020, certain investment properties of the Group situated in mainland China, with an aggregate carrying amount of HK\$347,465,000 (2019: Nil), did not have the property certificates registered under the names of the respective subsidiaries of the Group.

In the opinion of the Company's directors, the risk of the Group not being able to obtain the legal titles for the relevant properties is low and the Group will continue to complete the ownership registration of the investment properties.

Further particulars of the Group's investment properties are included on page 287.

##### Fair value hierarchy

The recurring fair value measurement for all the commercial properties and agricultural produce exchange markets of the Group uses significant unobservable inputs (Level 3) and details of their movements are disclosed above.

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 (2019: Nil).

#### 14. 投資物業(續)

於二零二零年三月三十一日，本集團位於中國內地且賬面總值為347,465,000港元(二零一九年：無)之若干投資物業並未取得登記在本集團相關附屬公司名下的產權證。

本公司董事認為，本集團無法取得相關物業法定業權之風險甚低，本集團將繼續完成投資物業所有權登記事宜。

本集團投資物業的進一步詳情載於第287頁。

##### 公平值等級

本集團所有商用物業及農產品交易市場的經常性公平值計量均採用重大不可觀察輸入數據(第三級)，而其變動詳情於上文披露。

年內，第一級與第二級之間之公平值計量概無轉移，亦無轉入或轉出第三級(二零一九年：無)。



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 14. Investment Properties (continued)

#### Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

### 14. 投資物業(續)

#### 公平值等級(續)

歸類入第三級公平值等級的公平值計量之對賬：

|  |                            | Commercial properties | Agricultural produce exchange markets | Total     |
|--|----------------------------|-----------------------|---------------------------------------|-----------|
|  |                            | 商用物業                  | 農產品交易市場                               | 總計        |
|  |                            | HK\$'000              | HK\$'000                              | HK\$'000  |
|  |                            | 千港元                   | 千港元                                   | 千港元       |
| Carrying amount at 1 April 2018                                    | 於二零一八年四月一日之賬面值             | 503,000               | –                                     | 503,000   |
| Accrued rent-free rental income                                    | 應計免租租金收入                   | (357)                 | –                                     | (357)     |
| Acquisitions of subsidiaries that are not a business (note 39)     | 收購非業務性質之附屬公司(附註39)         | 91,000                | –                                     | 91,000    |
| Net gains from fair value adjustments recognised in profit or loss | 已於損益確認的公平值調整之收益淨額          | 17,445                | –                                     | 17,445    |
|  |                            | 611,088               | –                                     | 611,088   |
| Less: included in assets classified as held for sale (note 27)     | 減：計入分類為持作出售的資產(附註27)       | (53,088)              | –                                     | (53,088)  |
| Carrying amount at 31 March 2019 and 1 April 2019                  | 於二零一九年三月三十一日及二零一九年四月一日之賬面值 | 558,000               | –                                     | 558,000   |
| Accrued rent-free rental income                                    | 應計免租租金收入                   | (10)                  | –                                     | (10)      |
| Acquisition of subsidiaries (note 38)                              | 收購附屬公司(附註38)               | –                     | 2,912,560                             | 2,912,560 |
| Additions during the year  | 年內添置                       | –                     | 3,705                                 | 3,705     |
| Disposal of subsidiaries   | 出售附屬公司                     | (99,800)              | –                                     | (99,800)  |
| Disposal during the year   | 年內出售                       | (11,000)              | –                                     | (11,000)  |
| Net losses from fair value adjustments for owned properties        | 自用物業公平值調整之虧損淨額             | (95,490)              | (3,708)                               | (99,198)  |
| Net losses from fair value adjustments for sub-leased properties   | 分租物業公平值調整之虧損淨額             | –                     | (662)                                 | (662)     |
| Exchange realignment   | 匯兌調整                       | –                     | (72,804)                              | (72,804)  |
| Carrying amount at 31 March 2020                                   | 於二零二零年三月三十一日之賬面值           | 351,700               | 2,839,091                             | 3,190,791 |

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## 14. Investment Properties (continued)

### Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

|   | Valuation technique<br>估值技術                                    | Significant unobservable input<br>重大不可觀察輸入數據                                | Range<br>範圍  |  |
|---|--|---|--|--|
|   |  |   | 2020<br>二零二零年  | 2019<br>二零一九年  |
| Commercial properties<br>商用物業                       | Direct comparison method<br>直接比較法                              | Price per square foot<br>每平方米呎價格  | <b>HK\$68,000 to<br/>HK\$116,000<br/>68,000港元至<br/>116,000港元</b> | HK\$66,000 to<br>HK\$148,000<br>66,000港元至<br>148,000港元 |
| Agricultural produce<br>exchange markets<br>農產品交易市場 | Direct comparison method<br>and investment method<br>直接比較法及投資法 | Price per square foot<br>每平方米呎價格  | <b>HK\$280 to<br/>HK\$339<br/>280港元至<br/>339港元</b>               | N/A<br>不適用   |
|   |  | Estimated rental value per<br>square foot and<br>per month<br>每月每平方米呎估計租金價值 | <b>HK\$84 to<br/>HK\$991<br/>84港元至<br/>991港元</b>                 | N/A<br>不適用   |
|   |  | Capitalisation rate<br>資本化率   | <b>7% to 9%<br/>7%至9%</b>  | N/A<br>不適用   |

As at 31 March 2020, the valuations of investment properties were based on either the investment method which capitalises the rent receivables from the existing tenancies and the potential reversionary market rent of the properties or the direct comparison method by reference to comparable market transactions.

A significant increase/(decrease) in the price per square foot in isolation would result in a significantly higher/(lower) fair value of the investment properties. A significant increase/(decrease) in the estimated rental value per square foot in isolation would result in a significantly higher/(lower) fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

## 14. 投資物業(續)

### 公平值等級(續)

以下為投資物業估值所採用之估值方法及主要輸入數據之概要：

於二零二零年三月三十一日，投資物業乃根據投資法(即將物業的現行租賃應收之租金及潛在復歸市場租金資本化)或直接比較法(即參考可資比較市場交易)進行估值。

每平方米呎價格單獨大幅上升/(下降)，會導致投資物業公平值大幅增加/(減少)。估計每平方米呎租金價值單獨大幅上升/(下降)，會導致投資物業公平值大幅增加/(減少)。資本化率單獨大幅上升/(下降)，會導致投資物業公平值大幅減少/(增加)。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 15. Leases

#### The Group as a lessee

The Group has lease contracts for various items of leasehold land, buildings and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 32 to 68 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties generally have lease terms of 6 years, while retail shops generally have lease terms between 2 and 4 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 several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

|   |                                 | Leasehold<br>land | Buildings | Total    |
|---|---------------------------------|-------------------|-----------|----------|
|   |                                 | 租賃土地              | 樓宇        | 總計       |
|   |                                 | HK\$'000          | HK\$'000  | HK\$'000 |
|   |                                 | 千港元               | 千港元       | 千港元      |
| As at 1 April 2019<br>(upon adoption of HKFRS 16)       | 於二零一九年四月一日(採納香港財務<br>報告準則第16號後) | 176,318           | 90,395    | 266,713  |
| New leases  | 新訂租賃                            | –                 | 58,335    | 58,335   |
| Additions as a result of acquisition<br>of subsidiaries | 因收購附屬公司而添置                      | 12,544            | 14,538    | 27,082   |
| Depreciation charge                                     | 折舊開支                            | (4,886)           | (57,020)  | (61,906) |
| Disposal  | 出售                              | (17,121)          | –         | (17,121) |
| Impairment  | 減值                              | (6,235)           | (59,559)  | (65,794) |
| Lease modification                                      | 租賃修訂                            | –                 | 761       | 761      |
| Exchange realignment                                    | 匯兌調整                            | (384)             | (344)     | (728)    |
| As at 31 March 2020                                     | 於二零二零年三月三十一日                    | 160,236           | 47,106    | 207,342  |

### 15. 租賃

#### 本集團作為承租人

本集團訂有供營運使用之各項租賃土地以及樓宇及設備之租賃合約。本集團已提前作出一次性付款以向業主收購租賃土地，租期為32至68年，而根據該等土地租賃之條款，將不會繼續支付任何款項。辦公室物業租賃之租期通常為6年，零售店舖之租期則通常介乎2至4年。其他設備之租期通常為12個月或以下及／或個別價值較低。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。目前訂有若干包含續租及終止選擇權和可變租賃付款之租賃合約，有關詳情進一步論述如下。

#### (a) 使用權資產

本集團使用權資產之賬面值及年內變動如下：

31 March 2020 二零二零年三月三十一日

## 15. Leases (continued)

### The Group as a lessee (continued)

#### (b) Lease liabilities

The carrying amounts of lease liabilities (included under other payables and accruals) and the movements during the year are as follows:

|  |                             | HK\$'000<br>千港元 |
|--|-----------------------------|-----------------|
| As at 1 April 2019 (upon adoption of HKFRS 16)       | 於二零一九年四月一日(採納香港財務報告準則第16號後) | (122,890)       |
| New leases   | 新訂租賃                        | (60,272)        |
| Additions as a result of acquisition of subsidiaries | 因收購附屬公司而添置                  | (25,155)        |
| Accretion of interest recognised during the year     | 年內確認之累增利息                   | (5,648)         |
| Payments   | 付款                          | 72,673          |
| Lease modification                                   | 租賃修訂                        | (761)           |
| Exchange realignment                                 | 匯兌調整                        | 616             |
| Carrying amount at 31 March 2020                     | 於二零二零年三月三十一日之賬面值            | (141,437)       |
| Analysed into:                                       | 分析為：                        |                 |
| Current portion                                      | 即期部分                        | (63,015)        |
| Non-current portion                                  | 非即期部分                       | (78,422)        |
|  |                             | (141,437)       |

The maturity analysis of lease liabilities is disclosed in note 48 to the financial statements.

租賃負債之到期日分析於財務報表附註48披露。

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(c) 於損益確認之租賃相關金額如下：

|  |  | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|--|--|----------------------------------|
| Interest on lease liabilities  | 租賃負債之利息  | 5,648                            |
| Depreciation charge of right-of-use assets   | 使用權資產之折舊開支                                       | 61,906                           |
| Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 March 2020 (included in selling and distribution expenses) | 與短期租賃及剩餘租期於二零二零年三月三十一日或之前屆滿之其他租賃相關之開支(計入銷售及分銷開支) | 11,256                           |
| Expense relating to leases of low-value assets (included in administrative expenses)   | 與低價值資產租賃相關之開支(計入行政開支)                            | 682                              |
| Variable lease payments not included in the measurement of lease liabilities (included in selling and distribution expenses)                                       | 未計入租賃負債計量之可變租賃付款(計入銷售及分銷開支)                      | 3,510                            |
| Impairment of right-of-use assets  | 使用權資產減值  | 65,794                           |
| Finance income on net investments in subleases   | 分租投資淨額之財務收入                                      | (1,059)                          |
| Total amount recognised in profit or loss  | 於損益確認之總額   | 147,737                          |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 15. Leases (continued)

#### The Group as a lessee (continued)

##### (d) Extension and termination options

The Group has leases with remaining lease terms ranging from more than 2 years to 18 years. The leases containing extension and termination options are managed locally and vary in terms. The Group has included extension or termination options in the measurement of the lease obligations when it is reasonably certain to exercise the options.

##### (e) Variable lease payments

The Group leased a number of retail stores which contain variable lease payment terms that are based on the Group's turnover generated from the retail shops. There are also minimum annual base rental arrangements for these leases. The amounts of the fixed and variable lease payments recognised in profit or loss for the current year for these leases are HK\$37,928,000 and HK\$3,510,000, respectively.

(f) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 41(c) and 43, respectively, to the financial statements.

#### The Group as a lessor

##### (i) Operating leases

The Group leases its investment properties and properties held for sale consisting of 4 commercial properties in Hong Kong and 11 agricultural produce exchange markets in mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was HK\$48,337,000 (2019: HK\$10,746,000), details of which are included in note 5 to the financial statements.

At 31 March 2020, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

|   |         | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------|----------------------------------|----------------------------------|
| Within one year                         | 一年內     | 155,822                          | 16,392                           |
| After one year but within two years     | 一年後但兩年內 | 52,856                           | 10,695                           |
| After two years but within three years  | 兩年後但三年內 | 19,739                           | 2,426                            |
| After three years but within four years | 三年後但四年內 | 8,468                            | 146                              |
| After four years but within five years  | 四年後但五年內 | 6,246                            | –                                |
| After five years                        | 五年後     | 23,380                           | –                                |
|   |         | <b>266,511</b>                   | 29,659                           |

### 15. 租賃(續)

#### 本集團作為承租人(續)

##### (d) 續租及終止選擇權

本集團租賃擁有介乎2年以上至18年之剩餘租期。包含續租及終止選擇權之該等租賃按各自不同地點管理及條款有所不同。當本集團合理確定行使續租或終止選擇權時，租賃責任之計量計入續租及終止選擇權。

##### (e) 可變租賃付款

本集團租賃多間零售店舖，其中包含根據本集團零售店舖營業額計算之可變租賃付款條款。該等租賃亦訂有最低年度基本租金安排。本年度就該等租賃於損益確認之固定及可變租賃付款分別為37,928,000港元及3,510,000港元。

(f) 租賃之現金流出總額及與尚未開始之租賃相關的未來現金流出分別於財務報表附註41(c)及43披露。

#### 本集團作為出租人

##### (i) 經營租賃

本集團根據經營租賃安排出租其投資物業及持作出售物業(包括四項位於香港之商業物業及11項位於中國內地之農產品交易市場)。該等租賃之條款通常要求租戶支付保證金。本集團年內確認之租金收入為48,337,000港元(二零一九年:10,746,000港元)，有關詳情載於財務報表附註5。

於二零二零年三月三十一日，本集團根據與租戶訂立之不可撤銷經營租賃於未來期間之應收未折現租賃付款如下：



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## 15. Leases (continued)

### The Group as a lessor (continued)

#### (ii) Finance leases

The Group sub-leased office premises to its fellow subsidiaries and 5 retail shops to its franchisees under finance lease arrangement, with lease term negotiated for terms ranging from 2 to 3 years. The terms of the lease require the tenants to pay security deposits.

The carrying amounts of net investments in subleases and the movements during the year are as follows:

|   |                                     | HK\$'000<br>千港元 |
|---|-------------------------------------|-----------------|
| Carrying amount at 1 April 2019<br>(upon adoption of HKFRS16) | 於二零一九年四月一日之賬面值<br>(採納香港財務報告準則第16號後) | 27,588          |
| Additions arising from new leases                             | 因新訂租賃而添置                            | 3,104           |
| Accretion of finance income recognised<br>during the year     | 年內確認之累增財務收入                         | 1,059           |
| Proceeds from subleases                                       | 分租所得款項                              | (11,606)        |
| <b>Carrying amount at 31 March 2020</b>                       | <b>於二零二零年三月三十一日之賬面值</b>             | <b>20,145</b>   |
| Analysed into:  | 分析為：                                |                 |
| Current portion   | 即期部分                                | 10,526          |
| Non-current portion   | 非即期部分                               | 9,619           |
|   |                                     | <b>20,145</b>   |

At 31 March 2020, the undiscounted lease payments receivables by the Group in future periods under non-cancellable finance leases with its tenants are as follows:

於二零二零年三月三十一日，本集團根據與租戶訂立之不可撤銷融資租賃於未來期間之應收未折現租賃付款如下：

|  |         | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------|----------------------------------|----------------------------------|
| Within one year                        | 一年內     | <b>11,206</b>                    | -                                |
| After one year but within two years    | 一年後但兩年內 | <b>7,878</b>                     | -                                |
| After two years but within three years | 兩年後但三年內 | <b>2,167</b>                     | -                                |
|  |         | <b>21,251</b>                    | -                                |

In addition to the above, the annual contingent rental is calculated on a percentage of the turnover of the store.

除上述者外，年度或然租金按店舖營業額之百分比計算。

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### 16. Goodwill

### 16. 商譽

|   |  | HK\$'000<br>千港元 |
|---|--|-----------------|
| At 1 April 2018:                                    | 於二零一八年四月一日：                            |                 |
| Cost  | 成本                                     | 298,964         |
| Accumulated impairment                              | 累計減值                                   | (291,264)       |
| Net carrying amount                                 | 賬面淨值                                   | 7,700           |
| Cost at 1 April 2018, net of accumulated impairment | 二零一八年四月一日之成本，扣除累計減值                    | 7,700           |
| Impairment during the year ended 31 March 2019      | 截至二零一九年三月三十一日止年度之減值                    | (7,700)         |
| At 31 March 2019, 1 April 2019 and 31 March 2020    | 於二零一九年三月三十一日、二零一九年四月一日及<br>二零二零年三月三十一日 | -               |
| At 31 March 2019 and 31 March 2020:                 | 於二零一九年三月三十一日及<br>二零二零年三月三十一日：          |                 |
| Cost  | 成本                                     | 298,964         |
| Accumulated impairment                              | 累計減值                                   | (298,964)       |
| Net carrying amount                                 | 賬面淨值                                   | -               |

#### For the year ended 31 March 2019

#### Impairment testing of goodwill

As at 31 March 2019, goodwill acquired through business combinations was allocated to the Chinese Pharmaceutical CGU for impairment testing. The recoverable amount of the Chinese Pharmaceutical CGU was determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by management. The pre-tax discount rate applied to the cash flow projections was as follows:

#### 截至二零一九年三月三十一日止年度

#### 商譽減值測試

於二零一九年三月三十一日，由業務合併所得之商譽已分配予中藥現金產生單位以作減值測試。中藥現金產生單位之可收回數額乃按使用價值計算法為基礎，根據管理層批准之五年期財務預算作出之現金流量預測釐定。現金流量預測適用的稅前折現率如下：

|  |  | 2019<br>二零一九年 |
|--|--|---------------|
| Chinese Pharmaceutical CGU   | 中藥現金產生單位   | 11.0%         |
| The cash flows beyond the five-year period were extrapolated using a steady growth rate of 3%.   | 超過五年期的現金流量乃按3%穩定增長率推斷。   |               |
| Assumptions were used in the value in use calculation of the Chinese Pharmaceutical CGU for the year ended 31 March 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill: | 截至二零一九年三月三十一日止年度，計算中藥現金產生單位使用價值時已使用假設。以下闡述管理層作出其現金流量預測以對商譽進行減值測試所依據的各主要假設： |               |
| Forecasted growth rates – The forecasted growth rates were based on historical operating results, expected market development as well as industry forecasts.   | 預測增長率 – 預測增長率乃根據歷史經營業績、預期市場發展及業內預測計算。                                      |               |
| Expected changes in selling prices and direct costs – The expected amounts were based on historical operating records and expectation of future changes in the market.   | 銷售價及直接成本之預期變動 – 預期金額乃根據過往經營記錄及預期未來市場變動計算。                                  |               |

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## 16. Goodwill (continued)

For the year ended 31 March 2019 (continued)

### Impairment testing of goodwill (continued)

Discount rate – The discount rate was based on estimates of the required rate of returns that reflect the current market assessment of the time value of money, general market risks and the risks specific to the Chinese Pharmaceutical CGU.

During the year ended 31 March 2019, a full impairment of HK\$7,700,000 was made for the goodwill in the Chinese Pharmaceutical CGU as a result of the deteriorating economic environment and weakening consumption.

## 16. 商譽(續)

截至二零一九年三月三十一日止年度  
(續)

### 商譽減值測試(續)

折現率—折現率乃根據估計反映當時貨幣時值、一般市場風險及中藥現金產生單位特定風險之市場評估所需回報率計算。

於截至二零一九年三月三十一日止年度，由於經濟環境惡化及消費轉弱，本集團就中藥現金產生單位之商譽作出全數減值7,700,000港元。

## 17. Investments in Associates

|  |                       | 2020      | 2019      |
|--|-----------------------|-----------|-----------|
|  |                       | 二零二零年     | 二零一九年     |
|  |                       | HK\$'000  | HK\$'000  |
|  |                       | 千港元       | 千港元       |
| Cost of investments in associates:   | 於聯營公司之投資成本：           |           |           |
| Shares listed in Hong Kong, at cost  | 於香港上市之股份，按成本          | 600,031   | 600,031   |
| Unlisted shares, at cost   | 非上市股份，按成本             | 4,331     | 7,081     |
| Less: impairment losses recognised   | 減：已確認減值虧損             | (223,552) | (214,815) |
|  |                       | 380,810   | 392,297   |
| Share of post-acquisition losses and other comprehensive income, net of dividends received | 應佔收購後虧損及其他全面收益，扣除已收股息 | (68,797)  | (64,733)  |
| Share of other reserve   | 應佔其他儲備                | 2,020     | 2,020     |
|  |                       | 314,033   | 329,584   |

The Group's trade receivable balances with the associates are disclosed in note 22 to the financial statements.

本集團與聯營公司之貿易應收款項結餘已於財務報表附註22披露。

Particulars of a material associate are as follows:

一間主要聯營公司之詳情如下：

| Name              | Particulars of issued shares held                  | Place of incorporation/ registration and business | Percentage of ownership interest attributable to the Group | Principal activity         |
|-------------------|--|---|--|----------------------------|
| 公司名稱              | 所持已發行股份詳情  | 註冊成立／登記及營業地點                                      | 本集團應佔所有權權益比例   | 主要業務                       |
| Easy One*<br>易易壹* | Ordinary shares<br>HK\$0.01 each<br>每股面值0.01港元之普通股 | Cayman Islands/<br>Hong Kong<br>開曼群島／香港           | 29.06  | Investment holding<br>投資控股 |

\* Listed on the Main Board of the Stock Exchange. The principal activities of the subsidiaries of Easy One are the provision of financial service in Hong Kong and property development in mainland China. The financial statements of this associate are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

\* 於聯交所主板上市。易易壹之附屬公司之主要業務為於香港提供金融服務及於中國內地的物業發展。該聯營公司之財務報表並未經香港安永會計師事務所或安永會計師事務所全球網絡的其他成員公司審核。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 17. Investments in Associates (continued)

Notes:

- (a) Included in the cost of investments in associates is goodwill arising from the acquisition of Easy One. The movement in the cost of investment attributable to goodwill is set out below.

|  | HK\$'000<br>千港元 |
|--|-----------------|
| At 1 April 2018 and 1 April 2019, net of cumulative impairment | 23,231          |
| Impairment during the year                                     | (8,737)         |
| At 31 March 2020   | 14,494          |

(b) **Year ended 31 March 2019**

During the year ended 31 March 2019, the Group acquired a total of 29,300,000 shares of Easy One from the open market at an aggregate consideration of HK\$14,790,000, and the Group's equity interests in Easy One increased from 23.80% to 29.06%. As a result, an aggregate gain on bargain purchase of equity interests in Easy One of HK\$38,026,000 was recognised for the year ended 31 March 2019 and included in "Share of profits and losses of associates" in the consolidated statement of profit or loss and other comprehensive income.

