



Extrawell Pharmaceutical Holdings Limited 精優藥業控股有限公司

(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 : 858

ANNUAL REPORT 年報

2023

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. XIE Yi (*Chairman and Chief Executive Officer*)
Mr. CHENG Yong (*Deputy Chief Executive Officer*)
Dr. LOU Yi
Ms. WONG Sau Kuen

Independent Non-executive Directors

Mr. FANG Lin Hu
Ms. JIN Song
Dr. GUO Yi

AUDIT COMMITTEE

Mr. FANG Lin Hu (*Chairman*)
Ms. JIN Song
Dr. GUO Yi

REMUNERATION COMMITTEE

Mr. FANG Lin Hu (*Chairman*)
Ms. JIN Song
Dr. GUO Yi
Dr. XIE Yi

NOMINATION COMMITTEE

Dr. XIE Yi (*Chairman*)
Mr. FANG Lin Hu
Ms. JIN Song
Dr. GUO Yi

COMPANY SECRETARY

Ms. WONG Sau Kuen

HONG KONG LEGAL ADVISERS

Chiu & Partners Solicitors

INDEPENDENT AUDITOR

Elite Partners CPA Limited
Certified Public Accountants

董事會

執行董事

謝毅博士 (*主席兼行政總裁*)
程勇先生 (*副行政總裁*)
樓屹博士
王秀娟女士

獨立非執行董事

方林虎先生
金松女士
郭懿博士

審核委員會

方林虎先生 (*主席*)
金松女士
郭懿博士

薪酬委員會

方林虎先生 (*主席*)
金松女士
郭懿博士
謝毅博士

提名委員會

謝毅博士 (*主席*)
方林虎先生
金松女士
郭懿博士

公司秘書

王秀娟女士

香港法律顧問

趙不渝 • 馬國強律師事務所

獨立核數師

開元信德會計師事務所有限公司
執業會計師

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2206-08, 22/F
Devon House, Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

總辦事處及香港主要營業地點

香港
鰂魚涌
英皇道979號
太古坊德宏大廈
22樓2206-08室

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited

主要往來銀行

中國工商銀行(亞洲)有限公司
東亞銀行有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記總處

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

香港股份過戶登記分處

卓佳登捷時有限公司
香港
夏慤道16號
遠東金融中心17樓

WEBSITE

<http://www.extrawell.com.hk>

網站

<http://www.extrawell.com.hk>

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00858

股份代號

香港聯合交易所有限公司：00858

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders:
致各位股東：

On behalf of the board of directors (the “Board”) of Extrawell Pharmaceutical Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the annual report of the Group for the year ended 31 March 2023.

本人謹代表精優藥業控股有限公司（「本公司」，連同其附屬公司（「本集團」）董事會（「董事會」）欣然提呈本集團截至二零二三年三月三十一日止年度之年報。



In 2022, the impacts of lingering COVID-19 pandemic, continuing geopolitical tensions, and escalating inflationary pressures, posed uncertainties surrounding the global economic outlook. Global headwinds and COVID-linked uncertainties dampened China's economic growth. Resurgence of sporadic spikes in COVID-19 cases in China (or the "PRC"), particularly during March to May 2022, caused widespread lockdowns to its major cities to contain transmission of the COVID-19 variants, hindered China's economic growth which slowed from 4.8% registered in the first quarter of 2022 to 0.4% in the second quarter, the lowest rate since China's economy contracted by 6.8% in the first quarter of 2020. Helped by a raft of stimulus measures from the government after the end of the strict lockdowns, China's economy grew 3.9% and 2.9% in the third quarter and fourth quarter of 2022, bringing full-year growth rate of 3% in 2022, which marks one of the worst performances in decades. Following the containment of the COVID-19 variants and the gradual lifting of related restrictions from December 2022, China's economy grew by a better-than-expected 4.5% in the first quarter of 2023, mainly due to a strong recovery in consumption.

During the year, the impacts of COVID-related restrictions, including the strict lockdowns and movement restrictions, posed significant challenges to the operating environment of pharmaceutical enterprises and lowered the growth pace of the pharmaceutical industry, as manufacturing and distribution activities were affected to varying degrees. Furthermore, the launch of the seventh round of centralised drug procurement, regular updates of national drug reimbursement list, and reforms to better control medical costs through the diagnosis-related groups and big data diagnosis intervention packet payment management models, have been pushed forward and implemented on a continuous basis, while supportive initiatives by the government have been rolled out to encourage research and development of innovative pharmaceuticals to benefit more patients and meet urgent clinical needs. China's pharmaceutical industry is entering a stage of high-quality development with focus on innovation-driven growth. While constantly regulatory changes and reforms continue to reshape the industry landscape, pharmaceutical enterprises are facing intensified competition in the dynamic market which is filled with both challenges and opportunities.