- (c) The following table illustrates the summarised financial information in respect of Easy One, a material associate of the Group, reconciled to the carrying amount in the consolidated financial statements:

|  |                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Current assets   | 流動資產                 | 1,099,609                        | 1,189,073                        |
| Non-current assets   | 非流動資產                | 308,682                          | 396,748                          |
| Current liabilities  | 流動負債                 | (389,949)                        | (473,671)                        |
| Non-current liabilities  | 非流動負債                | (8,986)                          | (76,944)                         |
| Net assets   | 資產淨值                 | 1,009,356                        | 1,035,206                        |
| Reconciliation to the Group's interest in the associate:         | 本集團於聯營公司之權益對賬：       |                                  |                                  |
| Proportion of the Group's ownership                              | 本集團擁有的權益比例           | 29.06%                           | 29.06%                           |
| Group's share of net assets of the associate, excluding goodwill | 本集團分佔聯營公司之資產淨值，不包括商譽 | 293,319                          | 300,831                          |
| Goodwill on acquisition (less cumulative impairment)             | 收購之商譽(減累計減值)         | 14,494                           | 23,231                           |
| Carrying amount of the investment at 31 March                    | 於三月三十一日的投資賬面值        | 307,813                          | 324,062                          |

|  |                 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Revenue  | 收益              | 113,393                          | 130,761                          |
| Profit for the year                                | 本年度溢利           | 41,461                           | 53,097                           |
| Other comprehensive loss for the year              | 本年度其他全面虧損       | (67,310)                         | (119,267)                        |
| Total comprehensive loss for the year              | 本年度全面虧損總額       | (25,849)                         | (66,170)                         |
| Dividend received                                  | 已收股息            | -                                | -                                |
| Market value of the Group's investment at 31 March | 於三月三十一日本集團投資之市值 | 80,859                           | 80,859                           |

### 17. 於聯營公司之投資(續)

附註：

- (a) 於聯營公司之投資成本包括收購易壹產生之商譽。投資成本應佔商譽之變動載列如下。

- (b) **截至二零一九年三月三十一日止年度**  
於截至二零一九年三月三十一日止年度，本集團於公開市場以總代價14,790,000港元收購合共29,300,000股易壹股份，本集團於易壹之股權由23.80%增加至29.06%。因此，截至二零一九年三月三十一日止年度之已確認議價收購易壹股權的總收益38,026,000港元並計入綜合損益及其他全面收益表「分佔聯營公司溢利及虧損」。

- (c) 下表概括易壹(本集團主要聯營公司之一)之財務資料，以及與綜合財務報表賬面值之對賬：

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### 17. Investments in Associates (continued)

Notes: (continued)

- (d) The following table illustrates the aggregate summarised financial information of the Group's associates that are not individually material:

|  |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Share of the associates' profits/(losses) for the year             | 應佔聯營公司本年度溢利/(虧損)  | 3,129                            | (2,582)                          |
| Share of the associates' other comprehensive income/(loss)         | 應佔聯營公司其他全面收益/(虧損) | 136                              | (136)                            |
| Share of the associates' total comprehensive income/(loss)         | 應佔聯營公司全面收益/(虧損)總額 | 3,265                            | (2,718)                          |
| Dividend received  | 已收股息              | 203                              | 1,054                            |
| Aggregate carrying amount of the Group's investments in associates | 本集團於聯營公司之投資之總賬面值  | 6,220                            | 5,522                            |

### 17. 於聯營公司之投資(續)

附註：(續)

- (d) 下表概括本集團聯營公司的非單項重大的匯總財務資料：

### 18. Financial Assets at Fair Value Through Other Comprehensive Income

|  |              | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--------------|-------------|----------------------------------|----------------------------------|
| Listed equity investments, at fair value | 上市股權投資，按公平值  | (i), (ii)   | 51,866                           | 87,388                           |
| Listed debt investments, at fair value   | 上市債務投資，按公平值  | (ii), (iii) | 121,354                          | 165,146                          |
| Unlisted debt investment, at fair value  | 非上市債務投資，按公平值 | (iii)       | -                                | 686,877                          |
|  |              |             | 173,220                          | 939,411                          |
| Portion classified as current assets     | 分類為流動資產部分    |             | (48,120)                         | (710,788)                        |
| Non-current portion                      | 非流動部分        |             | 125,100                          | 228,623                          |

Notes:

- (i) The above equity investments are investments in companies listed on the Stock Exchange and were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

Assuming the portfolio of the Group's listed equity investments and listed debt investments remained unchanged, the market value of the Group's listed equity investments and listed debt investments at fair value through other comprehensive income at the date of approval of these financial statements were HK\$59,396,000 and HK\$127,827,000, respectively.

During the year ended 31 March 2020, the Group received dividends in the amount of HK\$4,371,000 (2019: HK\$3,145,000) from the equity investments designated at fair value through other comprehensive income and recognised them in profit or loss.

- (ii) At 31 March 2020, certain of the Group's equity investments and debt investments at fair value through other comprehensive income of HK\$44,341,000 and HK\$121,354,000, respectively, were pledged to secure general banking facilities granted to the Group (2019: HK\$65,430,000 and HK\$146,181,000, respectively) (note 31).

附註：

- (i) 股權投資為對聯交所上市公司的投資，由於本集團認為該等投資屬於戰略性質，因此已不可撤銷地指定按公平值經其他全面收益入賬。

假設本集團之上市股權投資及上市債務投資組合維持不變，本集團按公平值經其他全面收益入賬之上市股權投資及上市債務投資於該等財務報表獲批准日期的市值分別為59,396,000港元及127,827,000港元。

於截至二零二零年三月三十一日止年度，本集團自指定按公平值經其他全面收益入賬之股權投資收取4,371,000港元(二零一九年：3,145,000港元)股息，並於損益確認。

- (ii) 於二零二零年三月三十一日，本集團抵押價值分別為44,341,000港元及121,354,000港元(二零一九年：分別65,430,000港元及146,181,000港元)之若干按公平值經其他綜合收益入賬之股權投資及債務投資，以取得授予本集團之一般銀行信貸(附註31)。

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## 財務報表附註

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### 18. Financial Assets at Fair Value Through Other Comprehensive Income (continued)

Notes: (continued)

- (iii) Impairment assessment of debt investments at fair value through other comprehensive income

As at 31 March 2020, except for a defaulted listed debt investment of HK\$3,794,000 which was categorised within Stage 3, none of the listed debt investments were overdue and all of them were categorised within Stage 1 for the assessment of expected credit losses.

As at 31 March 2019, none of the debt investments were overdue and all the debt investments were categorised within Stage 1, except for an unlisted debt investment of HK\$686,877,000 which was categorised within Stage 2, for the measurement of expected credit losses.

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to risk of default and losses given default of the issuers or comparable companies. As at 31 March 2020, the probability of default applied ranged from 0.16% to 6.0% (2019: 0.02% to 25.0%) and the loss given default ranged from 50.1% to 59.3% (2019: 50.9% to 59.3%).

The movements in the loss allowance for the impairment of debt investments at fair value through other comprehensive income are as follows:

|   |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| At beginning of year  | 於年初                    | 101,781                          | 182,134                          |
| Assets derecognised   | 終止確認之資產                | (101,781)                        | -                                |
| Impairment losses/(reversal of impairment losses), net (note 6) | 減值虧損/(減值虧損撥回), 淨額(附註6) |                                  |                                  |
| Reversal upon disposal/redemption                               | 於出售/贖回後撥回              | -                                | (43,554)                         |
| Changes in risk parameters                                      | 風險參數變動                 | -                                | (37,548)                         |
| New investments purchased                                       | 購買新投資                  | 10,165                           | 749                              |
|   |                        | 10,165                           | (80,353)                         |
| At end of year  | 於年末                    | 10,165                           | 101,781                          |

### 18. 按公平值經其他全面收益入賬之財務資產(續)

附註：(續)

- (iii) 按公平值經其他全面收益入賬之債務投資之減值評估

於二零二零年三月三十一日，除違約上市債務投資3,794,000港元分類為第三階段外，其他上市債務投資概無逾期，且就預期信貸虧損的計量而言，所有該等債務投資均分類為第一階段。

於二零一九年三月三十一日，概無債務投資逾期，就預期信貸虧損的計量而言，所有債務投資均分類為第一階段，惟非上市債務投資686,877,000港元分類為第二階段。

於各報告日期透過考慮預期信貸虧損進行減值分析，而預期信貸虧損乃透過應用違約風險概率並參考違約風險和發行人或可比公司違約時的虧損進行估算。於二零二零年三月三十一日，違約概率介乎0.16%至6.0%(二零一九年：0.02%至25.0%)，違約虧損介乎50.1%至59.3%(二零一九年：50.9%至59.3%)。

按公平值經其他全面收益入賬之債務投資之減值虧損撥備變動如下：



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 19. Properties Under Development

### 19. 發展中物業

|   |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|---|----------------|----------------------------------|
| Properties under development expected to be completed:          | 預期落成之發展中物業：    |                                  |
| Within the normal operating cycle included under current assets | 於正常營運週期內列作流動資產 | 297,146                          |

Properties under development expected to be completed within the normal operating cycle and recovered: 預期於正常營運週期內落成及收回之發展中物業：

|                 |     | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|-----------------|-----|----------------------------------|
| Within one year | 一年內 | 234,844                          |
| After one year  | 一年後 | 62,302                           |
|                 |     | 297,146                          |

### 20. Properties Held for Sale

### 20. 持作出售物業

|                             |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|-----------------------------|-------------|----------------------------------|
| Carrying amount at 31 March | 於三月三十一日之賬面值 | 1,645,165                        |

Notes:

- (i) At 31 March 2020, the Group's properties held for sale with an aggregate carrying value of HK\$375,451,000 (2019: Nil) were pledged to secure the Group's general banking facilities (note 31).
- (ii) Further particulars of the Group's properties held for sale are included on page 287.

附註：

- (i) 於二零二零年三月三十一日，本集團抵押賬面總值為375,451,000港元(二零一九年：無)之持作出售物業，以取得授予本集團之一般銀行信貸(附註31)。
- (ii) 本集團持作出售物業之進一步詳情載於第287頁。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 21. Inventories

|                               |        | 2020           | 2019     |
|-------------------------------|--------|----------------|----------|
|                               |        | 二零二零年          | 二零一九年    |
|                               |        | HK\$'000       | HK\$'000 |
|                               |        | 千港元            | 千港元      |
| Raw materials and consumables | 原料及消費品 | 42,879         | 49,770   |
| Work in progress              | 半製成品   | 5,340          | 2,861    |
| Finished goods                | 製成品    | 106,671        | 108,877  |
|                               |        | <b>154,890</b> | 161,508  |

### 21. 存貨

### 22. Trade Receivables

|                              |        | 2020          | 2019     |
|------------------------------|--------|---------------|----------|
|                              |        | 二零二零年         | 二零一九年    |
|                              |        | HK\$'000      | HK\$'000 |
|                              |        | 千港元           | 千港元      |
| Trade receivables            | 貿易應收款項 | 86,103        | 97,323   |
| Less: Accumulated impairment | 減：累計減值 | (18,801)      | (5,113)  |
|                              |        | <b>67,302</b> | 92,210   |

### 22. 貿易應收款項

The Group's trading terms with its customers are mainly on credit. The credit period ranges from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of HK\$14,805,000 (2019: HK\$13,871,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

本集團與其客戶的貿易條款主要為信貸。信貸期由7至120日不等。各客戶均有最高信用限額且給予客戶的信用限額會定期檢閱。本集團對尚未結清的應收款項維持嚴密監控以將信貸風險減至最低。過期款項會由高級管理人員定期檢閱。基於以上所述及本集團的貿易應收款項涉及眾多不同客戶，故並無重大集中的信貸風險。本集團並無就貿易應收款項結餘持有任何抵押品或其他信貸保證。貿易應收款項乃免息。

本集團貿易應收款項包括應收本集團聯營公司款項14,805,000港元(二零一九年：13,871,000港元)，須按向本集團主要客戶提供的類似信貸條款償還。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 22. Trade Receivables (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

|                |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Within 1 month | 1個月以內 | 24,426                           | 46,305                           |
| 1 to 3 months  | 1至3個月 | 25,600                           | 29,108                           |
| 3 to 6 months  | 3至6個月 | 12,078                           | 13,173                           |
| Over 6 months  | 超過6個月 | 5,198                            | 3,624                            |
|                |       | <b>67,302</b>                    | 92,210                           |

The movements in the loss allowance for impairment of trade receivables are as follows:

|                                       |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------------|--------------|----------------------------------|----------------------------------|
| At beginning of year                  | 於年初          | 5,113                            | 5,244                            |
| Acquisition of subsidiaries (note 38) | 收購附屬公司(附註38) | 5,969                            | -                                |
| Impairment losses, net (note 6)       | 減值虧損，淨額(附註6) | 9,167                            | 726                              |
| Exchange realignment                  | 匯兌調整         | (135)                            | (199)                            |
| Amount written off as uncollectible   | 已撇銷之無法收回款項   | (1,313)                          | (658)                            |
| At end of year                        | 於年末          | <b>18,801</b>                    | 5,113                            |

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). 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.

### 22. 貿易應收款項(續)

貿易應收款項於報告期末根據發票日期及扣除虧損撥備後之賬齡分析如下：

貿易應收款項之減值撥備變動如下：

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組而逾期的日數計算(即按地理區域、產品類型、客戶類型和評級)。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘逾期超過一年及並無可強制執行活動，將撇銷貿易應收款項。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 22. Trade Receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2020

|  | Past due<br>逾期 |                  |                   |                   |                   | Total<br>總計 |
|--|----------------|------------------|-------------------|-------------------|-------------------|-------------|
|  | Current<br>當前  | Within           | 1 to              | 3 to              | Over              |             |
|  |                | 1 month<br>1個月以內 | 3 months<br>1至3個月 | 6 months<br>3至6個月 | 6 months<br>超過6個月 |             |
| Expected credit loss rate<br>預期信貸虧損率             | 0.2%           | 2%               | 6%                | 12%               | 92%               | 22%         |
| Gross carrying amount (HK\$'000)<br>總賬面值(千港元)    | 51,478         | 4,882            | 3,984             | 6,745             | 19,014            | 86,103      |
| Expected credit losses (HK\$'000)<br>預期信貸虧損(千港元) | 87             | 112              | 252               | 790               | 17,560            | 18,801      |

As at 31 March 2019

於二零一九年三月三十一日

|  | Past due<br>逾期 |                  |                   |                   |                   | Total<br>總計 |
|--|----------------|------------------|-------------------|-------------------|-------------------|-------------|
|  | Current<br>當前  | Within           | 1 to              | 3 to              | Over              |             |
|  |                | 1 month<br>1個月以內 | 3 months<br>1至3個月 | 6 months<br>3至6個月 | 6 months<br>超過6個月 |             |
| Expected credit loss rate<br>預期信貸虧損率             | 0.5%           | 1%               | 1%                | 1%                | 77%               | 5%          |
| Gross carrying amount (HK\$'000)<br>總賬面值(千港元)    | 69,641         | 4,483            | 11,442            | 5,812             | 5,945             | 97,323      |
| Expected credit losses (HK\$'000)<br>預期信貸虧損(千港元) | 319            | 38               | 82                | 72                | 4,602             | 5,113       |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 23. Loans and Interest Receivables

### 23. 應收貸款及利息

|                              |          |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------------------------------|----------|-------------|----------------------------------|----------------------------------|
| Loans receivables, secured   | 應收貸款，有抵押 | (i), (iii)  | 35,381                           | –                                |
| Loans receivables, unsecured | 應收貸款，無抵押 | (ii), (iii) | 15,288                           | –                                |
| Interest receivables         | 應收利息     |             | 18,871                           | 27,494                           |
|                              |          |             | 69,540                           | 27,494                           |
| Less: Impairment allowance   | 減：減值撥備   | (iv)        | (1,290)                          | (3,463)                          |
|                              |          |             | 68,250                           | 24,031                           |

Notes:

- (i) As at 31 March 2020, these loan receivables were stated at amortised cost at effective interest rates ranging from 8% to 12% per annum. The credit terms of these loan receivables are 3 years.
- (ii) As at 31 March 2020, these loan receivables were stated at amortised cost at effective interest rates ranging from 1% to 6% per annum. The credit terms of these loan receivables range from 3 months to 6 years.
- (iii) As at 31 March 2020, all of these loan receivables are either overdue or with maturity within one year, and they have been classified as current assets accordingly.
- (iv) The movements in the loss allowance for impairment of loans and interest receivables are as follows:

附註：

- (i) 於二零二零年三月三十一日，該等應收貸款按攤銷成本列賬，實際年利率介乎8至12厘。該等應收貸款之信貸期為三年。
- (ii) 於二零二零年三月三十一日，該等應收貸款按攤銷成本列賬，實際年利率介乎1至6厘。該等應收貸款之信貸期介乎三個月至六年。
- (iii) 於二零二零年三月三十一日，所有該等應收貸款均已逾期或於一年內到期，遂已分類為流動資產。
- (iv) 應收貸款及利息的減值虧損撥備變動如下：

|   |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------|----------------------------------|----------------------------------|
| At beginning of year                        | 於年初            | 3,463                            | 6,603                            |
| Acquisition of subsidiaries (note 38)       | 收購附屬公司(附註38)   | 1,207                            | –                                |
| Reversal of impairment losses, net (note 6) | 減值虧損撥回，淨額(附註6) | (3,349)                          | (3,140)                          |
| Exchange realignment                        | 匯兌調整           | (31)                             | –                                |
| At end of year                              | 於年末            | 1,290                            | 3,463                            |

As at 31 March 2020, except for loans and interest receivables with an aggregate gross amount of HK\$58,029,000 and HK\$86,000 were overdue and categorised within Stage 2 and Stage 3 for the assessment of expected credit losses, respectively, none of the loans and interest receivables were overdue and all of them were categorised within Stage 1 for the measurement of expected credit losses.

As at 31 March 2019, none of the loans and interest receivables were overdue and all the balances were categorised within Stage 1, except for an interest receivable of an unlisted debt investment with a gross amount of HK\$23,768,000 which was categorised within Stage 2, for the measurement of expected credit losses.

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default and loss given default of the borrowers or comparable companies. As at 31 March 2020, the probability of default applied ranged from 0.16% to 6.0% (2019: 0.02% to 25.0%) and the loss given default ranged from 50.1% to 62.5% (2019: 50.9% to 59.3%).

於二零二零年三月三十一日，除賬面總值為58,029,000港元及86,000港元之應收貸款及利息為已逾期及就預期信貸虧損的計量而言分別分類為第二及第三階段外，其他應收貸款及利息概無逾期，且就預期信貸虧損的計量而言，所有該等應收貸款及利息均分類為第一階段。

於二零一九年三月三十一日，概無應收貸款及利息逾期，就預期信貸虧損的計量而言，所有結餘均分類為第一階段，惟總額為23,768,000港元之一項非上市債務投資的應收利息分類為第二階段。

於各報告日期透過考慮預期信貸虧損進行減值分析，而預期信貸虧損乃透過應用違約風險概率並參考違約風險和借款人或可比公司違約時的虧損進行估算。於二零二零年三月三十一日，違約概率介乎0.16%至6.0%(二零一九年：0.02%至25.0%)，估計違約虧損約為50.1%至62.5%(二零一九年：50.9%至59.3%)。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 24. Prepayments, Deposits and Other Receivables

### 24. 預付款項、按金及其他應收款項

|  |                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Prepayments  | 預付款項             | 25,785                           | 13,419                           |
| Deposits paid for the acquisition of property, plant and equipment | 收購物業、廠房及設備之已付按金款 | 2,254                            | 3,499                            |
| Rental and other deposits  | 租金及其他按金          | 103,974                          | 32,840                           |
| Other receivables  | 其他應收款項           | 89,763                           | 14,844                           |
| Right-of-return assets   | 退貨權資產            | 1,848                            | 3,398                            |
| Cost of obtaining contracts  | 取得合約之成本          | 46,492                           | –                                |
| Total prepayments, deposits and other receivables                  | 預付款項、按金及其他應收款項總額 | 270,116                          | 68,000                           |
| Less: Impairment allowance   | 減：減值撥備           | (835)                            | –                                |
|  |                  | 269,281                          | 68,000                           |
| Less: Deposits classified as non-current assets                    | 減：分類為非流動資產之按金款   | (19,905)                         | (21,702)                         |
| Portion classified as current assets                               | 分類為流動資產的部分       | 249,376                          | 46,298                           |

Cost of obtaining contracts represented the prepaid sales commission paid in connection with the sales of properties. The Group has capitalised the amounts paid and will charge them to profit or loss when the revenue from the related property sale is recognised and are included in selling and distribution expenses at that time. During the year ended 31 March 2020, no sales commission was charged to profit or loss.

獲取合約之成本指就銷售物業所支付的預付銷售佣金。本集團已資本化所支付金額並於相關物業銷售所得收入確認並計入銷售及分銷開支時將有關金額於損益扣除。截至二零二零年三月三十一日止年度，概無銷售佣金於損益扣除。

Deposits and other receivables mainly represent rental deposits, deposits with vendors and receivables from counterparties which have no history of default. The financial assets included in the above balances were not overdue and categorised in Stage 1 for the measurement of expected credit losses, except for balances of HK\$20,401,000 (2019: Nil) which was categorised within Stage 2 for the measurement of expected credit losses. Where applicable, an impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the counterparties. As at 31 March 2020, the probability of default applied ranged from 0.83% to 3.3% and the loss given default was estimated to be approximately ranged from 55.8% to 62.5%. As at 31 March 2019, the loss allowance was assessed to be minimal.

按金及其他應收款項主要指租金按金、給予賣方之按金及來自沒有違約紀錄之交易對手之應收款項。計入上述結餘之財務資產並無逾期，並就預期信貸虧損的計量而言分類為第一階段，惟餘額20,401,000港元(二零一九年：無)就預期信貸虧損的計量而言分類為第二階段。在適用情況下，於各報告日期透過考慮預期信貸虧損進行減值分析，而預期信貸虧損乃透過應用違約風險概率並參考可比公司的違約風險進行估算。於二零二零年三月三十一日，違約概率介乎0.83%至3.3%，估計違約虧損約為55.8%至62.5%。於二零一九年三月三十一日，本集團評估虧損撥備並不重大。



# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 24. Prepayments, Deposits and Other Receivables (continued)

The movements in the loss allowance for the impairment of financial assets included in prepayments, deposits and other receivables are as follows:

|                                       |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------------|--------------|----------------------------------|----------------------------------|
| At beginning of year                  | 於年初          | -                                | -                                |
| Acquisition of subsidiaries (note 38) | 收購附屬公司(附註38) | 825                              | -                                |
| Impairment losses (note 6)            | 減值虧損(附註6)    | 30                               | -                                |
| Exchange realignment                  | 匯兌調整         | (20)                             | -                                |
| At end of year                        | 於年末          | 835                              | -                                |

### 24. 預付款項、按金及其他應收款項(續)

計入預付款項、按金及其他應收款項之財務資產減值的虧損撥備變動如下：

### 25. Financial Assets/Liabilities at Fair Value through Profit or Loss

#### Financial assets

|  |              | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--------------|-------------|----------------------------------|----------------------------------|
| Unlisted funds, at fair value            | 非上市基金，按公平值   | (i)         | 50,382                           | 1,886                            |
| Listed equity investments, at fair value | 上市股權投資，按公平值  |             | 73                               | -                                |
| Listed perpetual notes, at fair value    | 上市永續票據，按公平值  | (ii)        | -                                | 19,403                           |
| Derivative component of unsecured notes  | 無抵押票據之衍生工具部分 |             | 6,220                            | -                                |
|  |              |             | 56,675                           | 21,289                           |

### 25. 按公平值經損益入賬之財務資產／負債

#### 財務資產

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

上述股權投資分類為按公平值經損益入賬之財務資產，原因為本集團並無選擇經其他全面收益確認公平值收益或虧損。

The above unlisted fund investments and listed perpetual notes were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

上述非上市基金投資及上市永續票據被強制分類為按公平值經損益入賬之財務資產，因彼等合約現金流量並非僅止於支付本金及利息。

#### Notes:

- (i) The fair value of unlisted fund investments is determined based on the quoted market prices provided by fund administrators with reference to prices derived from the over-the-counter market.

At the end of the reporting period, the financial assets at fair value through profit or loss that are denominated in USD, other than the functional currencies of the respective group entities, amounted to HK\$50,382,000 (2019: HK\$21,289,000).

- (ii) At 31 March 2019, the Group's listed perpetual notes of HK\$19,403,000 were pledged to secure general banking facilities granted to the Group (note 31).

#### 附註：

- (i) 非上市基金投資之公平值乃根據由基金管理人提供之所報市價，參考自場外交易市場計算之價格後釐定。

於報告期末，以有關集團實體功能貨幣以外之貨幣美元計值之按公平值經損益入賬之股權投資為50,382,000港元(二零一九年：21,289,000港元)。

- (ii) 於二零一九年三月三十一日，本集團抵押價值19,403,000港元之上市永續票據，以取得授予本集團之一般銀行信貸(附註31)。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 25. Financial Assets/Liabilities at Fair Value through Profit or Loss (continued)

#### Financial liabilities

|   |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|---|--------------|----------------------------------|
| Derivative component of convertible notes | 可換股票據之衍生工具部分 | 621                              |

### 26. Cash and Cash Equivalents and Restricted Cash

|                                       |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------------|---------------|----------------------------------|----------------------------------|
| Cash and bank balances                | 現金及銀行結餘       | 463,180                          | 149,209                          |
| Time deposits                         | 定期存款          | 20,679                           | 22,000                           |
|                                       |               | <b>483,859</b>                   | 171,209                          |
| Less: restricted bank balances (note) | 減：受限制銀行結餘(附註) | <b>(8,157)</b>                   | -                                |
| Cash and cash equivalents             | 現金及現金等同項目     | <b>475,702</b>                   | 171,209                          |

Note: According to the relevant mortgage facility agreements signed by certain subsidiaries of the Group with their banks, the subsidiaries are required to place at designated bank accounts certain amounts as deposits for potential default of mortgage loans advanced to property purchasers. The deposits can only be used for payments for construction costs of the relevant properties. These guarantee deposits will be released after the property ownership certificates of the relevant properties are passed to the banks.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$333,343,000 (2019: HK\$37,109,000). 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 six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

### 25. 按公平值經損益入賬之財務資產／負債(續)

#### 財務負債

### 26. 現金及現金等同項目以及受限制現金

附註：按照本集團若干附屬公司與其銀行訂立之相關按揭貸款協議，該等附屬公司須存放一定金額於指定銀行賬戶作為按金，為可能拖欠按揭貸款之物業買家提供擔保。按金僅可用於支付相關物業之建設成本。該項保證金存款將於相關物業之房產證呈交銀行後予以解除。

於報告期末，本集團以人民幣計值之現金及銀行結餘為333,343,000港元(二零一九年：37,109,000港元)。人民幣不可自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換為其他貨幣。

銀行存款按根據每日銀行存款利率計算之浮動利率計息。短期定期存款之存款期為一天至六個月，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及定期存款均存放於近期無違約歷史且信譽良好之銀行。

31 March 2020 二零二零年三月三十一日

## 27. Assets Classified as Held for Sale and Liabilities Directly Associated with the Assets Classified as Held for Sale

For the year ended 31 March 2019

## 27. 分類為持作出售的資產及與分類為持作出售的資產直接相關的負債

截至二零一九年三月三十一日止年度

|  |                           | Notes<br>附註 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------------------|-------------|----------------------------------|
| <b>Assets classified as held for sale</b>  | <b>分類為持作出售的資產</b>         |             |                                  |
| Assets of a disposal subsidiary classified as held for sale                        | 分類為持作出售的出售一間附屬公司資產        |             |                                  |
| – Union Target   | – 越通                      | (i)         | 53,110                           |
| Non-current assets classified as held for sale                                     | 分類為持作出售的非流動資產             |             |                                  |
| – Property, plant and equipment  | – 物業、廠房及設備                | (ii)        | 67,716                           |
|  |                           |             | 120,826                          |
| <b>Liabilities directly associated with the assets classified as held for sale</b> | <b>與分類為持作出售的資產直接相關的負債</b> |             |                                  |
| Liabilities of a disposal subsidiary classified as held for sale                   | 分類為持作出售的出售一間附屬公司負債        |             |                                  |
| – Union Target   | – 越通                      | (i)         | 361                              |

Notes:

- (i) On 28 February 2019, the Group entered into a provisional sale and purchase agreement with independent third parties to dispose of the entire equity interest in Union Target Limited ("Union Target") and the shareholder's loan owed to the Group at a consideration of HK\$53,088,000. The transaction was completed on 14 June 2019. The consideration was adjusted to HK\$52,718,000 based on the net asset value of Union Target as at 14 June 2019.

The assets and liabilities of Union Target (excluding an inter-company loan and amounts due from group companies which are eliminated on consolidation) as at 31 March 2019 are as follows:

附註：

- (i) 於二零一九年二月二十八日，本集團與獨立第三方訂立臨時買賣協議，以代價53,088,000港元出售越通有限公司（「越通」）之全部股權及欠付本集團的股東貸款。該交易於二零一九年六月十四日完成。於二零一九年六月十四日，代價根據越通之資產淨值調整為52,718,000港元。

於二零一九年三月三十一日，越通的資產及負債（不包括於綜合賬目時對銷的公司間貸款及應收集團公司款項）如下：

|  |                    | Union Target<br>越通<br>HK\$'000<br>千港元 |
|--|--------------------|---------------------------------------|
| <b>Assets</b>  | <b>資產</b>          |                                       |
| Investment property  | 投資物業               | 53,088                                |
| Deposits   | 按金                 | 22                                    |
| Assets of a disposal subsidiary classified as held for sale      | 分類為持作出售的出售一間附屬公司資產 | 53,110                                |
| <b>Liabilities</b>   | <b>負債</b>          |                                       |
| Other payables   | 其他應付款項             | 361                                   |
| Liabilities of a disposal subsidiary classified as held for sale | 分類為持作出售的出售一間附屬公司負債 | 361                                   |
| Net assets directly associated with the disposal subsidiary      | 與出售附屬公司直接相關的資產淨值   | 52,749                                |

- (ii) On 28 March 2019, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of a property classified as leasehold land and buildings included in property, plant and equipment at a consideration of HK\$102,800,000. The transaction was completed on 30 May 2019.

- (ii) 於二零一九年三月二十八日，本集團與獨立第三方訂立臨時買賣協議，以代價102,800,000港元出售計入物業、廠房及設備的分類為租賃土地及樓宇的物業。該交易於二零一九年五月三十日完成。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 28. Trade Payables

|                |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付款項 | <b>66,709</b>                    | 35,959                           |

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date is as follows:

貿易應付款項於報告期末根據發票日期之賬齡分析如下：

|                |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Within 1 month | 1個月以內 | <b>6,751</b>                     | 14,923                           |
| 1 to 3 months  | 1至3個月 | <b>3,625</b>                     | 6,547                            |
| 3 to 6 months  | 3至6個月 | <b>4,470</b>                     | 7,608                            |
| Over 6 months  | 超過6個月 | <b>51,863</b>                    | 6,881                            |
|                |       | <b>66,709</b>                    | 35,959                           |

The trade payables are non-interest-bearing and have an average term of 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

貿易應付款項不計息，平均期限為30至60日。本集團已訂有財務風險管理政策，確保所有應付款項於指定信貸期限內支付。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 29. Other Payables and Accruals/Contract Liabilities

### 29. 其他應付款項及應計費用／或然負債

|   |                  | Notes | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------|-------|----------------------------------|----------------------------------|
|   |                  | 附註    |                                  |                                  |
| Receipts in advance                                 | 預收款項             |       | <b>95,606</b>                    | 10,398                           |
| Rental and other deposits received                  | 已收租金及其他按金        |       | <b>92,854</b>                    | 4,588                            |
| Contract liabilities                                | 合約負債             | (a)   | <b>548,829</b>                   | 7,098                            |
| Refund liabilities                                  | 退款負債             |       | <b>2,508</b>                     | 6,089                            |
| Other payables                                      | 其他應付款項           | (b)   | <b>213,392</b>                   | 22,808                           |
| Accruals  | 應計費用             | (c)   | <b>82,159</b>                    | 58,741                           |
| Lease liabilities                                   | 租賃負債             | 15(b) | <b>141,437</b>                   | –                                |
| Promissory Notes                                    | 承兌票據             | (d)   | <b>376,000</b>                   | –                                |
| Accrued interest on Promissory Notes                | 承兌票據之應計利息        | (d)   | <b>266,113</b>                   | –                                |
| Less: Portion classified as non-current liabilities | 減：分類為非流動負債部分     |       | <b>(81,586)</b>                  | (1,883)                          |
| Portion classified as current liabilities           | 分類為流動負債部分        |       | <b>1,737,312</b>                 | 107,839                          |
| Represented by:                                     | 指：               |       |                                  |                                  |
| Contract liabilities                                | 合約負債             |       | <b>548,829</b>                   | 7,098                            |
| Current portion of other payables and accruals      | 其他應付款項及應計費用之流動部分 |       | <b>1,188,483</b>                 | 100,741                          |
| Portion classified as current liabilities           | 分類為流動負債部分        |       | <b>1,737,312</b>                 | 107,839                          |

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 合約負債詳情如下：

|                                  |          | 31 March 2020<br>二零二零年<br>三月三十一日<br>HK\$'000<br>千港元 | 31 March 2019<br>二零一九年<br>三月三十一日<br>HK\$'000<br>千港元 | 1 April 2018<br>二零一八年<br>四月一日<br>HK\$'000<br>千港元 |
|----------------------------------|----------|---|---|--|
| Advances received from customers | 向客戶收取的墊款 |   |   |  |
| Sale of goods                    | 銷售貨物     | <b>8,173</b>  | 7,098   | 7,434  |
| Sale of properties               | 銷售物業     | <b>540,656</b>                                      | –   | –  |
|                                  |          | <b>548,829</b>                                      | 7,098   | 7,434  |

Contract liabilities include advances received from customers in relation to sales of Chinese and Western pharmaceutical and health food products and advances received from buyers in connection with the Group's pre-sales of properties. The net increase in contract liabilities was mainly due to the CAP Acquisition.

合約負債包括就銷售中西藥及保健食品產品向客戶收取的墊款及就本集團預售物業向買家收取的墊款。合約負債的增加淨額主要由於中國農產品收購事項。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 29. Other Payables and Accruals/Contract Liabilities (continued)

Notes: (continued)

- (b) Other payables are non-interest-bearing and are normally settled within one year. The carrying amounts of the above other payables approximate to their fair values.
- (c) As a result of the initial application of HKFRS 16, accrued lease payments of HK\$2,583,000 previously included in "Other payables and accruals" were adjusted to the right-of-use assets recognised at 1 April 2019 (refer to note 2.2 to the financial statements for further details).
- (d) On 5 December 2007, CAP, which was acquired by the Group on 12 February 2020, issued two promissory notes with an aggregate amount of HK\$376,000,000 as part of the consideration for the acquisition of Wuhan Baisazhou Market (the "Promissory Notes"). The Promissory Notes bore interest at 5% per annum and were repayable in five years from the date of issue. CAP may, at its absolute discretion, pay all or any part of the outstanding principal amount and interest of the Promissory Notes.

As at 31 March 2020, the Group was in the process of pursuing a litigation regarding the Promissory Notes. For details, please refer to note 45(a).

### 30. Unsecured Bonds and Notes

#### (a) Unsecured Notes 2024

|                      |            | As at 31 March 2020<br>於二零二零年三月三十一日              |               |          |
|----------------------|------------|--|---------------|----------|
|                      |            | Contractual<br>interest<br>rate (%)<br>per annum | Maturity      | HK\$'000 |
|                      |            | 合約年利率(%)   | 到期日           | 千港元      |
| Unsecured Notes 2024 | 二零二四年無抵押票據 | 1%   | 2024<br>二零二四年 | 181,220  |

### 29. 其他應付款項及應計費用／或然負債(續)

附註：(續)

- (b) 其他應付款項不計息，通常在一年內結清。上述其他應付款項的賬面值與其公平值相若。
- (c) 由於首次應用香港財務報告準則第16號，先前計入「其他應付款項及應計費用」之應計租賃付款2,583,000港元調整為於二零一九年四月一日已確認之使用權資產(進一步詳情請參閱財務報表附註2.2)。
- (d) 於二零零七年十二月五日，中國農產品(本集團已於二零二零年二月十二日將其收購)發行兩項總金額為376,000,000港元之承兌票據，作為收購武漢白沙洲市場之部分代價(「承兌票據」)。承兌票據按年利率5%計息，並須於發行日期起計五年內償還。中國農產品可全權酌情支付承兌票據之全部或任何部分未償還本金及利息。

於二零二零年三月三十一日，本集團正在就承兌票據提起訴訟。有關詳情請參閱附註45(a)。

### 30. 無抵押債券及票據

#### (a) 二零二四年無抵押票據



31 March 2020 二零二零年三月三十一日

### 30. Unsecured Bonds and Notes (continued)

#### (a) Unsecured Notes 2024 (continued)

On 19 May 2014, CAP established a HK\$1,000,000,000 medium term note program. The notes issued under the program are listed on the Stock Exchange by way of debt issue to professional investors only. CAP further announced that interest on the notes will be payable annually in arrears at the interest rate of 1% per annum.

CAP has totally issued 40 batches with the principal amount of HK\$400,000,000 which bears interest at 1% per annum on 30 May 2014, 11 June 2014, 25 June 2014, 2 July 2014, 10 July 2014, 18 July 2014, 28 July 2014, 29 July 2014, 26 August 2014, 30 September 2014, 6 October 2014 and 7 October 2014, respectively (the "Unsecured Notes 2024"). The entire Unsecured Note 2024 will mature on 30 September 2024.

Details of the Unsecured Notes 2024 are as follows:

Redemption period by CAP: Three specified redemption dates from 31 December 2023 to 30 June 2024

Redemption amount on maturity date: 96.85% of the principal amount

Up to the acquisition date of the CAP Group and as at 31 March 2020, CAP has completed the repurchase of and cancelled the Unsecured Notes 2024 in an aggregate principal amount of HK\$110,000,000. Accordingly, principal amount of HK\$290,000,000 remained outstanding as at 31 March 2020.

The interest expenses on the Unsecured Notes 2024 were calculated using the effective interest method by using the effective interest rate of 11.1%.

### 30. 無抵押債券及票據(續)

#### (a) 二零二四年無抵押票據(續)

於二零一四年五月十九日，中國農產品設立1,000,000,000港元之中期票據計劃。根據計劃發行之票據以只向專業投資者發行債券的方式於聯交所上市。中國農產品進一步宣佈票據利息將按年期後支付，年利率為1%。

中國農產品已分別於二零一四年五月三十日、二零一四年六月十一日、二零一四年六月二十五日、二零一四年七月二日、二零一四年七月十日、二零一四年七月十八日、二零一四年七月二十八日、二零一四年七月二十九日、二零一四年八月二十六日、二零一四年九月三十日、二零一四年十月六日及二零一四年十月七日合共發行40批本金額為400,000,000港元年利率為1%之票據(「二零二四年無抵押票據」)。二零二四年無抵押票據將全部於二零二四年九月三十日到期。

二零二四年無抵押票據之詳情如下：

中國農產品之贖回期間：三個指定贖回日期由二零二三年十二月三十一日至二零二四年六月三十日

於到期日之贖回金額：本金額之96.85%

截至中國農產品集團收購日期止及於二零二零年三月三十一日，中國農產品已完成購回及註銷本金總額110,000,000港元之二零二四年無抵押票據。故此，於二零二零年三月三十一日，本金額290,000,000港元尚未償還。

二零二四年無抵押票據之利息開支採用實際利率為11.1%之實際利率法計算。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 30. Unsecured Bonds and Notes (continued)

#### (b) Bonds 2020

On 19 November 2014, CAP entered into a placing agreement with a placing agent for the issuance of non-listed bonds with maturity in 2020 in an aggregate principal amount of HK\$26,000,000 ("Bonds 2020").

CAP has issued the Bonds 2020 in the aggregate principal amount of HK\$26,000,000 on 5 January 2015, 13 February 2015, 30 March 2015 and 17 April 2015 to the subscribers with the interest rate of 3.00% payable annually for those bonds issued on or before 18 February 2015 and 7.30% payable annually for the other bonds issued after 18 February 2015. The Bonds 2020 was matured and redeemed in full by CAP on 18 February 2020.

The fair value of the unsecured bonds and notes at the acquisition date of the CAP had been split into the liability and derivative components and their movements are as follows:

|   |                                  | Bonds 2020          |                     | Unsecured Notes 2024 |  | Total    |
|---|----------------------------------|---------------------|---------------------|----------------------|--|----------|
|   |                                  | 二零二零年債券             |                     | 二零二四年無抵押票據           |  |          |
|   |                                  | Liability component | Liability component | Derivative component |  |          |
|   |                                  | 負債部分                | 負債部分                | 衍生工具部分               |  | 總計       |
|   |                                  | HK\$'000            | HK\$'000            | HK\$'000             |  | HK\$'000 |
|   |                                  | 千港元                 | 千港元                 | 千港元                  |  | 千港元      |
|   |                                  |                     |                     | (note 25)            |  |          |
|   |                                  |                     |                     | (附註25)               |  |          |
| At 1 April 2018, 31 March 2019 and 1 April 2019 | 於二零一八年四月一日、二零一九年三月三十一日及二零一九年四月一日 | -                   | -                   | -                    |  | -        |
| Acquisition of subsidiaries                     | 收購附屬公司                           | 25,853              | 178,513             | (5,393)              |  | 198,973  |
| Accretion of interest                           | 累增利息                             | 147                 | 2,707               | -                    |  | 2,854    |
| Redemption                                      | 贖回                               | (26,000)            | -                   | -                    |  | (26,000) |
| Fair value gain                                 | 公平值收益                            | -                   | -                   | (827)                |  | (827)    |
| At 31 March 2020                                | 於二零二零年三月三十一日                     | -                   | 181,220             | (6,220)              |  | 175,000  |

### 30. 無抵押債券及票據(續)

#### (b) 二零二零年債券

於二零一四年十一月十九日，中國農產品與配售代理訂立配售協議以發行於二零二零年到期本金總額為26,000,000港元之非上市債券(「二零二零年債券」)。

中國農產品已於二零一五年一月五日、二零一五年二月十三日、二零一五年三月三十日及二零一五年四月十七日發行本金總額為26,000,000港元之二零二零年債券予認購人，其中於二零一五年二月十八日或之前發行之債券每年應付利率為3.00%，於二零一五年二月十八日之後發行之債券每年應付利率則為7.30%。二零二零年債券已於二零二零年二月十八日到期及由中國農產品悉數贖回。

無抵押債券及票據於中國農產品收購日期之公平值已拆分為負債及衍生工具部分，其變動如下：

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### 31. Interest-Bearing Bank and Other Borrowings

### 31. 計息銀行及其他借貸

|   | 2020<br>二零二零年  |                            |                  | 2019<br>二零一九年                            |                     |                 |
|---|--|----------------------------|------------------|--|---------------------|-----------------|
|   | Contractual interest rate (%)<br>合約利率(%)   | Maturity<br>年期             | HK\$'000<br>千港元  | Contractual interest rate (%)<br>合約利率(%) | Maturity<br>年期      | HK\$'000<br>千港元 |
| <b>Current:</b>   |  |                            |                  |  |                     |                 |
| <b>即期：</b>  |  |                            |                  |  |                     |                 |
| Bank loans – secured<br>銀行貸款－有抵押  | <b>HIBOR+1.5</b><br>香港銀行同業拆息<br>+1.5厘  | <b>On demand</b><br>於接獲要求時 | <b>135,000</b>   | HIBOR+1.5<br>香港銀行同業拆息<br>+1.5厘           | On demand<br>於接獲要求時 | 150,000         |
| Bank loans – secured<br>銀行貸款－有抵押  | <b>HIBOR</b><br><b>+(1.56 to 1.65)/</b><br><b>RMB base</b><br><b>lending rate</b><br><b>+(0 to 1.39)/</b><br><b>1.49 to 7.35</b> | <b>2020 – 2021</b>         | <b>500,655</b>   | HIBOR<br>+(1.56 to 1.65)                 | 2019 – 2020         | 82,290          |
| 銀行貸款－有抵押  | 香港銀行同業拆息<br>+(1.56厘至1.65厘)／<br>人民幣基準貸款利率<br>+(0厘至1.39厘)／<br>1.49厘至7.35厘  | 二零二零年至<br>二零二一年            |                  | 香港銀行同業拆息<br>+(1.56厘至1.65厘)               | 二零一九年至<br>二零二零年     |                 |
| Bank loans – unsecured<br>銀行貸款－無抵押  | <b>RMB base</b><br><b>lending rate</b><br><b>-1.05</b>   | <b>2020 – 2021</b>         | <b>17,472</b>    | -  | -                   | -               |
| 銀行貸款－無抵押  | 人民幣基準貸款利率<br>-1.05厘  | 二零二零年至<br>二零二一年            |                  |  |                     |                 |
|   |  |                            | <b>653,127</b>   |  |                     | <b>232,290</b>  |
| <b>Non-current:</b>   |  |                            |                  |  |                     |                 |
| <b>非即期：</b>   |  |                            |                  |  |                     |                 |
| Bank loans – secured<br>銀行貸款－有抵押  | <b>HIBOR+1.56/</b><br><b>RMB base</b><br><b>lending rate</b><br><b>+(0 to 1.39)/</b><br><b>7.125 to 7.35</b>                     | <b>2021 – 2029</b>         | <b>641,598</b>   | HIBOR+1.56<br>香港銀行同業拆息+1.56<br>厘         | 2026<br>二零二六年       | 619,937         |
| 銀行貸款－有抵押  | 香港銀行同業拆息<br>+1.56厘／人民幣基準<br>貸款利率+<br>(0厘至1.39厘)／<br>7.125厘至7.35厘   | 二零二一年至<br>二零二九年            |                  |  |                     |                 |
| Other loan – unsecured<br>其他貸款－無抵押<br>– Loan from a fellow<br>subsidiary<br>– 來自一間同系附屬<br>公司之貸款 | <b>10</b><br><b>10厘</b>  | <b>2022</b><br>二零二二年       | <b>75,000</b>    | -  | -                   | -               |
|   |  |                            | <b>716,598</b>   |  |                     | <b>619,937</b>  |
|   |  |                            | <b>1,369,725</b> |  |                     | <b>852,227</b>  |

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## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 31. Interest-Bearing Bank and Other Borrowings (continued)

### 31. 計息銀行及其他借貸(續)

|  |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Analysed into:                             | 經分析為：             |                                  |                                  |
| Bank loans repayable:                      | 按下列年期償還之銀行貸款：     |                                  |                                  |
| Within one year or on demand<br>(Note (a)) | 一年內或於接獲要求時(附註(a)) | <b>653,127</b>                   | 232,290                          |
| In the second year                         | 兩年內               | <b>114,023</b>                   | 44,790                           |
| In the third to fifth years, inclusive     | 三至五年內(包括首尾兩年)     | <b>236,052</b>                   | 164,412                          |
| Beyond five years                          | 五年以上              | <b>291,523</b>                   | 410,735                          |
|  |                   | <b>1,294,725</b>                 | 852,227                          |
| Other borrowing repayable:                 | 按下列年期償還之其他借貸：     |                                  |                                  |
| In the third to fifth years, inclusive     | 三至五年內(包括首尾兩年)     | <b>75,000</b>                    | -                                |
|  |                   | <b>1,369,725</b>                 | 852,227                          |

Notes:

- (a) Included in interest-bearing bank loans of the Group is a term loan with a principal amounting to HK\$135,000,000 (2019: HK\$150,000,000), of which the respective loan agreement contains a repayment on-demand clause giving the bank the unconditional right to call in the loan at any time and therefore, the respective loan amount has been classified as current liabilities. For the purpose of the above analysis, the loan is included within current interest-bearing bank and other loans and analysed into bank loans repayable within one year or on demand.

附註：

- (a) 本集團之計息銀行貸款包括本金額為135,000,000港元(二零一九年：150,000,000港元)之定期貸款，其相關貸款協議載有於接獲要求時還款條款，給予銀行無條件權利，可隨時召回貸款，因此，相關貸款分類為流動負債。就上述分析而言，該項貸款計入流動計息銀行及其他借貸內，並按一年內或於接獲要求時償還之銀行貸款進行分析。

At the end of the reporting period, the maturity profile of interest-bearing bank and other borrowings based on the scheduled repayment dates set out in the loan agreements is as follows:

於報告期末，計息銀行及其他借貸根據貸款協議所載之計劃還款日期劃分之到期日組合如下：

|  |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Bank loans repayable:                  | 按下列年期償還之銀行貸款： |                                  |                                  |
| Within one year                        | 一年內           | <b>548,127</b>                   | 97,290                           |
| In the second year                     | 兩年內           | <b>144,023</b>                   | 74,790                           |
| In the third to fifth years, inclusive | 三至五年內(包括首尾兩年) | <b>311,052</b>                   | 269,412                          |
| Beyond five years                      | 五年以上          | <b>291,523</b>                   | 410,735                          |
|  |               | <b>1,294,725</b>                 | 852,227                          |
| Other loans repayable:                 | 按下列年期償還之其他貸款： |                                  |                                  |
| In the third to fifth years, inclusive | 三至五年內(包括首尾兩年) | <b>75,000</b>                    | -                                |
|  |               | <b>1,369,725</b>                 | 852,227                          |

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### 31. Interest-Bearing Bank and Other Borrowings (continued)

Notes: (continued)

- (b) Certain bank loans of the Group are secured by the Group's property, plant and equipment (note 13), owned investment properties and certain rental income generated therefrom (note 14), properties held for sale (note 20), financial assets at fair value through other comprehensive income (note 18).
- (c) As at 31 March 2020, except for the bank borrowings of HK\$261,567,000 and other borrowing of HK\$75,000,000 from a fellow subsidiary which bear interest at fixed rates, all bank loans bear interest at floating interest rates. As at 31 March 2019, all bank borrowings bore interest at floating interest rates.
- (d) The carrying amounts of the Group's bank and other borrowings which are denominated in the following currencies are as follows:

|      |     | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元  | 883,237                          | 852,227                          |
| RMB  | 人民幣 | 486,488                          | –                                |
|      |     | <b>1,369,725</b>                 | 852,227                          |

### 31. 計息銀行及其他借貸(續)

附註：(續)

- (b) 本集團若干銀行貸款乃以本集團之物業、廠房及設備(附註13)、自用投資物業及其產生之若干租金收入(附註14)、持作出售物業(附註20)及按公平值經其他全面收益入賬之財務資產(附註18)作抵押。
- (c) 於二零二零年三月三十一日，除銀行借貸261,567,000港元及來自一間同系附屬公司之其他借貸75,000,000港元乃按固定利率計息外，所有銀行貸款均以浮動利率計息。於二零一九年三月三十一日，所有銀行貸款均以浮動利率計息。
- (d) 本集團以下列貨幣計值之銀行及其他借貸之賬面值如下：

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## 財務報表附註

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### 32. Convertible Notes

On 19 October 2016, CAP issued convertible notes in an aggregate principal amount of HK\$500,000,000 which bear interest at 7.5% per annum (the "CN 2021"). The CN 2021 will mature after 5 years from the date of issuance and can be convertible into ordinary shares of CAP at any time between the date of issuance of the CN 2021 and the maturity date. The CN 2021 are convertible at a conversion price of HK\$0.4 per share.

The interest for the year ended 31 March 2020 was calculated by applying an effective interest rate of 11.48% to the liability component for the remaining period from the acquisition date of the CAP Group.

As at 31 March 2020, the CN 2021 with principal amount of HK\$264,800,000 were outstanding and the maximum number of shares to be converted is 662,000,000 shares of CAP.

The fair value of the CN 2021 at the acquisition date of the CAP Group had been split into the liability and derivative components and their movements are as follows:

|   |                                  | <b>Liability<br/>component</b> | <b>Derivative<br/>component</b> | <b>Total</b> |
|---|----------------------------------|--------------------------------|---------------------------------|--------------|
|   |                                  | 負債部分                           | 衍生工具部分                          | 總計           |
|   |                                  | HK\$'000                       | HK\$'000                        | HK\$'000     |
|   |                                  | 千港元                            | 千港元                             | 千港元          |
|   |                                  |                                | (note 25)                       |              |
|   |                                  |                                | (附註25)                          |              |
| At 1 April 2018, 31 March 2019 and 1 April 2019 | 於二零一八年四月一日、二零一九年三月三十一日及二零一九年四月一日 | -                              | -                               | -            |
| Acquisition of subsidiaries (note 38)           | 收購附屬公司(附註38)                     | 248,415                        | 1,201                           | 249,616      |
| Accretion of interest                           | 累增利息                             | 1,399                          | -                               | 1,399        |
| Fair value gain                                 | 公平值收益                            | -                              | (580)                           | (580)        |
| At 31 March 2020                                | 於二零二零年三月三十一日                     | 249,814                        | 621                             | 250,435      |

### 32. 可換股票據

於二零一六年十月十九日，中國農產品發行本金總額為500,000,000港元並按年利率7.5%計息之可換股票據(「二零二一年可換股票據」)。二零二一年可換股票據將於發行日期起計五年後到期，並可於二零二一年可換股票據發行日期起至到期日止期間隨時轉換為中國農產品普通股。二零二一年可換股票據可按換股價每股0.4港元予以轉換。

截至二零二零年三月三十一日止年度之利息乃就負債部分於中國農產品集團收購日期起計餘下期間採用11.48%之實際利率計算。

於二零二零年三月三十一日，二零二一年可換股票據之尚未償還本金額為264,800,000港元，最高可轉換股份數目為662,000,000股中國農產品股份。

二零二一年可換股票據於中國農產品集團收購日期之公平值已拆分為負債及衍生工具部分，其變動如下：



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## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 33. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

|   |                        | Depreciation allowance in excess of related depreciation | Revaluation of properties | Unrealised fair value gain on financial assets at fair value through other comprehensive income | Fair value adjustment arising from acquisition of subsidiaries | Total           |
|---|------------------------|--|---------------------------|---|--|-----------------|
|   |                        | 超過相關折舊之折舊免稅額   | 物業重估                      | 按公平值經其他全面收益入賬之財務資產之未變現公平值收益   | 因收購附屬公司而作出公平值調整  | 總計              |
|   |                        | HK\$'000<br>千港元  | HK\$'000<br>千港元           | HK\$'000<br>千港元   | HK\$'000<br>千港元  | HK\$'000<br>千港元 |
| At 1 April 2018   | 於二零一八年四月一日             | 27,111   | -                         | 5,353   | -  | 32,464          |
| Deferred tax charged to profit or loss during the year              | 年內於損益表扣除之遞延稅項          | 4,627  | -                         | -   | -  | 4,627           |
| Deferred tax credited to other comprehensive income during the year | 年內於其他全面收益計入之遞延稅項       | -  | -                         | (3,521)   | -  | (3,521)         |
| At 31 March 2019 and 1 April 2019                                   | 於二零一九年三月三十一日及二零一九年四月一日 | 31,738   | -                         | 1,832   | -  | 33,570          |
| Acquisition of subsidiaries (note 38)                               | 收購附屬公司(附註38)           | -  | 488,922                   | -   | 156,887  | 645,809         |
| Disposal of subsidiaries (note 40)                                  | 出售附屬公司(附註40)           | (7)  | -                         | -   | -  | (7)             |
| Deferred tax charged/(credited) to profit or loss during the year   | 年內於損益表扣除/(計入)之遞延稅項     | (1,363)  | 887                       | -   | -  | (476)           |
| Deferred tax credited to other comprehensive income during the year | 年內於其他全面收益計入之遞延稅項       | -  | -                         | (1,832)   | -  | (1,832)         |
| Exchange realignment  | 匯兌調整                   | -  | (12,232)                  | -   | (3,922)  | (16,154)        |
| At 31 March 2020  | 於二零二零年三月三十一日           | 30,368   | 477,577                   | -   | 152,965  | 660,910         |

### 33. 遞延稅項

年內遞延稅項負債及資產之變動如下：

#### 遞延稅項負債

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## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 33. Deferred Tax (continued)

#### Deferred tax assets

|   |                        | Loss available for offsetting against future taxable profit<br>抵銷將來應課稅盈利之可用虧損<br>HK\$'000<br>千港元 | Depreciation in excess of related depreciation allowance<br>超過相關折舊免稅額之折舊<br>HK\$'000<br>千港元 | Impairment of financial assets<br>財務資產減值<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|------------------------|--|---|---|--------------------------------|
| At 1 April 2018   | 於二零一八年四月一日             | 34,232   | 4,774   | 323   | 39,329                         |
| Deferred tax credited to profit or loss during the year           | 年內於損益表計入之遞延稅項          | 592  | 180   | 175   | 947                            |
| At 31 March 2019 and 1 April 2019                                 | 於二零一九年三月三十一日及二零一九年四月一日 | 34,824   | 4,954   | 498   | 40,276                         |
| Deferred tax credited/(charged) to profit or loss during the year | 年內於損益表計入/(扣除)之遞延稅項     | (8,440)  | (4,905)   | 111   | (13,234)                       |
| At 31 March 2020  | 於二零二零年三月三十一日           | 26,384   | 49  | 609   | 27,042                         |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

就呈報目的而言，若干遞延稅項資產及負債已在綜合財務狀況表內抵銷。以下為本集團的遞延稅項結餘就財務報告目的而言作出的分析：

|   |                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Net deferred tax assets recognised in the consolidated statement of financial position      | 於綜合財務狀況表內確認的遞延稅項資產淨額 | 48                               | 10,122                           |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表內確認的遞延稅項負債淨額 | (633,916)                        | (3,416)                          |
|   |                      | (633,868)                        | 6,706                            |

At the end of the reporting period, the Group has unused tax losses arising in Hong Kong and Macau of HK\$693,753,000 (2019: HK\$456,926,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has unused tax losses arising in mainland China of HK\$381,520,000 (2019: HK\$9,464,000) that will expire in one to five years for offsetting against future taxable profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

於報告期末，本集團有於香港及澳門產生之未動用稅項虧損為693,753,000港元（二零一九年：456,926,000港元），可無限用作抵銷出現虧損之公司之未來應課稅溢利。本集團亦有於中國內地產生之未動用稅項虧損381,520,000港元（二零一九年：9,464,000港元），可用作抵銷未來應課稅溢利，並將於一至五年內屆滿。由於未來溢利來源不可預計，故此未有就有關虧損確認遞延稅項資產。

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### 33. Deferred Tax (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1 January 2008.

As at 31 March 2020, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in mainland China. In the opinion of the Company's directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in these subsidiaries in mainland China for which deferred tax liabilities have not been recognised amounted to HK\$324,403,000 as at 31 March 2020 (2019: Nil).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 33. 遞延稅項(續)

根據中國企業所得稅法，於中國內地成立之外商投資企業向海外投資者宣派之股息須繳付10%的預扣稅。該項規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後賺取之盈利。倘中國內地與海外投資者所處司法權區訂有稅務條約，則可能適用較低預扣稅率。就本集團而言，適用稅率為5%或10%。因此，本集團須就其於中國內地成立之附屬公司就自二零零八年一月一日起產生之盈利分派之股息繳付預扣稅。

於二零二零年三月三十一日，概無就本集團於中國內地成立之附屬公司須繳納預扣稅之未匯出盈利應付的預扣稅而確認遞延稅項。本公司董事認為，該等附屬公司在可預見未來不大可能會分派該等盈利。於二零二零年三月三十一日，與位於中國內地且其遞延稅項負債尚未確認之該等附屬公司之投資有關之暫時差額總計324,403,000港元(二零一九年：無)。

於本公司向其股東派付股息過程中並無附帶產生任何所得稅後果。

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### 34. Share Capital

#### Shares

|   |                                       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------------------------------|----------------------------------|----------------------------------|
| Authorised:<br>60,000,000,000 ordinary shares of<br>HK\$0.01 each           | 法定：<br>60,000,000,000股每股0.01港元之普通股    | 600,000                          | 600,000                          |
| Issued and fully paid:<br>1,231,642,888 ordinary shares of<br>HK\$0.01 each | 已發行及繳足：<br>1,231,642,888股每股0.01港元之普通股 | 12,316                           | 12,316                           |

The movements in the share capital and share premium account of the Company were summarised as follows:

本公司股本及股份溢價之變動概述如下：

|   |  | Number<br>of shares<br>in issue<br>已發行<br>股份數目 | Issued<br>capital<br>已發行<br>股本<br>HK\$'000<br>千港元 | Share<br>premium<br>股份溢價<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|--|--|---|---|--------------------------------|
| At 1 April 2018                                     | 於二零一八年四月一日                                     | 1,265,142,888                                  | 12,651  | 2,116,420                                   | 2,129,071                      |
| Cancellation of shares<br>repurchased (note)        | 註銷購回股份(附註)                                     | (33,500,000)                                   | (335)   | (9,621)                                     | (9,956)                        |
| At 31 March 2019, 1 April 2019<br>and 31 March 2020 | 於二零一九年三月<br>三十一日、二零一九年<br>四月一日及二零二零年<br>三月三十一日 | 1,231,642,888                                  | 12,316  | 2,106,799                                   | 2,119,115                      |

Note:

The Company purchased 33,500,000 of its shares on the Stock Exchange at a total consideration of HK\$9,956,000 during the year ended 31 March 2019. The purchased shares were cancelled during that year.

附註：

於截至二零一九年三月三十一日止年度，本公司以總代價9,956,000港元於聯交所購買33,500,000股股份。該等已購買股份已於該年度註銷。

Details of the shares repurchased by the Company during the year ended 31 March 2019 are summarised below:

本公司於截至二零一九年三月三十一日止年度購回的股份詳情概述如下：

| Month of repurchase | 購回月份    | Number<br>of shares<br>repurchased<br>購回股份數目 | Highest<br>price<br>per share<br>每股最高價格<br>HK\$<br>港元 | Lowest<br>price<br>per share<br>每股最低價格<br>HK\$<br>港元 | Aggregate<br>price<br>總價<br>HK\$'000<br>千港元 |
|---------------------|---------|--|---|--|---|
| September 2018      | 二零一八年九月 | 24,000,000                                   | 0.300   | 0.275  | 7,000                                       |
| October 2018        | 二零一八年十月 | 9,500,000                                    | 0.310   | 0.305  | 2,956                                       |
|                     |         | 33,500,000                                   |   |  | 9,956                                       |

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## 34. Share Capital (continued)

### Share options

Details of the Company's share option scheme are set out in note 35 to the financial statements.

## 35. Share Option Scheme

### The Company's Share Option Scheme

The share option scheme adopted by the Company on 18 September 2003 (the "2003 Scheme") was terminated with the approval by the shareholders of the Company at the annual general meeting held on 22 August 2013 and a new share option scheme of the Company (the "2013 Scheme") was approved to be adopted by the shareholders of the Company on 22 August 2013. The 2013 Scheme will remain in force for a period of 10 years from that day, unless otherwise terminated earlier by shareholders in a general meeting. As a result, the Company can no longer grant any further options under the 2003 Scheme.

Upon the termination of the 2003 Scheme, no share options were granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable during the prescribed exercise period in accordance with the terms of the 2003 Scheme.

The 2013 Scheme is for the primary purpose of providing incentives or rewards to selected eligible persons for their contribution or potential contribution to the Company and its subsidiaries.

Pursuant to the 2013 Scheme, the board of directors may grant options to directors and eligible employees of the Company or its subsidiaries to let them subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing price of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options.

Options granted must be taken up within 30 days from the date of grant, upon payment of HK\$1. Options may be exercised at any time from the date of grant of the share options up to the tenth anniversary of the date of grant as determined by the directors at their discretion.

The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the 2013 Scheme. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Scheme shall not exceed 10% of the shares in issue as at the date of approval of the 2013 Scheme.

## 34. 股本(續)

### 購股權

本公司之購股權計劃之詳情載於財務報表附註35。

## 35. 購股權計劃

### 本公司之購股權計劃

本公司在二零零三年九月十八日採納的購股權計劃(「二零零三年計劃」)於二零一三年八月二十二日舉行之股東週年大會上經本公司股東批准而終止，而本公司新購股權計劃(「二零一三年計劃」)已獲本公司股東於二零一三年八月二十二日批准採納。二零一三年計劃自該日起十年內有效，惟由股東於股東大會提早終止則作另論。因此，本公司不能再根據二零零三年計劃進一步授出任何購股權。

二零零三年計劃終止後，其項下概無授出任何購股權，惟在終止前已授出的現有購股權將繼續有效，並可根據二零零三年計劃之條款在指定行使期內行使。

二零一三年計劃主要旨在鼓勵或獎勵對本公司及其附屬公司作出貢獻或將可作出貢獻之選定合資格人士。

根據二零一三年計劃，董事會可向本公司或其附屬公司之董事及合資格僱員授出可認購本公司股份之購股權，代價相等於提呈授出購股權當日本公司股份於聯交所之收市價或緊接授出購股權當日前五個交易日本公司股份於聯交所之平均收市價之較高者。

授出之購股權須於授出日期起計30日內接納，於接納時須繳付1港元。購股權可自董事酌情釐定的授出日期起至授出日期滿10週年止期間隨時行使。

本公司可授出購股權涉及之股份數目上限，連同根據本公司任何其他購股權計劃授出之購股權所涉及之股份數目，不得超過本公司不時已發行股本之30% (不包括因行使根據二零一三年計劃授出之購股權而發行之任何股份)。不論上述各項，因行使根據二零一三年計劃授出惟尚未行使之所有購股權而可發行之股份，不得超過採納二零一三年計劃獲批准當日之已發行股份之10%。

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### 35. Share Option Scheme (continued)

#### The Company's Share Option Scheme (continued)

The total number of shares in respect of which options may be granted to an eligible person under the 2013 Scheme is not permitted to exceed 1% of the aggregate number of shares for the time being issued and issuable under the 2013 Scheme.

No share options were outstanding under the 2013 Scheme as at 31 March 2020 and 2019.

The following share options were outstanding under the 2003 Scheme during the year:

|                           |       | 2020<br>二零二零年                            |                      | 2019<br>二零一九年                            |                      |
|---------------------------|-------|--|----------------------|--|----------------------|
|                           |       | Weighted<br>average<br>exercise<br>price | Number<br>of options | Weighted<br>average<br>exercise<br>price | Number<br>of options |
|                           |       | 加權平均<br>行使價<br>HK\$<br>per share         | 購股權數目<br>'000<br>千份  | 加權平均<br>行使價<br>HK\$<br>per share         | 購股權數目<br>'000<br>千份  |
| At beginning of year      | 於年初   | 7.420                                    | 17                   | 14.226                                   | 39                   |
| Forfeited during the year | 於年內沒收 | 7.420                                    | (1)                  | 7.420                                    | (2)                  |
| Expired during the year   | 於年內屆滿 |  | -                    | 20.693                                   | (20)                 |
| At end of year            | 於年末   | 7.420                                    | 16                   | 7.420                                    | 17                   |

There were no share options granted or exercised during the years ended 31 March 2020 and 2019.

There was no share-based payment recognised during the years ended 31 March 2020 and 2019.

### 35. 購股權計劃(續)

#### 本公司之購股權計劃(續)

根據二零一三年計劃可授予合資格人士之購股權所涉及之股份總數，不得超過根據二零一三年計劃當時已發行及可發行股份總數之1%。

於二零二零年及二零一九年三月三十一日，二零一三年計劃下並無尚未行使購股權。

根據二零零三年計劃，以下購股權於年內尚未行使：

截至二零二零年及二零一九年三月三十一日止年度，並無授出或行使任何購股權。

截至二零二零年及二零一九年三月三十一日止年度，概無已確認以股份為基礎的付款。



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### 35. Share Option Scheme (continued)

#### The Company's Share Option Scheme (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2020

| Number of options<br>購股權數目<br>'000<br>千份 | Exercise price*<br>行使價*<br>HK\$ per share<br>每股港元 | Exercise period*<br>行使期*                            |
|--|---|---|
| 16                                       | 7.420   | 12.5.2011 to 11.5.2020<br>二零一一年五月十二日至<br>二零二零年五月十一日 |

2019

| Number of options<br>購股權數目<br>'000<br>千份 | Exercise price*<br>行使價*<br>HK\$ per share<br>每股港元 | Exercise period*<br>行使期*                            |
|--|---|---|
| 17                                       | 7.420   | 12.5.2011 to 11.5.2020<br>二零一一年五月十二日至<br>二零二零年五月十一日 |

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

At the end of the reporting period, the Company had 16,537 (2019: 17,238) share options outstanding under the 2003 Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 16,537 (2019: 17,238) additional ordinary shares of the Company and additional share capital of HK\$165 (2019: HK\$172) and share premium of HK\$123,000 (2019: HK\$128,000) (before issue expenses).

At the date of approval of these financial statements, no share options were outstanding under the 2003 and 2013 Scheme.

### 35. 購股權計劃(續)

#### 本公司之購股權計劃(續)

於報告期末尚未行使之購股權之行使價及行使期如下：

二零二零年

| Number of options<br>購股權數目<br>'000<br>千份 | Exercise price*<br>行使價*<br>HK\$ per share<br>每股港元 | Exercise period*<br>行使期*                            |
|--|---|---|
| 16                                       | 7.420   | 12.5.2011 to 11.5.2020<br>二零一一年五月十二日至<br>二零二零年五月十一日 |

二零一九年

| Number of options<br>購股權數目<br>'000<br>千份 | Exercise price*<br>行使價*<br>HK\$ per share<br>每股港元 | Exercise period*<br>行使期*                            |
|--|---|---|
| 17                                       | 7.420   | 12.5.2011 to 11.5.2020<br>二零一一年五月十二日至<br>二零二零年五月十一日 |

\* 購股權之行使價可於供股或紅股發行或本公司股本中發生其他類似的變動時予以調整。

於報告期末，本公司根據二零零三年計劃授出之購股權中，16,537份(二零一九年：17,238份)購股權尚未行使。根據本公司現行之股本架構，悉數行使尚未行使之購股權可導致額外發行16,537股(二零一九年：17,238股)本公司之普通股及增加股本165港元(二零一九年：172港元)及股份溢價123,000港元(二零一九年：128,000港元)(未扣除發行開支)。

於該等財務報表獲批當日，本公司根據二零零三年及二零一三年計劃授出之購股權中，概無購股權尚未行使。

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### 35. Share Option Scheme (continued)

#### CAP's Share Option Scheme

CAP adopted a share option scheme (the "CAP 2012 Scheme") on 3 May 2012 whereby the directors of CAP are authorised, at their discretion, to invite selected eligible persons (the "CAP Participants") to take up options for their contribution to CAP. The CAP 2012 Scheme will remain in force for 10 years. Under the CAP 2012 Scheme, the board of directors of CAP ("CAP Board") may grant options to the CAP Participants to subscribe for shares in CAP for a consideration of HK\$1 for each lot of share options granted. The exercise price is to be determined by the CAP Board and shall not be less than the highest of:

- (a) the official closing price of the shares of CAP as stated in the daily quotations sheet of the Stock Exchange on the offer date which must be a business day (and for this purpose, shall be taken to be the date of the CAP Board meeting at which the CAP Board proposes to grant the options);
- (b) the average of the official closing prices of the shares of CAP as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of a share of CAP.

Pursuant to the CAP 2012 Scheme, the maximum number of shares in CAP in respect of which options may be granted when aggregated with any other share option scheme of CAP is not permitted to exceed 995,306,782 shares, representing 10% of the issued share capital of CAP as at the date of this report. Subject to the issue of a circular and the approval of the shareholders of CAP in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the CAP Board may refresh the limit at any time to 10% of the total number of CAP's shares in issue as at the date of approval by the shareholders of CAP in general meeting. Notwithstanding the foregoing, the shares of CAP which may be issued upon exercise of all outstanding options granted and yet to be exercised under the CAP 2012 Scheme and any other share option schemes of CAP at any time shall not exceed 30% of CAP's shares in issue from time to time.

### 35. 購股權計劃(續)

#### 中國農產品之購股權計劃

根據中國農產品於二零一二年五月三日採納之購股權計劃(「中國農產品二零一二年計劃」)，中國農產品董事獲授權可酌情邀請所挑選合資格人士(「中國農產品參與者」)就彼等對中國農產品之貢獻而接納購股權。中國農產品二零一二年計劃將維持十年有效。根據中國農產品二零一二年計劃，中國農產品之董事會(「中國農產品董事會」)可向中國農產品參與者授出購股權，每手獲授予認購中國農產品股份之購股權之代價為1港元。行使價將由中國農產品董事會釐定，並不得低於以下各項之最高者：

- (a) 中國農產品股份於購股權授出當日(須為營業日，且就此而言，須作為中國農產品董事會建議授出購股權之中國農產品董事會會議當日)在聯交所每日報價表所列之正式收市價；
- (b) 中國農產品股份於緊接授出購股權當日前五個營業日在聯交所每日報價表所列之正式收市價平均數；及
- (c) 中國農產品股份面值。

根據中國農產品二零一二年計劃，連同中國農產品任何其他購股權，中國農產品計劃可授出之購股權所涉及之中國農產品股份最高數目不得超過995,306,782股，即中國農產品於本報告日期已發行股本之10%。根據刊發通函、中國農產品股東於股東大會上批准及／或上市規則不時訂明之其他規定，中國農產品董事會可隨時將限額重新釐定為於中國農產品股東於股東大會上批准當日中國農產品已發行股份總數之10%。儘管有上述規定，因行使中國農產品二零一二年計劃及中國農產品任何其他購股權項下所有已授出但未行使之購股權而可予發行之中國農產品股份，於任何時候均不得超過中國農產品不時已發行股份之30%。

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### 35. Share Option Scheme (continued)

#### CAP's Share Option Scheme (continued)

The number of shares of CAP in respect of which options may be granted to the CAP Participants in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of CAP's shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of the shareholders of CAP in general meeting. The participant and his associates (as defined in the Listing Rules) are abstained from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders of CAP or independent non-executive directors of CAP in excess of 0.1% of CAP's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by CAP's shareholders.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the CAP Board is empowered to impose as its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised will be determined by the CAP Board at its absolute discretion, save that no option may be exercised more than ten years from the date of grant.

No options under the CAP 2012 Scheme have been granted, exercised, cancelled or lapsed during the year ended 31 March 2020.

### 35. 購股權計劃(續)

#### 中國農產品之購股權計劃(續)

倘於授出日期(包括該日)前任何十二個月期間內，可能向中國農產品參與者授出之購股權涉及之中國農產品股份數目不得超出授出日期中國農產品已發行股份總數之1%。進一步授出超過該1%限額之購股權，須待中國農產品股東於股東大會上批准(中國農產品參與者及其聯繫人士(定義見上市規則)須放棄投票)及/或遵守上市規則不時訂明之其他規定。倘授予中國農產品主要股東或中國農產品獨立非執行董事之購股權超過中國農產品股本之0.1%，或其價值超過5,000,000港元，則須經中國農產品股東事先批准。

概無明文規定購股權須持有任何最短期限方可行使，惟中國農產品董事會有權酌情於授出任何個別購股權時施加任何最短期限。中國農產品董事會可全權酌情釐定可行使購股權之期間，惟購股權概不可於授出日期起計十年以後行使。

截至二零二零年三月三十一日止年度，根據中國農產品二零一二年計劃，概無購股權被授出、行使、註銷或失效。

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### 36. 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 131 and 132 of the consolidated financial statements.

**(i) Special reserve**

The special reserve of the Group represents the difference between the nominal value of ordinary shares issued by the Company and the aggregate nominal value of the issued ordinary share capital of the subsidiaries acquired pursuant to a group reorganisation in 1995.

**(ii) Contributed surplus**

The contributed surplus represents the credits arising from the capital reduction effected by the Company less the amount utilised for the purpose of the bonus issue of shares by the Company.

**(iii) Other reserve**

The other reserve represents the Group's share of other reserve of its associate.

**(iv) Reserve funds**

Pursuant to the relevant laws and regulations in mainland China, a portion of the profits of the Company's subsidiaries in mainland China has been transferred to the reserve funds which are restricted to use.

### 36. 儲備

本集團於本年度及以往年度之儲備及其變動之金額呈列於綜合財務報表第131及132頁之綜合權益變動表中。

**(i) 特別儲備**

本集團之特別儲備指本公司已發行普通股之面值與根據一九九五年因集團重組所收購之附屬公司已發行普通股股本之總面值兩者之差額。

**(ii) 實繳盈餘**

實繳盈餘指本公司實行股本削減產生之盈餘減去本公司因紅股發行所使用之款額。

**(iii) 其他儲備**

其他儲備指本集團分佔其聯營公司之其他儲備。

**(iv) 儲備基金**

根據中國內地相關法律及法規，本公司於中國內地之附屬公司之部分溢利已轉撥至儲備基金，而儲備基金的使用受到限制。

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### 37. Partly-Owned Subsidiaries with Material Non-Controlling Interests

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

### 37. 擁有重大非控股權益之部分擁有附屬公司

擁有重大非控股權益之本集團附屬公司詳情載述如下：

|  |                                     | 2020<br>二零二零年                              |
|--|-------------------------------------|--|
| Percentage of equity interest held by non-controlling interests: CAP                                     | 非控股權益持有之股權百分比：<br>中國農產品             | <b>46.63%</b>                              |
|  |                                     | <b>2020<br/>二零二零年<br/>HK\$'000<br/>千港元</b> |
| Loss for the period from date of acquisition to 31 March 2020 shared by non-controlling interests of CAP | 中國農產品非控股權益分佔收購日期起至二零二零年三月三十一日止期間之虧損 | <b>1,959</b>                               |
| Accumulated balances of non-controlling interests of CAP at the reporting date                           | 於報告日期中國農產品非控股權益之累計結餘                | <b>1,046,350</b>                           |

The following tables illustrate the summarised financial information of CAP Group. The amounts disclosed are before any inter-company eliminations:

下表闡述中國農產品集團之財務資料概要。披露之金額為扣除任何集團內公司間對銷前之金額：

|   |               | Date of acquisition to 31 March 2020<br>CAP<br>於收購日期起至二零二零年三月三十一日止期間<br>中國農產品<br>HK\$'000<br>千港元 |
|---|---------------|--|
| Revenue for the period                      | 期內收益          | <b>44,166</b>  |
| Loss for the period                         | 期內虧損          | <b>(18,237)</b>  |
| Other comprehensive loss for the period     | 期內其他全面虧損      | <b>(75,230)</b>  |
| Total comprehensive loss for the period     | 期內全面虧損總額      | <b>(93,467)</b>  |
| Net cash flows used in operating activities | 經營業務所用之現金流量淨額 | <b>(18,508)</b>  |
| Net cash flows used in investing activities | 投資活動所用之現金流量淨額 | <b>(2,080)</b>   |
| Net cash flows used in financing activities | 融資活動所用之現金流量淨額 | <b>(7,468)</b>   |
| Net decrease in cash and cash equivalents   | 現金及現金等同項目減少淨額 | <b>(28,056)</b>  |
|   |               | <b>As at 31 March 2020<br/>於二零二零年三月三十一日<br/>HK\$'000<br/>千港元</b>                                 |
| Current assets                              | 流動資產          | <b>2,572,059</b>   |
| Non-current assets                          | 非流動資產         | <b>2,909,734</b>   |
| Current liabilities                         | 流動負債          | <b>(1,950,783)</b>   |
| Non-current liabilities                     | 非流動負債         | <b>(1,861,898)</b>   |

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### 38. Business Combination

On 26 September 2019, the Group proposed a general offer to acquire a maximum of 54.83% equity interest in CAP and a maximum of 46.86% of the outstanding principal amount of the CN 2021 issued by CAP. On 12 February 2020, the CAP Acquisition was completed and 5,312,395,685 shares of CAP were acquired at HK\$0.091 each and CAP became a 53.37%-owned subsidiary of the Group.

The Group has elected to initially measure the non-controlling interests in CAP at the non-controlling interests' proportionate share of CAP's identifiable net assets at the acquisition date.

As at the date of approval for issuance of the consolidated financial statements, the fair value assessments of identifiable assets and liabilities arising from the above acquisition have not been finalised and thus, the assets and liabilities recognised at the date of acquisition (see below) have been determined provisionally. Upon finalisation of the valuation, the gain on bargain purchase may change accordingly. The directors of the Company expect the valuation will be finalised within one year from the completion date of the acquisition.

A provisional gain on bargain purchase amounting to approximately HK\$230,844,000 is recognised in other income and gains in the Group's profit or loss for the year, which represented the excess of the fair value of the net identifiable assets of the CAP Group over the aggregate cash consideration due to the deep discount of market capitalisation of CAP against its net asset value.

### 38. 業務合併

於二零一九年九月二十六日，本集團提呈全面要約，以收購中國農產品最多54.83%之股本權益及中國農產品最多46.86%之已發行二零二一年可換股票據未償還本金額。於二零二零年二月十二日，中國農產品收購事項經已完成，且5,312,395,685股中國農產品股份已按每股0.091港元之價格予以收購，中國農產品遂成為本集團擁有53.37%權益之附屬公司。

本集團選擇按非控股權益於收購日期分佔中國農產品可識別資產淨額之百分比初始計量中國農產品之非控股權益。

於批准發行綜合財務報表當日，來自上述收購事項之可識別資產及負債之公平值評估尚未落實，因此於收購日期確認之資產及負債(見下文)已暫時釐定。於估值落實後，議價購買之收益可能會相應變動。本公司董事預期估值將於收購事項完成日期起計一年內落實。

議價購買之暫定收益約230,844,000港元已於本集團本年度損益表內於其他收益中確認，該數額為中國農產品集團可識別資產淨值之公平值因中國農產品之市值相對其資產淨值大幅折讓而超出現金代價總額之部分。



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### 38. Business Combination (continued)

The provisional fair values of the identifiable assets and liabilities of the CAP Group as at the date of acquisition were as follows:

### 38. 業務合併(續)

於收購日期，中國農產品集團可識別資產及負債之暫定公平值如下：

|   |                           | HK\$'000<br>千港元    |
|---|---------------------------|--------------------|
| Property, plant and equipment   | 物業、廠房及設備                  | 74,458             |
| Investment properties   | 投資物業                      | 2,912,560          |
| Properties held for sale  | 持作出售物業                    | 1,685,600          |
| Properties under development  | 發展中物業                     | 292,320            |
| Trade receivables   | 貿易應收款項                    | 4,033              |
| Loans and interest receivables  | 應收貸款及利息                   | 65,552             |
| Prepayments, deposits and other receivables   | 預付款項、按金及其他應收款項            | 207,167            |
| Financial assets at fair value through profit or loss                                       | 按公平值經損益入賬之財務資產            | 5,470              |
| Tax recoverable   | 可收回稅項                     | 10,068             |
| Restricted bank balances  | 受限制銀行結餘                   | 9,132              |
| Cash and cash equivalents   | 現金及現金等同項目                 | 364,928            |
| Trade payable   | 貿易應付款項                    | (49,098)           |
| Other payables and accruals   | 其他應付款項及應計費用               | (1,120,183)        |
| Contract liabilities  | 合約負債                      | (530,318)          |
| Financial liabilities at fair value through profit or loss                                  | 按公平值經損益入賬之財務負債            | (1,201)            |
| Unsecured bonds and notes   | 無抵押債券及票據                  | (204,366)          |
| Interest-bearing bank and other borrowings  | 計息銀行及其他借貸                 | (998,454)          |
| Tax payable   | 應付稅項                      | (59,861)           |
| Convertible notes   | 可換股票據                     | (248,415)          |
| Deferred tax liabilities  | 遞延稅項負債                    | (645,809)          |
| <b>Total identifiable net assets at fair value</b>  | <b>按公平值可識別總資產淨值</b>       | <b>1,773,583</b>   |
| <b>Non-controlling interests</b>  | <b>非控股權益</b>              | <b>(1,059,311)</b> |
|   |                           | <b>714,272</b>     |
| Provisional gain on bargain purchase recognised in other income and gains in profit or loss | 於損益表之其他收入及收益中確認的議價購買之暫定收益 | (230,844)          |
| Satisfied by cash   | 以現金償付                     | 483,428            |

The fair values of the trade receivables, other receivables and loans and interest receivables as at the date of acquisition amounted to HK\$4,033,000, HK\$77,185,000 and HK\$65,552,000, respectively. The gross contractual amounts of trade receivables, other receivables and loans and interest receivables were HK\$10,002,000, HK\$78,010,000 and HK\$66,759,000, respectively, of which trade receivables, other receivables and loans and interest receivables of HK\$5,969,000, HK\$825,000 and HK\$1,207,000, are expected to be uncollectible respectively.

於收購日期，貿易應收款項、其他應收款項以及應收貸款及利息之公平值分別為4,033,000港元、77,185,000港元及65,552,000港元。貿易應收款項、其他應收款項以及應收貸款及利息之總合約金額分別為10,002,000港元、78,010,000港元及66,759,000港元，其中金額分別為5,969,000港元、825,000港元及1,207,000港元之貿易應收款項、其他應收款項以及應收貸款及利息預期無法收回。

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### 38. Business Combination (continued)

The Group incurred transaction costs of HK\$6,039,000 for this acquisition. These transaction costs have been expensed off and are included in the administrative expenses in profit or loss.

An analysis of the cash flows in respect of the acquisition of the CAP Group is as follows:

|   |                            | HK\$'000<br>千港元 |
|---|----------------------------|-----------------|
| Cash consideration  | 現金代價                       | (483,428)       |
| Cash and cash equivalents acquired  | 已收購之現金及現金等同項目              | 364,928         |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等同項目流出淨額 | (118,500)       |
| Transaction costs of the acquisition included in cash flows from operating activities     | 計入經營業務所得現金流量之收購事項交易成本      | (6,039)         |
|   |                            | (124,539)       |

Since the acquisition, the CAP Group contributed revenue of HK\$44,166,000 and contributed a loss of HK\$18,237,000 to the consolidated profit of the Group for the year ended 31 March 2020.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year ended 31 March 2020 would have been HK\$1,473,963,000 and HK\$157,762,000, respectively.

### 38. 業務合併(續)

本集團就該收購事項而產生6,039,000港元之交易成本。該等交易成本已於損益中支銷，並計入行政開支。

有關收購中國農產品集團之現金流量分析如下：

自收購事項後，中國農產品集團為本集團貢獻收入44,166,000港元，且為本集團截至二零二零年三月三十一日止年度之綜合溢利貢獻虧損18,237,000港元。

倘合併於年初進行，本集團截至二零二零年三月三十一日止年度之收入及溢利分別為1,473,963,000港元及157,762,000港元。

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### 39. Acquisitions of Subsidiaries that are not a Business

#### For the year ended 31 March 2019

The net assets acquired by the Group during the year ended 31 March 2019 are as follows:

|                               |             | Oriental<br>Sino<br>東華 | Precious<br>Investments | Shiny<br>World<br>光暉 | Wang To         | Total<br>總計     |
|-------------------------------|-------------|------------------------|-------------------------|----------------------|-----------------|-----------------|
|                               |             | HK\$'000<br>千港元        | HK\$'000<br>千港元         | HK\$'000<br>千港元      | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Net assets acquired:          | 所收購之資產淨值：   |                        |                         |                      |                 |                 |
| Property, plant and equipment | 物業、廠房及設備    | 190,000                | 69,000                  | –                    | –               | 259,000         |
| Investment properties         | 投資物業        | –                      | –                       | 52,000               | 39,000          | 91,000          |
| Other receivables             | 其他應收款項      | 39                     | 45                      | –                    | 123             | 207             |
| Tax recoverable               | 可收回稅項       | –                      | –                       | –                    | 34              | 34              |
| Bank balances                 | 銀行結餘        | 46                     | 32                      | 32                   | 36              | 146             |
| Other payables and accruals   | 其他應付款項及應計費用 | (2,850)                | –                       | (386)                | (300)           | (3,536)         |
| Tax payable                   | 應付稅項        | (13)                   | –                       | (30)                 | –               | (43)            |
|                               |             | 187,222                | 69,077                  | 51,616               | 38,893          | 346,808         |
| Satisfied by:                 | 由以下方式償付：    |                        |                         |                      |                 |                 |
| Cash                          | 現金          | 187,222                | 69,077                  | 51,616               | 38,893          | 346,808         |

An analysis of the cash flows in respect of the acquisitions of Oriental Sino, Precious Investments, Shiny World and Wang To is as follows:

有關收購東華、Precious Investments、光暉及Wang To之現金流量分析如下：

|   |                              | Oriental<br>Sino<br>東華 | Precious<br>Investments | Shiny<br>World<br>光暉 | Wang To         | Total<br>總計     |
|---|------------------------------|------------------------|-------------------------|----------------------|-----------------|-----------------|
|   |                              | HK\$'000<br>千港元        | HK\$'000<br>千港元         | HK\$'000<br>千港元      | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Cash consideration  | 現金代價                         | (187,222)              | (69,077)                | (51,616)             | (38,893)        | (346,808)       |
| Deposits paid as at 31 March 2018   | 於二零一八年三月三十一日支付的按金            | 19,000                 | 6,900                   | 5,200                | 3,900           | 35,000          |
| Bank balances acquired  | 所收購之銀行結餘                     | 46                     | 32                      | 32                   | 36              | 146             |
| Net outflows of cash and cash equivalents included in cash flows from investing activities for the year | 計入年內投資活動所得現金流量之現金及現金等同項目流出淨額 | (168,176)              | (62,145)                | (46,384)             | (34,957)        | (311,662)       |
| Transaction costs of the acquisition included in cash flows from operating activities                   | 計入經營業務所得現金流量之收購事項交易成本        | (187)                  | (69)                    | (52)                 | (39)            | (347)           |
|   |                              | (168,363)              | (62,214)                | (46,436)             | (34,996)        | (312,009)       |

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### 39. Acquisitions of Subsidiaries that are not a Business (continued)

For the year ended 31 March 2019 (continued)

On 7 February 2018, the Group entered into a sale and purchase agreement with East Run Investments Limited, an indirectly wholly-owned subsidiary of Wang On Properties Limited ("WOP"), a 75% owned subsidiary of Wang On, in respect of the acquisition of the entire issued share capital of Oriental Sino, Precious Investments, Shiny World Investment Limited ("Shiny World") and Wang To Investments Limited ("Wang To") (collectively, the "Target Companies") and shareholder's loans of the Target Companies owed to WOP at a total consideration of HK\$350,000,000. The transaction constituted a connected transaction of the Group and was completed on 25 April 2018.

Pursuant to the relevant sale and purchase agreement, the cash consideration was adjusted to HK\$346,808,000 based on the net asset value of the Target Companies as at 25 April 2018 (the date of completion).

The above acquisitions have been accounted for by the Group as acquisitions of assets as the entities acquired by the Group do not constitute a business.

### 40. Disposal of Subsidiaries

For the year ended 31 March 2020

Details of the net assets of the subsidiaries disposed of during the current year and the financial impacts are summarised below:

|   |                | Union<br>Target<br>越通<br>HK\$'000<br>千港元<br>(note (a))<br>(附註(a)) | Wang To<br>HK\$'000<br>千港元<br>(note (b))<br>(附註(b)) | Shiny<br>World<br>光暉<br>HK\$'000<br>千港元<br>(note (c))<br>(附註(c)) | Total<br>總計<br>HK\$'000<br>千港元 |
|---|----------------|---|---|--|--------------------------------|
| Net assets disposed of:                     | 已出售資產淨額：       |   |   |  |                                |
| Investment properties                       | 投資物業           | 53,088  | 47,000  | 52,800   | 152,888                        |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 24  | -   | 1  | 25                             |
| Other payables and accruals                 | 其他應付款項及應計費用    | (382)   | (300)   | (431)  | (1,113)                        |
| Tax payable                                 | 應付稅項           | -   | (56)  | (77)   | (133)                          |
| Deferred tax liabilities                    | 遞延稅項負債         | -   | (4)   | (3)  | (7)                            |
|   |                | 52,730  | 46,640  | 52,290   | 151,660                        |
| Professional fees and expenses              | 專業費用及開支        | 737   | 1,109   | 1,107  | 2,953                          |
| Loss on disposal of subsidiaries            | 出售附屬公司虧損       | (749)   | (1,105)   | (1,083)  | (2,937)                        |
|   |                | 52,718  | 46,644  | 52,314   | 151,676                        |
| Satisfied by:                               | 按以下方式償付：       |   |   |  |                                |
| Cash  | 現金             | 52,718  | 46,644  | 52,314   | 151,676                        |

### 39. 收購非業務性質之附屬公司 (續)

截至二零一九年三月三十一日止年度 (續)

於二零一八年二月七日，本集團與宏安持有75%權益的附屬公司宏安地產有限公司(「宏安地產」)的間接全資附屬公司East Run Investments Limited 訂立一份買賣協議，內容有關以總現金代價350,000,000港元收購東華、Precious Investments、光暉投資有限公司(「光暉」)及Wang To Investments Limited (「Wang To」)(統稱「目標公司」)的全部已發行股本及目標公司欠付宏安地產之股東貸款。該交易構成本集團的關連交易，已於二零一八年四月二十五日完成。

根據相關買賣協議，現金代價根據目標公司於二零一八年四月二十五日(完成日期)的資產淨值調整至346,808,000港元。

由於本集團收購的實體並不構成業務，故本集團將上述收購入賬列為資產收購。

### 40. 出售附屬公司

截至二零二零年三月三十一日止年度

於本年度出售附屬公司之資產淨額及有關財務影響之詳情概述如下：

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### 40. Disposal of Subsidiaries (continued)

#### For the year ended 31 March 2020 (continued)

An analysis of the cash flows in respect of the disposals of Union Target, Wang To and Shiny World is as follows:

|   |                      | Union<br>Target<br>越通<br>HK\$'000<br>千港元 | Wang To<br>HK\$'000<br>千港元 | Shiny<br>World<br>光暉<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|----------------------|--|----------------------------|---|--------------------------------|
| Cash consideration  | 現金代價                 | 52,718                                   | 46,644                     | 52,314                                  | 151,676                        |
| Professional fees and expenses  | 專業費用及開支              | (737)                                    | (1,109)                    | (1,107)                                 | (2,953)                        |
| Net inflows of cash and cash equivalents in respect of the disposal of subsidiaries | 出售附屬公司之現金及現金等同項目流入淨額 | 51,981                                   | 45,535                     | 51,207                                  | 148,723                        |

Notes:

- (a) On 14 June 2019, the Group disposed of Union Target, which was holding an investment property with a carrying amount of HK\$53,088,000, together with the shareholder's loan owed by Union Target to the Group to an independent third party at an aggregate consideration of HK\$52,718,000.
- (b) On 31 July 2019, the Group disposed of Wang To, which was holding an investment property with a carrying amount of HK\$47,000,000, together with the shareholder's loan owed by Wang To to the Group to an independent third party at an aggregate consideration of HK\$46,644,000.
- (c) On 15 August 2019, the Group disposed of Shiny World, which was holding an investment property with a carrying amount of HK\$52,800,000, together with the shareholder's loan owed by Shiny World to the Group to an independent third party at an aggregate consideration of HK\$52,314,000.

### 40. 出售附屬公司(續)

截至二零二零年三月三十一日止年度(續)

以下為出售越通、Wang To及光暉之現金流量分析：

附註：

- (a) 於二零一九年六月十四日，本集團將越通(持有賬面值53,088,000港元之投資物業)連同越通結欠本集團之股東貸款出售予一名獨立第三方，總代價為52,718,000港元。
- (b) 於二零一九年七月三十一日，本集團將Wang To(持有賬面值47,000,000港元之投資物業)連同Wang To結欠本集團之股東貸款出售予一名獨立第三方，總代價為46,644,000港元。
- (c) 於二零一九年八月十五日，本集團將光暉(持有賬面值52,800,000港元之投資物業)連同光暉結欠本集團之股東貸款出售予一名獨立第三方，總代價為52,314,000港元。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 41. Notes to the Consolidated Statement of Cash Flows

#### (a) Major non-cash transactions

The Group has the following major non-cash transactions during the year:

- (i) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$58,335,000 and HK\$60,272,000, respectively, in respect of lease arrangements for leasehold land and buildings (2019: Nil).
- (ii) During the year ended 31 March 2020, a debt investment at fair value through other comprehensive income issued by CAP held by the Group was refinanced by a new loan granted to CAP of HK\$525,000,000 (2019: Nil) before the completion of acquisition of the CAP Group.

#### (b) Changes in liabilities arising from financing activities

### 41. 綜合現金流量表附註

#### (a) 主要非現金交易

年內，本集團有下列主要非現金交易：

- (i) 年內，本集團就租賃土地及樓宇之租賃安排確認使用權資產及租賃負債之非現金添置分別為 58,335,000 港元及 60,272,000 港元（二零一九年：無）。
- (ii) 截至二零二零年三月三十一日止年度，本集團持有的中國農產品所發行按公平值經其他全面收益入賬之債務投資已於中國農產品集團收購事項完成前由授予中國農產品為數 525,000,000 港元（二零一九年：無）之新增貸款再融資。

#### (b) 融資活動產生之負債變動

|   |                      | Bank and other borrowings<br>銀行及其他借貸<br>HK\$'000<br>千港元 | Lease liabilities<br>租賃負債<br>HK\$'000<br>千港元 | Convertible notes<br>可換股票據<br>HK\$'000<br>千港元 | Unsecured bonds and notes<br>無抵押債券及票據<br>HK\$'000<br>千港元 |
|---|----------------------|---|--|---|--|
| At 1 April 2018   | 於二零一八年四月一日           | 927,017   | -  | -   | -  |
| Changes from financing cash flows                           | 融資現金流量變動             | (74,790)  | -  | -   | -  |
| At 31 March 2019  | 於二零一九年三月三十一日         | 852,227   | -  | -   | -  |
| Effect of adoption of HKFRS 16                              | 採納香港財務報告準則第16號的影響    | -   | 122,890                                      | -   | -  |
| At 1 April 2019 (restated)                                  | 於二零一九年四月一日<br>(經重列)  | 852,227   | 122,890                                      | -   | -  |
| Increase arising from acquisition of subsidiaries (note 38) | 因收購附屬公司而增加<br>(附註38) | 998,454   | 25,155                                       | 248,415                                       | 204,366  |
| Changes from financing cash flows                           | 融資現金流量變動             | 54,784  | (72,673)                                     | -   | (26,000)   |
| Elimination of loan to CAP                                  | 對銷中國農產品貸款            | (525,000)   | -  | -   | -  |
| New leases  | 新訂租賃                 | -   | 60,272                                       | -   | -  |
| Lease modification  | 租賃修訂                 | -   | 761  | -   | -  |
| Interest expense  | 利息開支                 | -   | 5,648  | 1,399   | 2,854  |
| Foreign exchange movement                                   | 外匯波動                 | (10,740)  | (616)  | -   | -  |
| At 31 March 2020  | 於二零二零年三月三十一日         | <b>1,369,725</b>  | <b>141,437</b>                               | <b>249,814</b>                                | <b>181,220</b>   |



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#### 41. Notes to the Consolidated Statement of Cash Flows (continued)

##### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

|                             |      | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|-----------------------------|------|----------------------------------|
| Within operating activities | 經營業務 | 3,842                            |
| Within financing activities | 融資活動 | 72,673                           |
|                             |      | <b>76,515</b>                    |

#### 42. Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other loans are included in note 31 to the financial statements.

#### 43. Commitments

(a) The Group had the following capital commitments at the end of the reporting period:

|                                   |            | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------------|------------|----------------------------------|----------------------------------|
| Contracted, but not provided for: | 已訂約但未計提撥備： |                                  |                                  |
| – Property, plant and equipment   | – 物業、廠房及設備 | 1,924                            | 2,503                            |
| – Properties under development    | – 發展中物業    | 136,415                          | –                                |
| – Properties held for sale        | – 持作出售物業   | 23,204                           | –                                |
| – Investment properties           | – 投資物業     | 238,098                          | –                                |
|                                   |            | <b>399,641</b>                   | 2,503                            |

#### 41. 綜合現金流量表附註(續)

##### (c) 租賃現金流出總額

計入現金流量表之租賃現金流出總額如下：

#### 42. 資產抵押

為本集團銀行及其他貸款作抵押之本集團資產詳情載於財務報表附註31。

#### 43. 承擔

(a) 於報告期末，本集團之資本承擔如下：

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 43. Commitments (continued)

#### (b) Operating lease commitments as at 31 March 2019

The Group leased certain of its office properties and retail shops under operating lease arrangements. Leases for properties were negotiated for terms ranging from one to six years.

Certain leases had contingent rental payable which was based on the turnover of the relevant retail shops. The contingent rent paid for the year ended 31 March 2019 was HK\$10,441,000.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

|   |                 | HK\$'000<br>千港元 |
|---|-----------------|-----------------|
| Within one year                         | 一年內             | 66,215          |
| In the second to fifth years, inclusive | 第二年至第五年(包括首尾兩年) | 66,525          |
|   |                 | <hr/> 132,740   |

- (c) The Group has various lease contracts that have not yet commenced as at 31 March 2020. The future lease payments for these non-cancellable lease contracts are HK\$1,516,000 due within one year and HK\$7,403,000 due in the second to fifth years, inclusive.

### 43. 承擔(續)

#### (b) 於二零一九年三月三十一日之經營租賃承擔

本集團根據經營租賃安排租賃其若干辦公室物業及零售店舖。物業之租期議定為一至六年。

若干附有或然應付租金之租約乃根據有關零售店舖之營業額計算。截至二零一九年三月三十一日止年度，已付或然租金10,441,000港元。

於二零一九年三月三十一日，本集團根據不可撤銷經營租約須於以下年期償還之未來最低租金總額如下：

- (c) 本集團有多項租賃合約於二零二零年三月三十一日尚未開始。根據該等不可撤銷租賃合約分別須於一年內以及第二年至第五年(包括首尾兩年)償還之未來租賃付款金額為1,516,000港元及7,403,000港元。

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#### 44. Related Party Transactions

##### (a) Transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

#### 44. 關聯方交易

##### (a) 與關聯方之交易

除該等財務報表其他部份詳述之交易外，本集團於年內與關聯方進行以下重大交易：

|  |                     |       | 2020     | 2019     |
|--|---------------------|-------|----------|----------|
|  |                     |       | 二零二零年    | 二零一九年    |
|  |                     | Notes | HK\$'000 | HK\$'000 |
|  |                     | 附註    | 千港元      | 千港元      |
| Wang On and its subsidiaries<br>(other than the Group)     | 宏安及其附屬公司(除本集團外)     |       |          |          |
| - Rental income earned<br>by the Group*                    | - 本集團賺取之租金收入*       | (i)   | 2,555    | 9,700    |
| - Finance income on net<br>investments in subleases        | - 分租投資淨額之財務收入       | (vii) | 847      | -        |
| - Rental expenses incurred<br>by the Group                 | - 本集團產生之租金開支        | (i)   | -        | 2,068    |
| - Sales of pharmaceutical products<br>by the Group*        | - 本集團銷售藥品*          | (ii)  | 8,818    | 6,855    |
| - Recognition of right-of-use<br>assets**                  | - 確認使用權資產**         | (v)   | 11,859   | -        |
| - Interest expense on a loan<br>incurred by the Group      | - 本集團產生之貸款利息開支      | (iii) | 1,233    | -        |
| - Management fees incurred<br>by the Group                 | - 本集團產生之管理費         | (i)   | 297      | -        |
| Associates   | 聯營公司                |       |          |          |
| - Sales of Chinese pharmaceutical<br>products by the Group | - 本集團銷售中藥產品         | (ii)  | 20,138   | 21,173   |
| - Rental income earned<br>by the Group                     | - 本集團賺取之租金收入        | (i)   | 1,967    | 1,445    |
| - Finance income on net<br>investments in subleases        | - 分租投資淨額之財務收入       | (vi)  | 142      | -        |
| - Management and promotion<br>fees earned by the Group     | - 本集團賺取之管理費及<br>宣傳費 | (i)   | 1,051    | 1,081    |
| - Interest income on a loan earned<br>by the Group         | - 本集團賺取之貸款利息收入      | (iv)  | -        | 4,203    |
| - Interest expense on convertible<br>notes                 | - 可換股票據之利息開支        | (i)   | 1,933    | -        |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 44. Related Party Transactions (continued)

#### (a) Transactions with related parties (continued)

Notes:

- (i) The transactions were based on terms mutually agreed between the Group and the related parties.
  - (ii) The sales to the related parties were made according to the published prices and conditions that the Group offered to its customers.
  - (iii) The interest was charged by a related party on a loan advanced to the Group. Details of the terms of the relevant loan are set out in note 31 to the financial statements.
  - (iv) The interest was charged by the Group on a loan advanced to Easy One which has been fully repaid during the year ended 31 March 2019.
  - (v) On 2 May 2019, the Group entered into a three-year lease agreement with a fellow subsidiary in respect of leasing a retail premise for the Group's retail operation. The amount of rent payable by the Group under the lease is HK\$380,000 per month, which was determined with reference to the prevailing market conditions in the vicinity. At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of HK\$11,859,000 and HK\$11,775,000, respectively.
  - (vi) The Group entered into certain sub-licensing agreements with certain associates in respect of sub-licensing of certain retail premises. The aggregated amount of rent payable by the associates under the sub-licensing agreement is HK\$230,000 per month, which was determined with reference to terms mutually agreed between the Group and the associates. At the commencement date of the lease during the year, the Group recognised a net investment in sub-leases of HK\$3,104,000.
  - (vii) The Group entered into certain sub-licensing agreements with two fellow subsidiaries in respect of sub-licensing of office premises. The aggregated amount of rent payable by the Group under the sub-licensing agreement is HK\$619,000 per month, which was determined with reference to terms mutually agreed between the Group and the fellow subsidiaries. At the initial adoption of HKFRS 16 during the year, the Group recognised a net investment in sub-leases of HK\$22,528,000.
- \* These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- \*\* These related party transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

#### (b) Compensation of key management personnel of the Group

|                                |           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--------------------------------|-----------|----------------------------------|----------------------------------|
| Short term employment benefits | 短期僱員福利    | 4,214                            | 5,613                            |
| Post-employment benefits       | 離職後福利     | 73                               | 84                               |
| <b>Total</b>                   | <b>總計</b> | <b>4,287</b>                     | <b>5,697</b>                     |

The above compensation of key management personnel excludes the directors' remuneration, details of which are set out in note 8 to the financial statements.

### 44. 關聯方交易(續)

#### (a) 與關聯方之交易(續)

附註:

- (i) 該等交易乃根據本集團與關聯方相互協定之條款進行。
  - (ii) 對相關方作出之銷售乃根據本集團向其客戶提供之已公佈價格及條件進行。
  - (iii) 關聯方就墊付予本集團之貸款收取利息。相關貸款之條款之詳情載於財務報表附註31。
  - (iv) 本集團就向易壹授出之貸款收取利息，該貸款已於截至二零一九年三月三十一日止年度償還。
  - (v) 於二零一九年五月二日，本集團與同系附屬公司就本集團零售業務租賃零售物業訂立三年期租賃協議。本集團根據租賃應付的租金金額為每月380,000港元，此乃經參考鄰近地區當前市場狀況而釐定。於租賃開始日期，本集團確認使用權資產及租賃負債分別為11,859,000港元及11,775,000港元。
  - (vi) 本集團與若干聯營公司就分租若干零售物業訂立若干分租協議。聯營公司根據分租協議應付的租金總額為每月230,000港元，此乃經參考本集團與聯營公司共同協定之條款而釐定。於年內租賃開始日期，本集團確認分租投資淨額3,104,000港元。
  - (vii) 本集團與兩間同系附屬公司就分租辦公物業訂立若干分租協議。本集團根據分租協議應付的租金總額為每月619,000港元，此乃經參考本集團與同系附屬公司共同協定之條款而釐定。於年內首次採納香港財務報告準則第16號時，本集團確認分租投資淨額22,528,000港元。
- \* 該等關聯方交易亦構成持續關連交易(定義見上市規則第14A章)。
- \*\* 該等關聯方交易亦構成關連交易(定義見上市規則第14A章)。

#### (b) 本集團主要管理人員之酬金

本集團主要管理人員之酬金主要管理人員的以上酬金不包括董事酬金，董事酬金的詳情載於財務報表附註8。

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## 45. Financial Guarantees/Litigations

### (a) Financial guarantees

As at 31 March 2020, the Group provided guarantees of approximately HK\$63,518,000 to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2019: Nil). Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, in the event of default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction or other appropriate means. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers.

The fair value of the guarantees is not significant and the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties.

### (b) Litigations

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited ("Baisazhou Agricultural") from independent third parties, Ms. Wang Xiu Qun ("Ms. Wang") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd ("Tian Jiu") for their respective 70% and 20% interest in Baisazhou Agricultural (the "Baisazhou Acquisition").

## 45. 財務擔保／訴訟

### (a) 財務擔保

於二零二零年三月三十一日，本集團就若干銀行向所出售物業之客戶提供之貸款以該等銀行為受益人向客戶提供擔保約63,518,000港元（二零一九年：無）。根據擔保條款，倘該等買家於擔保屆滿前欠付按揭款項，則本集團有責任償還違約買家欠付銀行之未償還按揭本金連同累計利息及罰款，扣除下文所述之任何銷售所得款項。

根據上述安排，相關物業已抵押予銀行作為抵押貸款的抵押品。倘該等買家欠付按揭還款，則銀行有權接管法定業權，並將透過公開拍賣或其他適當方式變現已抵押物業。倘物業拍賣所得款項無法涵蓋未償還按揭本金連同累計利息及罰款，則本集團有責任向銀行償還有關款項。

本集團之擔保期自授出相關按揭貸款當日開始至向買家出具房地產所有權證當日為止。

擔保之公平值並不重大。本公司董事認為，倘未能如約付款，則相關物業之可變現淨值可涵蓋未償還按揭本金連同累計利息及罰款。

### (b) 訴訟

於二零零七年，中國農產品集團向獨立第三方王秀群女士（「王女士」）及武漢天九工貿發展有限公司（「天九」）收購彼等分別於武漢白沙洲農副產品大市場有限公司（「白沙洲農副產品」）之70%及20%權益（「白沙洲收購事項」）。

# Notes to Financial Statements

## 財務報表附註

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### 45. Financial Guarantees/Litigations (continued)

#### (b) Litigations (continued)

Since 2011, the CAP Group has been involved in a number of civil proceedings in mainland China and Hong Kong. The key civil proceedings in mainland China and Hong Kong in respect of the Baisazhou Acquisition are set out below:

In mainland China, proceedings concerning Ms. Wang, Tian Jiu and the CAP Group:

- a) it is alleged that Baisazhou Agricultural forged share transfer agreements (the "Contended Agreements") in relation to the Baisazhou Acquisition wherein the related consideration was understated and the manner of settlement of the consideration was inaccurately described;
- b) it is alleged that Baishazhou Agricultural forged the related documentation for filing with the PRC Ministry of Commerce ("MOFCOM") and the Hubei Administration For Industry and Commerce (the "Hubei AIC"), and that such documentation and the Contended Agreement involved forged signatures; and
- c) it is alleged that MOFCOM and the Hubei AIC approved the Baisazhou Acquisition and processed the related filings on the basis of the above documents that are allegedly forged.

In March 2020, CAP noted the judgment of the Supreme People's Court dated 31 December 2019 ("31 December Judgment"). In the 31 December Judgment, the Supreme People's Court dismissed the application of Ms. Wang and Tian Jiu for retrial and for dismissal of (i) the judgment of the Beijing Second Intermediate People's Court dated 31 March 2017 ("31 March Judgment") (which dismissed the application made by Ms. Wang and Tian Jiu to revoke the decision issued by MOFCOM that its approval issued in relation to the Contended Agreements shall not be revoked and shall remain to be in force), and (ii) the judgment of the Beijing High People's Court dated 20 December 2018 (which upheld the ruling of the Beijing Second Intermediate People's Court in the 31 March Judgment).

In other words, in the opinion of the Company's directors and as advised by PRC legal advisor, the approval issued by MOFCOM in 2007 in relation to the Contended Agreements shall not be revoked and remain to be in force, and the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural under the PRC Laws.

### 45. 財務擔保／訴訟(續)

#### (b) 訴訟(續)

自二零一一年起，中國農產品集團於中國內地及香港面臨若干民事訴訟。於中國內地及香港有關白沙洲收購事項之主要民事訴訟載列如下：

於中國內地，有關王女士、天九及中國農產品集團之訴訟：

- a) 指控白沙洲農副產品偽造有關白沙洲收購事項之股份轉讓協議(「爭議協議」)，此協議內相關代價被低報，且對代價支付方式之描述亦不準確；
- b) 指控白沙洲農副產品偽造於中國商務部(「商務部」)及湖北工商行政管理局(「湖北工商局」)存檔之相關文件，並指控有關文件及爭議協議涉及偽造簽名；及
- c) 指控商務部與湖北工商局根據上述被指控偽造的文件批准白沙洲收購事項及處理相關文檔。

於二零二零年三月，中國農產品注意到最高人民法院日期為二零一九年十二月三十一日之判決(「十二月三十一日判決」)。於十二月三十一日判決中，最高人民法院駁回王女士及天九關於重審及駁回(i)北京第二中級人民法院日期為二零一七年三月三十一日之判決(「三月三十一日判決」，駁回王女士及天九申請撤銷商務部作出之決定，當中就爭議協議發出之批准將不予撤銷並繼續有效)，及(ii)北京市高級人民法院日期為二零一八年十二月二十日之判決(維持北京第二中級人民法院於三月三十一日判決的判決)的申請。

換言之，本公司董事認為及據中國法律顧問所告知，商務部於二零零七年就有關爭議協議發出之批准將不予撤銷並繼續有效，且中國農產品集團根據中國法律仍為白沙洲農副產品之合法實益擁有人。



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## 45. Financial Guarantees/Litigations (continued)

### (b) Litigations (continued)

This is consistent with the judgment issued by the Higher People's Court of Hubei Province in December 2019 which dismissed the counterclaims made by Ms. Wang and Tian Jiu against CAP therein for orders that (i) the share transfer agreements in relation to the acquisition of an aggregate 90% interest in Baisazhou Agricultural from Ms. Wang as to 70% thereof and Tian Jiu as to 20% thereof (the "Contended Interests") were void and invalid from the beginning, (ii) costs of the legal proceedings be paid to Ms. Wang and Tian Jiu, and (iii) the Contended Interests be returned to Ms. Wang and Tian Jiu.

*In Hong Kong, CAP as plaintiff against Ms. Wang and Tian Jiu as defendant:*

In 2011, CAP issued a Writ of Summons in the Hong Kong Court of First Instance (the "Court") against Ms. Wang and Tian Jiu. CAP (as purchaser) sought damages from Ms. Wang and Tian Jiu (as vendors) for their breach of various provisions of the sales and purchase agreements for the Baisazhou Acquisition (the "SPA").

In 2012, CAP obtained a court order from the Court to effect that undertakings (the "Undertakings") were given by Ms. Wang and Tian Jiu not to (i) indorse, assign, transfer or negotiate the two instruments (purportedly described as promissory notes in the SPA) (the "Instruments"); and (ii) enforce payment by presentation of the Instruments until the final determination of the court action or further court order. Pursuant to the Undertakings, the Instruments will no longer fall due for payment by CAP on 5 December 2012. The parties are waiting for the Court to hand down the judgement.

For details with regard to the civil proceedings which the CAP Group has been involved in, please refer to the interim/annual reports and announcements issued by the CAP Group.

## 46. Financial Instruments by Category

Except for financial assets at fair value through other comprehensive income, and financial assets and liabilities at fair value through profit or loss, as disclosed in note 18 and note 25, respectively, to the financial statements, all other financial assets and liabilities of the Group as at 31 March 2020 and 2019 are classified as financial assets and liabilities at amortised cost, respectively.

## 45. 財務擔保／訴訟(續)

### (b) 訴訟(續)

這與湖北省高級人民法院於二零一九年十二月作出之判決一致。該法院於判決中駁回王女士及天九針對中國農產品提出之反申索，當中要求判令(i)有關向王女士(70%權益)及天九(20%權益)收購彼等於白沙洲農副產品的合共90%權益(「爭議權益」)的股份轉讓協議無效並自一開始便屬無效，(ii)法律訴訟費用由王女士及天九承擔，及(iii)爭議權益返還予王女士及天九。

*於香港，中國農產品(作為原告)針對王女士及天九(作為被告)提出之訴訟：*

於二零一一年，中國農產品於香港原訟法院(「法院」)向王女士及天九發出傳票令狀。由於王女士及天九(作為賣方)對白沙洲收購事項違反買賣協議(「買賣協議」)多項條文，中國農產品(作為買方)正向彼等尋求損害賠償。

於二零一二年，中國農產品接獲法院之法院令狀，令王女士及天九給予之承諾(「承諾」)生效，彼等向中國農產品承諾不會(i)對兩份文據(據稱是買賣協議之承兌票據)(「文據」)背書、分配、轉讓或磋商；及(ii)於出具文據時須強制付款，直至法院作出最終判決或進一步發出法院令狀為止。根據承諾，文據將不再到期，而令中國農產品於二零一二年十二月五日作出支付。訂約方正在等待法院作出判決。

有關中國農產品集團面臨之民事訴訟詳情，請參閱中國農產品集團發佈之中期／年度報告及公佈。

## 46. 按類別劃分的金融工具

除按公平值經其他全面收益入賬之財務資產及按公平值經損益入賬之財務資產及負債(分別在財務報表附註18及附註25披露)外，本集團於二零二零年及二零一九年三月三十一日的所有其他財務資產及負債分類為按攤銷成本計量的財務資產及負債。

# Notes to Financial Statements

## 財務報表附註

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### 47. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those carrying amounts that reasonably approximate to fair values, are as follows:

|  |             | Carrying amounts |          | Fair values      |          |
|--|-------------|------------------|----------|------------------|----------|
|  |             | 賬面值              |          | 公平值              |          |
|  |             | 31 March         | 31 March | 31 March         | 31 March |
|  |             | 2020             | 2019     | 2020             | 2019     |
|  |             | 二零二零年            | 二零一九年    | 二零二零年            | 二零一九年    |
|  |             | 三月三十一日           | 三月三十一日   | 三月三十一日           | 三月三十一日   |
|  |             | HK\$'000         | HK\$'000 | HK\$'000         | HK\$'000 |
|  |             | 千港元              | 千港元      | 千港元              | 千港元      |
| <b>Financial liabilities</b>               | <b>財務負債</b> |                  |          |                  |          |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸   | <b>1,369,725</b> | 852,227  | <b>1,365,621</b> | 841,895  |
| Unsecured notes                            | 無抵押票據       | <b>181,220</b>   | –        | <b>162,229</b>   | –        |
| Convertible notes                          | 可換股票據       | <b>249,814</b>   | –        | <b>249,669</b>   | –        |
|  |             | <b>1,800,759</b> | 852,227  | <b>1,777,519</b> | 841,895  |

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade receivables, net investments in subleases, financial assets included in prepayments, deposits and other receivables, loans and interest receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the directors of the Company are responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the director and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 47. 金融工具之公平值及公平值等級

本集團金融工具(賬面值與公平值合理相若的金融工具除外)之賬面值及公平值如下:

管理層已評估現金及現金等同項目、受限制銀行結餘、貿易應收款項、分租投資淨額、計入預付款項、按金及其他應收款項之財務資產、應收貸款及利息、貿易應付款項及計入其他應付款項及應計費用之財務負債之公平值與其賬面值相若，主要原因是該等工具的到期時限較短。

本集團之財務部門由本公司董事帶領，負責就金融工具之公平值計量制定政策及程序。財務部門直接向董事及審核委員會匯報。於各報告日期，財務部門分析金融工具價值之動向，並決定估值中採用之主要輸入數據。董事審閱及批准估值，並與審核委員會每年就中期及年度財務申報進行兩次有關估值程序及結果的討論。

財務資產及負債之公平值以自願交易方在當前交易中(強迫或清盤出售除外)該工具可據此作交換之金額入賬。

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#### 47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings, convertible notes and unsecured notes have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 March 2020 were assessed to be insignificant. The fair value of the liability portion of the convertible notes and unsecured notes are is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar securities with consideration of the Group's own non-performance risk.

The fair values of listed equity investments, listed debt investments and listed perpetual notes are based on quoted market prices, except for one investment which was determined based on the market approach with reference to the prices recently paid for similar assets and the market comparables due to the suspension of share trading of the relevant investment. The fair values of unlisted fund investments are determined based on the quoted market prices provided by fund administrators with reference to prices derived from the over-the-counter market. The fair values of unlisted debt investments at fair value through other comprehensive income have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss and other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of a listed equity investment designated at fair value through other comprehensive income which is suspended for trading, the market approach is adopted and enterprise value versus earnings before interest, tax, depreciation and amortisation ("EBITDA") ("EV-to-EBITDA"), discount for lack of control ("DLOC") and discount for lack of marketability ("DLOM") were used as inputs to the valuation model. For the fair value of the unlisted debt investment classified as financial assets at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this as a reduction in fair value using less favourable assumptions, and an increase in fair value using more favourable assumptions.

#### 47. 金融工具之公平值及公平值等級(續)

公平值估計所採用的方法及假設載列如下：

計息銀行及其他借貸的非流動部分、可換股票據及無抵押票據之公平值乃以目前市面類似年期、信貸風險及剩餘期限的工具的利率經折現預期未來現金流量計算。於二零二零年三月三十一日，本集團計息銀行及其他借貸的不履約風險導致之公平值變動被評估為並不重大。可換股票據及無抵押票據的負債部分之公平值乃以類似證券的相等市場利率經折現預期未來現金流量估算，且已考慮本集團的不履約風險。

上市股權投資、上市債務投資及上市永續票據之公平值乃按照市場報價釐定，惟一項投資之公平值參考近期就類似資產支付之價格及市場可比較數據按照市場法釐定，乃由於相關投資的股票暫停交易。非上市基金投資之公平值乃參考場外交易市場價格按照基金管理人提供的市場報價釐定。按公平值經其他全面收益入賬之非上市債務投資使用折現現金流量估值模型估算公平值，採用的假設並非由可觀察市價或利率支持。本公司董事相信，透過估值方法得出的估計公平值(記入綜合財務狀況表)及公平值的有關變動(記入損益及其他全面收益)乃屬合理，且為於報告期末的最適當價值。

暫停交易的指定按公平值經其他全面收益入賬之上市股權投資之公平值採用市場法釐定，估值模型所使用的輸入數據包括企業價值對除利息、稅項、折舊及攤銷前盈利(「EBITDA」)(「企業價值對EBITDA」)、缺乏控制權折讓(「DLOC」)及缺乏市場流通性折讓(「DLOM」)。就分類為按公平值經其他全面收益入賬之財務資產的非上市可供出售債務投資之公平值而言，管理層已估計採用合理可行替代方式作為估值模型輸入數據之潛在影響，並將其量化為公平值減少(採用不利假設)及公平值增加(採用更有利假設)。

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### 47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The fair value of the embedded derivatives in unsecured notes and convertible notes is determined by valuation techniques and based on assumptions on market conditions existing at the end of the reporting period. The valuation model requires the input of subjective assumptions, including the expected volatility, discount rate, risk free rate and mean reversion.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2020 and 2019:

### 47. 金融工具之公平值及公平值等級(續)

無抵押票據及可換股票據之嵌入式衍生工具的公平值乃以估值方法並根據市場狀況於報告期末一直存續的假設予以釐定。該估值模式需要包括預期波幅、折現率、無風險利率及均值回歸在內的主觀假設輸入數據。

以下為於二零二零年及二零一九年三月三十一日金融工具估值之重大不可觀察輸入數據概要及定量敏感度分析：

|   | Valuation technique<br>估值方法 | Significant unobservable input<br>重大不可觀察輸入數據 | Range<br>幅度         | Sensitivity of fair value to the input<br>公平值對輸入數據之敏感度   |
|---|-----------------------------|--|---------------------|--|
| <b>As at 31 March 2020</b>  |                             |  |                     |  |
| 於二零二零年三月三十一日  |                             |  |                     |  |
| A listed equity investment classified as financial asset at fair value through other comprehensive income and the share trading of which was suspended<br>分類為按公平值經其他全面收益入賬之財務資產且股票暫停交易之上市股權投資 | Market approach<br>市場法      | EV-to-EBITDA<br>企業價值對EBITDA                  | 7.74 times<br>7.74倍 | 1% increase/(decrease) in EV-to-EBITDA would result in increase/(decrease) in fair value by HK\$21,000/(HK\$21,000)<br>企業價值對EBITDA增加/(減少)1%將令公平值增加/(減少)21,000港元/(21,000港元) |
|   |                             | DLOC   | 16.7%               | 1% increase/(decrease) in DLOC would result in (decrease)/increase in fair value by (HK\$167,000)/HK\$167,000<br>DLOC增加/(減少)1%將令公平值(減少)/增加(167,000港元)/167,000港元            |
|   |                             | DLOM   | 25.0%               | 1% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by (HK\$181,000)/HK\$188,000<br>DLOM增加/(減少)1%將令公平值(減少)/增加(181,000港元)/188,000港元            |

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47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued) 47. 金融工具之公平值及公平值等級(續)

|  | Valuation technique<br>估值方法                               | Significant unobservable input<br>重大不可觀察輸入數據 | Range<br>幅度 | Sensitivity of fair value to the input<br>公平值對輸入數據之敏感度   |
|--|---|--|-------------|--|
| <b>As at 31 March 2020 (continued)</b>   |   |  |             |  |
| 於二零二零年三月三十一日(續)  |   |  |             |  |
| A derivative component from convertible notes classified as financial liabilities at fair value through profit or loss<br>分類為按公平值經損益入賬之財務負債之可換股票據的衍生工具部分 | Binomial model<br>二項式定價模式                                 | Expected volatility<br>預期波幅                  | 73.8%       | 1% increase/(decrease) in expected volatility would have no material impact on the fair value<br>預期波幅增加/(減少)1%不會對公平值造成重大影響 |
|  |   | Discount rate<br>折現率                         | 14.7%       | 1% increase/(decrease) in discount rate would have no material impact on the fair value<br>折現率增加/(減少)1%不會對公平值造成重大影響        |
|  |   | Risk-free rate<br>無風險利率                      | 0.59%       | 1% increase/(decrease) in risk-free rate would have no material impact on the fair value<br>無風險利率增加/(減少)1%不會對公平值造成重大影響     |
| A derivative component from unsecured notes classified as financial assets at fair value through profit or loss<br>分類為按公平值經損益入賬之財務資產之無抵押票據的衍生工具部分        | Hull-white one factor trinomial model<br>霍爾一懷特單一因素三項式定價模式 | Volatility<br>波幅                             | 0.13%       | 1% increase/(decrease) in volatility would have no material impact on the fair value<br>波幅增加/(減少)1%不會對公平值造成重大影響            |
|  |   | Discount rate<br>折現率                         | 15.8%       | 1% increase/(decrease) in discount rate would have no material impact on the fair value<br>折現率增加/(減少)1%不會對公平值造成重大影響        |
|  |   | Mean reversion<br>均值回歸                       | 0.0298      | 1% increase/(decrease) in mean reversion would have no material impact on the fair value<br>均值回歸增加/(減少)1%不會對公平值造成重大影響      |

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### 47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued) 47. 金融工具之公平值及公平值等級(續)

|  | Valuation technique<br>估值方法            | Significant unobservable input<br>重大不可觀察輸入數據 | Range<br>幅度           | Sensitivity of fair value to the input<br>公平值對輸入數據之敏感度   |
|--|--|--|-----------------------|--|
| <b>As at 31 March 2019</b>   |  |  |                       |  |
| <b>於二零一九年三月三十一日</b>  |  |  |                       |  |
| A listed equity investment classified as financial assets at fair value through other comprehensive income and the share trading of which was suspended<br>分類為按公平值經其他全面收益入賬之財務資產且股票暫停交易之上市股權投資 | Market approach<br>市場法                 | EV-to-EBITDA<br>企業價值對EBITDA                  | 13.31 times<br>13.31倍 | 1% increase/(decrease) in EV-to-EBITDA would result in increase/(decrease) in fair value by HK\$45,000/(HK\$53,000)<br>企業價值對EBITDA增加/(減少)1%將令公平值增加/(減少)45,000港元/(53,000港元)       |
|  |  | DLOC   | 16.7 %                | 1% increase/(decrease) in DLOC would result in (decrease)/increase in fair value by (HK\$248,000)/HK\$261,000<br>DLOC增加/(減少)1%將令公平值(減少)/增加(248,000港元)/261,000港元                  |
|  |  | DLOM   | 20.0 %                | 1% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by (HK\$248,000)/HK\$261,000<br>DLOM增加/(減少)1%將令公平值(減少)/增加(248,000港元)/261,000港元                  |
| Unlisted debt investment classified as financial assets at fair value through other comprehensive income<br>分類為按公平值經其他全面收益入賬之財務資產之非上市債務投資  | Discounted cash flow method<br>折現現金流量法 | Credit spread<br>信用息差                        | 13.7%                 | 1% increase/(decrease) in credit spread would result in (decrease)/increase in fair value by (HK\$3,899,000)/HK\$3,956,000<br>信用息差增加/(減少)1%將令公平值(減少)/增加(3,899,000港元)/3,956,000港元 |



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#### 47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

##### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

##### Assets measured at fair value: As at 31 March 2020

#### 47. 金融工具之公平值及公平值等級(續)

##### 公平值等級

下表說明本集團金融工具之公平值計量等級：

##### 按公平值計量之資產： 於二零二零年三月三十一日

|  |                     | Fair value measurement using<br>使用下列各項之公平值計量                                      |  |   | Total<br>總計 |
|--|---------------------|---|--|---|-------------|
|  |                     | Quoted prices in active markets (Level 1)<br>於活躍市場之報價<br>(第一級)<br>HK\$'000<br>千港元 | Significant observable inputs (Level 2)<br>重大可觀察輸入數據<br>(第二級)<br>HK\$'000<br>千港元 | Significant unobservable inputs (Level 3)<br>重大不可觀察輸入數據<br>(第三級)<br>HK\$'000<br>千港元 |             |
| Financial assets at fair value through other comprehensive income: | 按公平值經其他全面收益入賬之財務資產： |   |  |   |             |
| Listed equity investments  | 上市股權投資              | 37,901  | -  | 13,965  | 51,866      |
| Listed debt investments  | 上市債務投資              | 121,354   | -  | -   | 121,354     |
| Financial assets at fair value through profit or loss:             | 按公平值經損益入賬之財務資產：     |   |  |   |             |
| Unlisted funds   | 非上市基金               | -   | 50,382   | -   | 50,382      |
| Listed equity investments  | 上市股權投資              | 73  | -  | -   | 73          |
| Derivative component of unsecured notes                            | 無抵押票據之衍生工具部分        | -   | -  | 6,220   | 6,220       |
|  |                     | 159,328   | 50,382   | 20,185  | 229,895     |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value hierarchy (continued)

#### Assets measured at fair value (continued)

As at 31 March 2019

### 47. 金融工具之公平值及公平值等級(續)

#### 公平值等級(續)

#### 按公平值計量之資產(續)

於二零一九年三月三十一日

|  |                     | Fair value measurement using              |   |   | Total    |
|--|---------------------|---|---|---|----------|
|  |                     | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |          |
|  |                     | 於活躍市場之報價 (第一級)                            | 重大可觀察輸入數據 (第二級)                         | 重大不可觀察輸入數據 (第三級)                          | 總計       |
|  |                     | HK\$'000                                  | HK\$'000                                | HK\$'000                                  | HK\$'000 |
|  |                     | 千港元                                       | 千港元                                     | 千港元                                       | 千港元      |
| Financial assets at fair value through other comprehensive income: | 按公平值經其他全面收益入賬之財務資產： |   |   |   |          |
| Listed equity investments  | 上市股權投資              | 71,270                                    | –                                       | 16,118                                    | 87,388   |
| Listed debt investments  | 上市債務投資              | 165,146                                   | –                                       | –   | 165,146  |
| Unlisted debt investment   | 非上市債務投資             | –   | –                                       | 686,877                                   | 686,877  |
| Financial assets at fair value through profit or loss:             | 按公平值經損益入賬之財務資產：     |   |   |   |          |
| Unlisted funds   | 非上市基金               | –   | 1,886                                   | –   | 1,886    |
| Listed perpetual notes   | 上市永續票據              | 19,403                                    | –                                       | –   | 19,403   |
|  |                     | 255,819                                   | 1,886                                   | 702,995                                   | 960,700  |

The movements in fair value measurements in Level 3 during the years are as follows:

於以下年度，第三級公平值計量之變動如下：

|   |                                | HK\$'000      |
|---|--------------------------------|---------------|
|   |                                | 千港元           |
| At 1 April 2018   | 於二零一八年四月一日                     | 933,082       |
| Imputed interest income recognised in profit or loss                      | 於損益確認之估計利息收入                   | 5,125         |
| Redemption of debt investments  | 贖回債務投資                         | (220,000)     |
| Loss recognised in other comprehensive income                             | 於其他全面收益確認之虧損                   | (15,212)      |
| At 31 March 2019 and 1 April 2019   | 於二零一九年三月三十一日及二零一九年四月一日         | 702,995       |
| Acquisition of subsidiaries   | 收購附屬公司                         | 5,393         |
| Gain recognised in profit or loss   | 於損益確認之收益                       | 827           |
| Imputed interest income recognised in profit or loss                      | 於損益確認之估計利息收入                   | 2,259         |
| Redemption of debt investments  | 贖回債務投資                         | (175,000)     |
| Debt investments refinanced by a loan receivable granted (note 41(a)(ii)) | 由獲授之應收貸款再融資之債務投資 (附註41(a)(ii)) | (525,000)     |
| Gain recognised in other comprehensive income                             | 於其他全面收益確認之收益                   | 8,711         |
| At 31 March 2020  | 於二零二零年三月三十一日                   | <b>20,185</b> |

31 March 2020 二零二零年三月三十一日

47. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)  
Liabilities measured at fair value  
As at 31 March 2020

47. 金融工具之公平值及公平值等級(續)

公平值等級(續)  
按公平值計量之負債  
於二零二零年三月三十一日

|   |                 | Fair value measurement using<br>使用下列各項之公平值計量  |   |  |                                |
|---|-----------------|---|---|--|--------------------------------|
|   |                 | Quoted<br>prices<br>in active<br>markets<br>(Level 1)<br>於活躍市場<br>之報價<br>(第一級)<br>HK\$'000<br>千港元 | Significant<br>observable<br>inputs<br>(Level 2)<br>重大可觀察<br>輸入數據<br>(第二級)<br>HK\$'000<br>千港元 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>重大不可觀察<br>輸入數據<br>(第三級)<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
| Financial liabilities at fair value through profit or loss: | 按公平值經損益入賬之財務負債： |   |   |  |                                |
| Derivative component of convertible notes                   | 可換股票據之衍生工具部分    | -   | -   | 621  | 621                            |

The Group did not have any financial liabilities measured at fair value as at 31 March 2019.

於二零一九年三月三十一日，本集團並無按公平值計量之財務負債。

The movements in fair value measurements in Level 3 during the years are as follows:

於以下年度，第三級公平值計量之變動如下：

|   |                                  | HK\$'000<br>千港元 |
|---|----------------------------------|-----------------|
| At 1 April 2018, 31 March 2019 and 1 April 2019 | 於二零一八年四月一日、二零一九年三月三十一日及二零一九年四月一日 | -               |
| Acquisition of subsidiaries                     | 收購附屬公司                           | 1,201           |
| Gain recognised in profit or loss               | 於損益確認之收益                         | (580)           |
| At 31 March 2020                                | 於二零二零年三月三十一日                     | 621             |

Note: 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 for both financial assets and financial liabilities (2019: Nil).

附註：年內，就財務資產及財務負債而言，第一級與第二級之間之公平值計量概無轉移，亦無轉入或轉出第三級(二零一九年：無)。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 48. Financial Risk Management Objectives and Policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of net debt, which includes unsecured bonds and notes, bank and other borrowings and convertible notes disclosed in note 30, 31 and 32 to the financial statements, net of cash and cash equivalents and equity attributable to owners of the parent, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

#### a. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loans and interest receivables, financial assets included in prepayments, deposits and other receivables, financial assets at fair value through profit or loss, net investments in subleases, financial assets at fair value through other comprehensive income, cash and cash equivalents, restricted bank balances, trade payables, financial liabilities at fair value through profit or loss, bank and other borrowings, unsecured bonds and notes, convertible notes and financial liabilities included in other payables and accruals. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk, interest rate risk and price risk), liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

### 48. 財務風險管理目標及政策

本集團管理其資本以確保本集團各實體可持續經營，同時透過優化債務及權益餘額盡量增加股東回報。本集團整體策略較去年維持不變。

本集團資本結構包括債務淨額(包括於財務報表附註30、31及32披露之無抵押債券及票據、銀行及其他借貸以及可換股票據)，扣除現金及現金等同項目以及母公司擁有人應佔權益，包括已發行股本、儲備及保留盈利。

本公司董事每半年審核資本結構。就有關審核而言，董事計及有關資本之成本及與各類別資本相關之風險。根據董事建議，本集團將透過發行新股份、購回股份及發行新債務或贖回現有債務，平衡其整體資本架構。

#### a. 財務風險管理目標及政策

本集團之主要金融工具包括貿易應收款項、應收貸款及利息、計入預付款項、按金及其他應收款項之財務資產、按公平值經損益入賬之財務資產、分租投資淨額、按公平值經其他全面收益入賬之財務資產、現金及現金等同項目、受限制銀行結餘、貿易應付款項、按公平值經損益入賬之財務負債、銀行及其他借貸、無抵押債券及票據、可換股票據及計入其他應付款項及應計費用之財務負債。該等金融工具之詳情於相關附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、流動資金風險及信貸風險。如何減低該等風險之政策載列於下文。管理層管理及監察相關風險以確保及時有效實施適當措施。

本集團須承受之市場風險或其管理及計量有關風險之方式並無重大變動。

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## 48. Financial Risk Management Objectives and Policies (continued)

### a. Financial risk management objectives and policies (continued)

#### Market risks

##### (i) Currency risk

The Company and several subsidiaries of the Company have foreign currency sales and purchases and foreign currency bank deposits, which expose the Group to foreign currency risk. Substantially most of the Group's bank deposits are denominated in the relevant group entities' functional currencies. Substantially most of the Group's sales and purchases are denominated in the relevant group entities' functional currencies.

The Group currently does not implement hedging activities to hedge against foreign currency exposure.

#### Sensitivity analysis

The Group is mainly exposed to the foreign exchange rate fluctuation of the foreign currencies stated above against the functional currencies of the respective group entities.

If the RMB exchange rate had increased/decreased by 5% and other variables were held constant, the Group's profit for the year ended 31 March 2020 would have increased/decreased by HK\$56,000 (2019: profit for the year would have decreased/increased by HK\$76,000).

The Group's exposures to currency risk of other currencies are considered insignificant by the directors and therefore no sensitivity analysis has been prepared.

## 48. 財務風險管理目標及政策(續)

### a. 財務風險管理目標及政策(續)

#### 市場風險

##### (i) 貨幣風險

本公司及其多間附屬公司進行外幣買賣，以及外幣銀行存款，本集團因而面對外匯風險。本集團絕大部分銀行存款以有關集團實體之功能貨幣為單位。本集團絕大部分買賣均以有關集團實體之功能貨幣為單位。

本集團現時並無實行對沖政策對沖外匯風險。

#### 敏感度分析

本集團主要面對上述外幣兌各集團實體功能貨幣之外匯波動風險。

倘人民幣匯率增加／減少5%而所有其他變數維持不變，本集團截至二零二零年三月三十一日止年度之溢利將增加／減少56,000港元(二零一九年：年內溢利將減少／增加76,000港元)。

董事認為本集團其他貨幣之貨幣風險並不重大，因此並無編製敏感度分析。

# Notes to Financial Statements

## 財務報表附註

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### 48. Financial Risk Management Objectives and Policies (continued)

#### a. Financial risk management objectives and policies (continued)

##### Market risks (continued)

##### (ii) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank borrowings (see note 31 to the financial statements) and bank deposits (see note 26 to the financial statements) at prevailing market interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk and will consider hedging significant interest rate risk should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of one to three months Hong Kong Interbank Offered Rate. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings and bank deposits at the end of the reporting period. The analysis is prepared assuming that the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had increased/decreased by 50 basis points and all other variables were held constant, the Group's profit for the year ended 31 March 2020 would have decreased/increased by HK\$4,244,000 (2019: profit for the year would have decreased/increased by HK\$3,466,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable-rate interest-bearing bank and other borrowings.

The Group's exposures to interest rate risk on bank balances are considered insignificant by the directors and therefore no sensitivity analysis has been prepared.

### 48. 財務風險管理目標及政策(續)

#### a. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險

本集團現金流量利率風險主要與浮息銀行借貸(見財務報表附註31)及按當前市場利率計息之銀行存款(見財務報表附註26)有關。本集團並未使用任何利率掉期以對沖其利率風險，並將於有需要時考慮對沖重大利率風險。

有關本集團財務負債利率風險之詳情載於本附註流動資金風險管理一節。本集團現金流量利率風險主要集中於一至三個月香港銀行同業拆息之波幅。本集團目前並無採用任何衍生合約以對沖利率風險。然而，管理人員會於有需要時考慮對沖重大利率風險。

##### 敏感度分析

以下敏感度分析乃根據浮息銀行借貸及銀行存款於報告期末面對之利率風險釐定。分析乃假設報告期末負債餘額於整個年度尚未償還而編製。向主要管理人員內部申報利率風險時採用50個基點增減，反映管理層對利率合理可能出現之變動之評估。

倘利率增加／減少50個基點而所有其他變數維持不變，本集團截至二零二零年三月三十一日止年度之溢利將減少／增加4,244,000港元(二零一九年：年內溢利將減少／增加3,466,000港元)，主要源自本集團就浮息銀行借貸面對之利率風險。

本集團對利率之敏感度於本年度增加，主要由於浮息計息銀行及其他借貸增加所致。

董事認為本集團面對之銀行結餘利率風險並不重大，故並無編製敏感度分析。



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## 48. Financial Risk Management Objectives and Policies (continued)

### a. Financial risk management objectives and policies (continued)

#### Market risks (continued)

##### (iii) Price risk

Price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through other comprehensive income (note 18) and financial assets/liabilities at fair value through profit or loss (note 25) as at 31 March 2020. The Group's listed investments are listed on the Stock Exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity index for the Stock Exchange at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year are as follows:

|                   |        | 31 March<br>2020<br>二零二零年<br>三月三十一日<br>HK\$'000<br>千港元 | High/low<br>2020<br>二零二零年<br>高/低點<br>HK\$'000<br>千港元 | 31 March<br>2019<br>二零一九年<br>三月三十一日<br>HK\$'000<br>千港元 | High/low<br>2019<br>二零一九年<br>高/低點<br>HK\$'000<br>千港元 |
|-------------------|--------|--|--|--|--|
| Hong Kong         | 香港     |  |  |  |  |
| - Hang Seng Index | - 恆生指數 | 23,603   | 30,280/<br>21,139                                    | 29,051   | 30,808/<br>24,980                                    |

The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these financial investments.

## 48. 財務風險管理目標及政策(續)

### a. 財務風險管理目標及政策(續)

#### 市場風險(續)

##### (iii) 價格風險

價格風險是指因股權指數水平及個別證券之價值變動而致股權證券公平值降低之風險。於二零二零年三月三十一日，本集團因計入按公平值經其他全面收益入賬之財務資產(附註18)及按公平值經損益入賬之財務資產/負債(附註25)的各項股權投資而承受股權價格風險。本集團之上市投資主要在聯交所上市，並以報告期末之市場報價進行估值。

於報告期末之最近交易日營業時間結束時，聯交所之市場股權指數及其年內最高點及最低點如下：

本集團透過密切監控或會對該等財務投資造成影響之價格變動及市場行情變動管理其承受之風險。

# Notes to Financial Statements

## 財務報表附註

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### 48. Financial Risk Management Objectives and Policies (continued)

#### a. Financial risk management objectives and policies (continued)

##### Market risks (continued)

##### (iii) Price risk (continued)

##### Sensitivity analysis

The following table demonstrates the sensitivity to every 10% change (2019: 10% change) in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the listed equity investments included in financial assets at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve (non-recycling).

### 48. 財務風險管理目標及政策(續)

#### a. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (iii) 價格風險(續)

##### 敏感度分析

下表展示於其他變數保持不變並且未計算稅項影響前，上市股權投資於報告期末之賬面值，對其公平值10%（二零一九年：10%）變動之敏感度。就本分析而言，對計入按公平值經其他全面收益入賬之財務資產的上市股權投資之影響被視作對公平值儲備（不可劃轉）之影響。

|   |                      | Carrying amount of equity investments<br>股權投資之賬面值<br>HK\$'000<br>千港元 | Increase/ (decrease) in profit before tax<br>除稅前溢利增加/(減少)<br>HK\$'000<br>千港元 | Increase/ (decrease) in other components of equity<br>股權之其他部分增加/(減少)<br>HK\$'000<br>千港元 |
|---|----------------------|--|--|---|
| <b>2020</b>   | <b>二零二零年</b>         |  |  |   |
| Equity investments listed in Hong Kong:                             | 於香港上市之股權投資：          |  |  |   |
| – Financial assets at fair value through profit or loss             | – 按公平值經損益入賬之財務資產     | 73   | 7/<br>(7)  | –   |
| – Financial assets at fair value through other comprehensive income | – 按公平值經其他全面收益入賬之財務資產 | 51,866   | –  | 5,187/<br>(5,187)   |
| <b>2019</b>   | <b>二零一九年</b>         |  |  |   |
| Equity investments listed in Hong Kong:                             | 於香港上市之股權投資：          |  |  |   |
| – Financial assets at fair value through other comprehensive income | – 按公平值經其他全面收益入賬之財務資產 | 87,388   | –  | 8,739/<br>(8,739)   |

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## 48. Financial Risk Management Objectives and Policies (continued)

### a. Financial risk management objectives and policies (continued)

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

#### Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity 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 of all financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest cash flows are at floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

## 48. 財務風險管理目標及政策(續)

### a. 財務風險管理目標及政策(續)

#### 流動資金風險

管理流動資金風險方面，本集團監控及維持管理層認為充裕之現金及現金等同項目水平，以為本集團營運提供資金及減低現金流量波動影響。管理人員監察銀行借貸運用，並確保遵從貸款契約。

#### 流動資金及利率風險表

下表詳列本集團財務負債尚餘合約年期。此表根據本集團最早須償還日期之財務負債未折現現金流量編製。所有財務負債之到期日根據協定還款日期釐定。

下表包括利息及本金現金流量。如利息現金流量為浮息，未折現金額則來自報告期末之利率。

|   |                      | On demand or less than |                  |                | Total                   | Carrying amount  |
|---|----------------------|------------------------|------------------|----------------|-------------------------|------------------|
|   |                      | 1 year                 | 1 to 5 years     | Over 5 years   | undiscounted cash flows |                  |
|   |                      | 按要求或<br>少於一年           | 一至五年             | 五年以上           | 未折現現金<br>流量總額           | 賬面值              |
|   |                      | HK\$'000               | HK\$'000         | HK\$'000       | HK\$'000                | HK\$'000         |
|   |                      | 千港元                    | 千港元              | 千港元            | 千港元                     | 千港元              |
| <b>As at 31 March 2020</b>                                | <b>於二零二零年三月三十一日</b>  |                        |                  |                |                         |                  |
| Trade payables  | 貿易應付款項               | 66,709                 | -                | -              | 66,709                  | 66,709           |
| Other payables and accruals (excluding lease liabilities) | 其他應付款項及應計費用 (租賃負債除外) | 945,195                | 3,164            | -              | 948,359                 | 948,359          |
| Lease liabilities   | 租賃負債                 | 69,925                 | 82,330           | 4,206          | 156,461                 | 141,437          |
| Bank and other borrowings – variable rates                | 銀行及其他借貸 – 浮息         | 531,820                | 358,616          | 241,346        | 1,131,782               | 1,033,159        |
| Bank and other borrowings – fixed rates                   | 銀行及其他借貸 – 定息         | 174,871                | 157,902          | 69,917         | 402,690                 | 336,566          |
| Unsecured notes   | 無抵押票據                | 2,900                  | 292,465          | -              | 295,365                 | 181,220          |
| Convertible notes   | 可換股票據                | 19,860                 | 284,660          | -              | 304,520                 | 249,814          |
|   |                      | <b>1,811,280</b>       | <b>1,179,137</b> | <b>315,469</b> | <b>3,305,886</b>        | <b>2,957,264</b> |
| <b>As at 31 March 2019</b>                                | <b>於二零一九年三月三十一日</b>  |                        |                  |                |                         |                  |
| Trade payables  | 貿易應付款項               | 35,959                 | -                | -              | 35,959                  | 35,959           |
| Other payables and accruals                               | 其他應付款項及應計費用          | 25,513                 | 1,883            | -              | 27,396                  | 27,396           |
| Bank borrowings – variable rates                          | 銀行借貸 – 浮息            | 254,681                | 276,636          | 435,396        | 966,713                 | 852,227          |
|   |                      | 316,153                | 278,519          | 435,396        | 1,030,068               | 915,582          |

# Notes to Financial Statements

## 財務報表附註

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### 48. Financial Risk Management Objectives and Policies (continued)

#### a. Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

*Liquidity and interest risk tables (continued)*

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

##### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In order to minimise the credit risk on trade receivables and prepayments, deposits and other receivables, the management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

##### *Maximum exposure and year-end staging*

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. For listed debt investments, the Group also monitors them by using external credit ratings. The amounts presented are gross carrying amounts for financial assets.

### 48. 財務風險管理目標及政策(續)

#### a. 財務風險管理目標及政策(續)

##### 流動資金風險(續)

*流動資金及利率風險表(續)*

倘浮息之變化與報告期末所釐定該等利率之估計不同，則以上就非衍生財務負債之浮息工具計入之金額可予作出變動。

##### 信貸風險

本集團僅與經認可且信譽良好的第三方進行交易。本集團政策為所有希望能以信用方式進行交易的客戶需要適用信用認證程序。為減低貿易及其他應收款項之信貸風險，本集團管理人員已授權專責小組負責釐定信貸額、審批信貸及其他監察程序，以確保採取跟進措施收回逾期債項。此外，本集團於報告期末均檢討各個別應收款項之可收回數額，以確保已就不可收回數額作出足夠減值虧損撥備。就此，本公司董事認為信貸風險已大大減低。

##### *最高風險及年結階段*

下表顯示基於本集團的信貸政策的信貸質素及最高信貸風險，主要基於逾期資料(除非其他資料可在毋須付出不必要成本或努力的情況下獲得)，及於三月三十一日的年結階段分類。本集團亦利用外部信貸評級監察上市債務投資。所呈列金額指財務資產總賬面值。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 48. Financial Risk Management Objectives and Policies (continued)

#### a. Financial risk management objectives and policies (continued)

##### Credit risk (continued)

As at 31 March 2020

### 48. 財務風險管理目標及政策(續)

#### a. 財務風險管理目標及政策(續)

##### 信貸風險(續)

於二零二零年三月三十一日

|   |                              | 12-month ECLs |          | Lifetime ECLs |                     |          |
|---|------------------------------|---------------|----------|---------------|---------------------|----------|
|   |                              | 12個月預期信貸虧損    |          | 全期預期信貸虧損      |                     |          |
|   |                              | Stage 1       | Stage 2  | Stage 3       | Simplified approach | Total    |
|   |                              | 第一階段          | 第二階段     | 第三階段          | 簡化方法                | 總計       |
|   |                              | HK\$'000      | HK\$'000 | HK\$'000      | HK\$'000            | HK\$'000 |
|   |                              | 千港元           | 千港元      | 千港元           | 千港元                 | 千港元      |
| Debt investments at fair value through other comprehensive income – Baa to CCC      | 按公平值經其他全面收益入賬之債務投資 –Baa至CCC  | 117,560       | –        | 3,794         | –                   | 121,354  |
| Trade receivables*  | 貿易應收款項*                      | –             | –        | –             | 86,103              | 86,103   |
| Net investments in subleases  | 分租投資淨額                       | –             | –        | –             | 20,145              | 20,145   |
| Loans and interest receivables  | 應收貸款及利息                      | 11,425        | 58,029   | 86            | –                   | 69,540   |
| Financial assets included in prepayments, deposits and other receivables – Normal** | 計入預付款項、按金及其他應收款項之財務資產 – 正常** | 144,752       | 20,401   | –             | –                   | 165,153  |
| Restricted bank balances  | 受限制銀行結餘                      | 8,157         | –        | –             | –                   | 8,157    |
| Cash and cash equivalents   | 現金及現金等同項目                    | 475,702       | –        | –             | –                   | 475,702  |
|   |                              | 757,596       | 78,430   | 3,880         | 106,248             | 946,154  |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 48. Financial Risk Management Objectives and Policies (continued)

#### a. Financial risk management objectives and policies (continued)

##### Credit risk (continued)

As at 31 March 2019

|   |                              | 12-month ECLs |          | Lifetime ECLs |          | Total     |
|---|------------------------------|---------------|----------|---------------|----------|-----------|
|   |                              | 12個月預期信貸虧損    | Stage 1  | Stage 2       | Stage 3  |           |
|   |                              | HK\$'000      | HK\$'000 | HK\$'000      | HK\$'000 | HK\$'000  |
|   |                              | 千港元           | 千港元      | 千港元           | 千港元      | 千港元       |
| Debt investments at fair value through other comprehensive income                   | 按公平值經其他全面收益入賬之債務投資           |               |          |               |          |           |
| – Aa to CCC   | – Aa至CCC                     | 165,146       | 686,877  | –             | –        | 852,023   |
| Trade receivables*  | 貿易應收款項*                      | –             | –        | –             | 97,323   | 97,323    |
| Loans and interest receivables  | 應收貸款及利息                      | 3,726         | 23,768   | –             | –        | 27,494    |
| Financial assets included in prepayments, deposits and other receivables – Normal** | 計入預付款項、按金及其他應收款項之財務資產 – 正常** | 51,183        | –        | –             | –        | 51,183    |
| Cash and cash equivalents   | 現金及現金等同項目                    | 171,209       | –        | –             | –        | 171,209   |
|   |                              | 391,264       | 710,645  | –             | 97,323   | 1,199,232 |

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the financial statements.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

### 48. 財務風險管理目標及政策(續)

#### a. 財務風險管理目標及政策(續)

##### 信貸風險(續)

於二零一九年三月三十一日



31 March 2020 二零二零年三月三十一日

#### 48. Financial Risk Management Objectives and Policies (continued)

##### b. Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 2019.

The Group monitors capital using a net gearing ratio, which is net debt divided by equity attributable to equity holders of the Company. Net debt is calculated as the total of interest-bearing bank and other borrowings, unsecured notes and convertible notes, less cash and cash equivalents. The gearing ratios as at the end of the reporting periods were as follows:

#### 48. 財務風險管理目標及政策(續)

##### b. 資本管理

本集團資本管理的主要目標是保障本集團持續經營的能力，及維持健康資本比例，為業務提供支持及將股東價值最大化。

本集團因應經濟環境的轉變對資本架構進行管理及調整。本集團可調整向股東派付股息、資本返還予股東或發行新股份。截至二零二零年及二零一九年三月三十一日止年度內，資本管理的目標、政策或程序概無出現變動。

本集團利用負債比率(本公司股權持有人應佔股權除以債務淨值)監控資本。債務淨額乃按計息銀行及其他借貸、無抵押票據及可換股票據之總額減現金及現金等同項目計算得出。報告期末的負債比率如下：

|  |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Interest-bearing bank and other borrowings (note 31) | 計息銀行及其他借貸(附註31)   | 1,369,725                        | 852,227                          |
| Unsecured notes (note 30)                            | 無抵押票據(附註30)       | 181,220                          | –                                |
| Convertible notes (note 32)                          | 可換股票據(附註32)       | 249,814                          | –                                |
| Less: Cash and cash equivalents (note 26)            | 減：現金及現金等同項目(附註26) | (475,702)                        | (171,209)                        |
| Net debt   | 債務淨額              | 1,325,057                        | 681,018                          |
| Equity attributable to owners of the parent          | 母公司擁有人應佔權益        | 2,300,061                        | 2,444,118                        |
| Gearing ratio  | 負債比率              | 58%                              | 28%                              |

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 49. Events After the Reporting Period

On 4 May 2020, Caister Limited, which is wholly and beneficially owned by Mr. Tang, the controlling shareholder of Wang On and a director of the Company, requested the board of Easy One to put forward a proposal of privatisation of Easy One at the cancellation consideration, comprising the cash consideration of HK\$0.3 per share of Easy One and the consideration shares on the basis of eight (8) ordinary shares of Wang On held by Caister Limited, for each share of Easy One (the "Proposed Privatisation"). Subject to the Proposed Privatisation becoming effective, the transaction will constitute a disposal of interest in an associate of the Group, and a loss on disposal of interest in an associate is expected to record.

Further details of the proposed transaction are set out in the Company's announcement dated on 4 May 2020 jointly published with Wang On, Easy One and Caister Limited.

### 50. Comparative Amounts

As further explained in note 2.2 to the financial statements, the Group adopted HKFRS 16 on 1 April 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

### 49. 報告期後事項

於二零二零年五月四日，Caister Limited(由宏安之控股股東兼本公司之董事鄧先生全權實益擁有)要求易易壹董事會提呈建議以註銷代價(包括按每股易易壹股份0.3港元計算之現金代價及按Caister Limited每持有八(8)股宏安普通股換一股易易壹股份基準計算之代價股份)將易易壹私有化(「建議私有化」)。待建議私有化生效後，有關交易將構成出售於本集團聯繫人之權益，且預期出售聯繫人之權益會錄得虧損。

建議交易之進一步詳情載於本公司與宏安、易易壹及Caister Limited聯合刊發日期為二零二零年五月四日之公佈。

### 50. 比較金額

誠如財務報表附註2.2進一步闡述，本集團已於二零一九年四月一日採用經修訂的追溯方式來採納香港財務報告準則第16號。根據該方法，財務報表內的比較金額並無重列且將繼續根據先前的準則香港會計準則第17號及相關詮釋之規定呈報。

# Notes to Financial Statements

## 財務報表附註

31 March 2020 二零二零年三月三十一日

### 51. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 51. 本公司財務狀況表

有關報告期末本公司財務狀況表之資料如下：

|   |                    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| <b>NON-CURRENT ASSETS</b>   | <b>非流動資產</b>       |                                  |                                  |
| Investments in subsidiaries                                       | 於附屬公司之投資           | -                                | -                                |
| Financial assets at fair value through other comprehensive income | 按公平值經其他全面收益入賬之財務資產 | <b>7,525</b>                     | 21,958                           |
|   |                    | <b>7,525</b>                     | 21,958                           |
| <b>CURRENT ASSETS</b>   | <b>流動資產</b>        |                                  |                                  |
| Due from subsidiaries   | 應收附屬公司款項           | <b>3,224,633</b>                 | 3,157,037                        |
| Other receivables   | 其他應收款項             | <b>374</b>                       | 608                              |
| Cash and cash equivalents   | 現金及現金等同項目          | <b>41,861</b>                    | 21,668                           |
|   |                    | <b>3,266,868</b>                 | 3,179,313                        |
| <b>CURRENT LIABILITIES</b>  | <b>流動負債</b>        |                                  |                                  |
| Due to subsidiaries   | 應付附屬公司款項           | <b>945,734</b>                   | 884,184                          |
| Other payables and accruals                                       | 其他應付款項及應計費用        | <b>12,480</b>                    | 13,943                           |
|   |                    | <b>958,214</b>                   | 898,127                          |
| <b>NET CURRENT ASSETS</b>   | <b>流動資產淨值</b>      | <b>2,308,654</b>                 | 2,281,186                        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                      | <b>總資產減流動負債</b>    | <b>2,316,179</b>                 | 2,303,144                        |
| <b>NON-CURRENT LIABILITY</b>                                      | <b>非流動負債</b>       |                                  |                                  |
| Deferred tax liability  | 遞延稅項負債             | -                                | 167                              |
| Net assets  | 資產淨值               | <b>2,316,179</b>                 | 2,302,977                        |
| <b>EQUITY</b>   | <b>權益</b>          |                                  |                                  |
| Issued capital  | 已發行股本              | <b>12,316</b>                    | 12,316                           |
| Reserves (note)   | 儲備(附註)             | <b>2,303,863</b>                 | 2,290,661                        |
| Total equity  | 總權益                | <b>2,316,179</b>                 | 2,302,977                        |

**Tang Ching Ho**

鄧清河

Director

董事

**Chan Chun Hong, Thomas**

陳振康

Director

董事

# Notes to Financial Statements

## 財務報表附註

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### 51. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

### 51. 本公司財務狀況表(續)

附註：

本公司儲備概要載列如下：

|   |                               | Share premium    | Special reserve | Contributed surplus | Share option reserve | Fair value reserve (non-recycling) | Accumulated losses | Total            |
|---|-------------------------------|------------------|-----------------|---------------------|----------------------|------------------------------------|--------------------|------------------|
|   |                               | 股份溢價             | 特別儲備            | 實繳盈餘                | 購股權儲備                | 公平值儲備 (不可劃轉)                       | 累計虧損               | 總計               |
|   |                               | HK\$'000         | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000                           | HK\$'000           | HK\$'000         |
|   |                               | 千港元              | 千港元             | 千港元                 | 千港元                  | 千港元                                | 千港元                | 千港元              |
| At 1 April 2018   | 於二零一八年四月一日                    | 2,116,420        | (27,150)        | 275,693             | 332                  | 28,533                             | (17,203)           | 2,376,625        |
| Loss for the year   | 本年度虧損                         | -                | -               | -                   | -                    | -                                  | (58,523)           | (58,523)         |
| Other comprehensive loss for the year:  | 本年度其他全面虧損：                    |                  |                 |                     |                      |                                    |                    |                  |
| Change in fair value of financial assets at fair value through other comprehensive income, net of tax | 按公平值經其他全面收益入賬之財務資產之公平值變動，扣除稅項 | -                | -               | -                   | -                    | (17,820)                           | -                  | (17,820)         |
| Total comprehensive loss for the year   | 本年度全面虧損總額                     | -                | -               | -                   | -                    | (17,820)                           | (58,523)           | (76,343)         |
| Shares repurchased and cancelled (note 34)  | 購回及註銷股份(附註34)                 | (9,621)          | -               | -                   | -                    | -                                  | -                  | (9,621)          |
| Forfeiture of share options   | 購股權沒收                         | -                | -               | -                   | (246)                | -                                  | 246                | -                |
| At 31 March 2019 and 1 April 2019   | 於二零一九年三月三十一日及二零一九年四月一日        | 2,106,799        | (27,150)        | 275,693             | 86                   | 10,713                             | (75,480)           | 2,290,661        |
| Profit for the year   | 本年度溢利                         | -                | -               | -                   | -                    | -                                  | 25,803             | 25,803           |
| Other comprehensive loss for the year:  | 本年度其他全面虧損：                    |                  |                 |                     |                      |                                    |                    |                  |
| Change in fair value of financial assets at fair value through other comprehensive income, net of tax | 按公平值經其他全面收益入賬之財務資產之公平值變動，扣除稅項 | -                | -               | -                   | -                    | (12,601)                           | -                  | (12,601)         |
| Total comprehensive income/(loss) for the year  | 本年度全面收益/(虧損)總額                | -                | -               | -                   | -                    | (12,601)                           | 25,803             | 13,202           |
| Forfeiture of share options   | 購股權沒收                         | -                | -               | -                   | (3)                  | -                                  | 3                  | -                |
| At 31 March 2020  | 於二零二零年三月三十一日                  | <b>2,106,799</b> | <b>(27,150)</b> | <b>275,693</b>      | <b>83</b>            | <b>(1,888)</b>                     | <b>(49,674)</b>    | <b>2,303,863</b> |

Note: The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited after the vesting period.

附註：購股權儲備包括尚未行使之已授出購股權之公平值(進一步詳情載於財務報表附註2.4有關以股份為基礎之付款之會計政策)。倘相關購股權已行使，有關金額將會轉至股本，倘相關購股權逾期或於歸屬期後沒收，有關金額將會轉至保留溢利。

### 52. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 30 June 2020.

### 52. 批准刊發財務報表

財務報表已由董事會於二零二零年六月三十日批准並授權刊發。

# Particulars of Properties

## 物業詳情

### Investment Properties

### 投資物業

| Location<br>地址   | Use<br>用途                                       | Tenure<br>年期              | Attributable<br>interest of the<br>Group<br>本集團之應佔權益 |
|--|---|---------------------------|--|
| Henan Luoyang Hong-Jin Agri-Products International Logistics Centre, west of Luoji Expressway, Old town district, Luoyang City, Henan Province, the PRC<br>中國河南省洛陽市老城區洛吉快速通道西側<br>洛陽宏進農副產品國際物流中心 | Agricultural produce exchange market<br>農產品交易市場 | Medium term lease<br>中期租約 | 53%  |
| Wuhan Baishazhou Agri-Products Market, Special Nos.1 Qingling Street, Qingling Country, Hongshan District, Wuhan City, Hubei Province, the PRC<br>中國湖北省武漢市洪山區青菱鄉青菱街特一號<br>武漢白沙洲農副產品大市場           | Agricultural produce exchange market<br>農產品交易市場 | Medium term lease<br>中期租約 | 53%  |
| Xuzhou Agri-Products Centre Wholesale Market, east of Yingbin Avenue, Quanshan District, Xuzhou City, Jiangsu Province, the PRC<br>中國江蘇省徐州市泉山區迎賓大道東側徐州農副產品中心批發市場                                 | Agricultural produce exchange market<br>農產品交易市場 | Medium term lease<br>中期租約 | 27%  |

### Properties Held for Sale

### 持作出售物業

| Location<br>地址  | Approximate<br>saleable floor area<br>概約可出售建築面積<br>(Square feet)<br>(平方呎) | Use<br>用途                                       | Attributable<br>interest of the<br>Group<br>本集團之應佔權益 |
|---|---|---|--|
| Henan Luoyang Hong-Jin Agri-Products International Logistics Centre, west of Luoji Expressway, Old town district, Luoyang City, Henan Province, the PRC<br>中國河南省洛陽市老城區洛吉快速通道西側<br>洛陽宏進農副產品國際物流中心                                    | 1,000,700   | Agricultural produce exchange market<br>農產品交易市場 | 53%  |
| China – ASEAN (Qinzhou) Agri-Products Market, north of Jinhaiwan West Avenue (Entrance of North and South Highway), Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC<br>中國廣西壯族自治區欽州市金海灣西大街北側<br>(南北高速出入口)中國—東盟(欽州)<br>農產品大市場 | 1,632,900   | Agricultural produce exchange market<br>農產品交易市場 | 53%  |

# 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 reclassified/re-presented as appropriate, is set out below.

下文為本集團過往五個財政年度之業績與資產、負債及非控股權益摘要，乃摘錄自己公佈之經審核財務報表，並按下文所載作出適當重新分類／重新呈列。

### Results

### 業績

|                             |            | Year ended 31 March |          |           |          |          |
|-----------------------------|------------|---------------------|----------|-----------|----------|----------|
|                             |            | 截至三月三十一日止年度         |          |           |          |          |
|                             |            | 2020                | 2019     | 2018      | 2017     | 2016     |
|                             |            | 二零二零年               | 二零一九年    | 二零一八年     | 二零一七年    | 二零一六年    |
|                             |            | HK\$'000            | HK\$'000 | HK\$'000  | HK\$'000 | HK\$'000 |
|                             |            | 千港元                 | 千港元      | 千港元       | 千港元      | 千港元      |
| CONTINUING OPERATIONS       | 持續經營業務     |                     |          |           |          |          |
| Revenue                     | 收益         | <b>620,741</b>      | 751,443  | 845,781   | 738,440  | 825,331  |
| Profit/(loss) before tax    | 除稅前溢利／(虧損) | <b>110,616</b>      | 81,694   | (114,887) | (96,359) | 29,066   |
| Income tax credit/(expense) | 所得稅抵免／(開支) | <b>(17,199)</b>     | (7,448)  | (2,281)   | 2,432    | (3,839)  |
| PROFIT/(LOSS) FOR THE YEAR  | 本年度溢利／(虧損) | <b>93,417</b>       | 74,246   | (117,168) | (93,927) | 25,227   |
| Attributable to:            | 以下人士應佔：    |                     |          |           |          |          |
| Owners of the parent        | 母公司擁有人     | <b>95,823</b>       | 74,627   | (115,581) | (93,303) | 25,387   |
| Non-controlling interests   | 非控股權益      | <b>(2,406)</b>      | (381)    | (1,587)   | (624)    | (160)    |
|                             |            | <b>93,417</b>       | 74,246   | (117,168) | (93,927) | 25,227   |

### Assets, Liabilities and Non-Controlling Interests

### 資產、負債及非控股權益

|   |            | At 31 March        |             |             |           |           |
|---|------------|--------------------|-------------|-------------|-----------|-----------|
|   |            | 於三月三十一日            |             |             |           |           |
|   |            | 2020               | 2019        | 2018        | 2017      | 2016      |
|   |            | 二零二零年              | 二零一九年       | 二零一八年       | 二零一七年     | 二零一六年     |
|   |            | HK\$'000           | HK\$'000    | HK\$'000    | HK\$'000  | HK\$'000  |
|   |            | 千港元                | 千港元         | 千港元         | 千港元       | 千港元       |
| Total assets                                | 總資產        | <b>7,730,183</b>   | 3,454,670   | 3,656,461   | 3,573,251 | 3,237,452 |
| Total liabilities                           | 總負債        | <b>(4,378,909)</b> | (1,006,581) | (1,096,436) | (915,528) | (907,896) |
|   |            | <b>3,351,274</b>   | 2,448,089   | 2,560,025   | 2,657,723 | 2,329,556 |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | <b>2,300,061</b>   | 2,444,118   | 2,554,504   | 2,651,791 | 2,322,490 |
| Non-controlling interests                   | 非控股權益      | <b>1,051,213</b>   | 3,971       | 5,521       | 5,932     | 7,066     |
|   |            | <b>3,351,274</b>   | 2,448,089   | 2,560,025   | 2,657,723 | 2,329,556 |





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