二零二二年，新冠肺炎疫情揮之不去，地緣政局持續緊張，加上通貨膨脹壓力不斷升溫，令全球經濟前景蒙上陰霾。全球性困境，以及與新冠肺炎相關的不明朗因素已拖累中國經濟增長。中國新冠肺炎病例再次出現零星高峰，尤其在二零二二年三月至五月期間，為控制新冠肺炎病毒變種的傳播，更迫使其各大主要城市祭出封鎖措施，而此已阻礙中國經濟增長，增長率從二零二二年第一季度的4.8%放緩至第二季度的0.4%，創下自二零二零年第一季度收縮6.8%以來的最低水平。隨著嚴格封鎖結束，政府已採取一系列刺激措施，中國經濟在二零二二年第三季度及第四季度分別增長3.9%及2.9%，而二零二二年全年增長率則錄得3%，為幾十年來表現最差的一年。隨著新冠肺炎病毒變種受遏制並從二零二二年十二月起逐步取消相關限制措施後，中國經濟在二零二三年第一季度增長4.5%，表現好於預期，此乃主要受消費強勁復甦所帶動。

於年度內，受新冠肺炎相關限制措施所影響（包括施行嚴格封鎖及出行限制措施），醫藥企業的經營環境面臨重大挑戰，製造和分銷活動均受到不同程度的影響，令醫藥行業的增速放緩。此外，第七輪藥品集中採購啟動，國家醫保藥品目錄定期更新，以及為更好控制醫療成本而對基於按診斷分組及大數據按病種分值付費的支付管理模式實施的改革均在不斷推進及實行，同時政府亦推出支援措施，鼓勵研發創新藥物，使更多患者受益，以滿足迫切的臨床需求。中國的醫藥行業正進入高質量的發展階段，著重以創新驅動增長。在監管變動及各項改革不斷重塑行業格局的形勢下，市場瞬息萬變，醫藥企業面臨的競爭日益激烈，惟挑戰與機遇並存。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

As part of the development strategy of the Group, and in line with the development trends of China's pharmaceutical industry, the Group has been focusing on enhancing its production capability and capacity so as to enhance its core competitiveness and sustain the long-term development of the Group, while the Group continues to monitor the market trends aiming for developing a new line of products in an effort to restore its pharmaceutical trading business and identify business opportunities that may provide an income stream to the Group. During the year, the overall operating results of the Group's business segments remained steady and its financial position remained sound.

The Group's profit for the year attributable to owners of the Company was about HK\$129.3 million, representing a decrease of about HK\$1.3 million, primarily due to the gain from fair value change of the Group's investments in convertible bonds, which is a non-cash item.

The Group will closely align its development direction with national strategies and policy guidance outlined in China's Fourteenth Five-Year Plan and Healthy China strategy, and will place more emphasis to strengthen its core competitiveness in the long run in the face of ever-changing landscape. The Group also expects that the substantial lifting of the movement restrictions in China since early 2023, will facilitate patient flows and hence the progress of the ongoing clinical trial of the oral insulin product. The diabetic population in China is constantly increasing as the elderly population accelerates and the life expectancy increases, market demand for quality diabetes pharmaceuticals is expected to be enormous. The Group believes that the successful launching of the oral insulin product in the future would justify the Group's investments and bring benefits to the Group.

作為本集團發展戰略的一環，本集團順應中國醫藥行業的發展趨勢，一直專注於提高產能與產量，以鞏固其核心競爭力，維繫本集團的長遠發展，同時本集團會繼續關注市場趨勢以開發新產品線，致力令醫藥貿易業務回復正軌，並物色更多可為本集團帶來收入的潛在業務機遇。於年度內，本集團業務分類的整體經營業績保持穩定，財務狀況依然穩健。

本公司擁有人應佔本集團本年度溢利約129,300,000港元，減少約1,300,000港元，此乃主要由於本集團可換股債券投資的公平值變動所產生的收益(屬非現金項目)所致。

本集團將其發展方向與中國「十四五」規劃及健康中國戰略中的國家戰略及政策導向緊密結合，面對不斷變化的形勢，本集團將更加注重加強其長期核心競爭力。本集團亦預期，隨著中國自二零二三年初大幅取消出行限制，患者流動將會提速，從而可推進現正進行的口服胰島素產品臨床試驗的進度。隨著老年人口增加及預期壽命延長，中國糖尿病患者數目正不斷增加，據預計，市場對優質糖尿病藥品的需求將十分龐大。本集團相信，口服胰島素產品日後如成功上市，將足證本集團投資為有利可取，並為本集團帶來裨益。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

While the worldwide easing of travel restrictions and social distancing measures facilitate economic recovery, global trade remains under pressure due to geopolitical pressures and weakening global demand. The global economy is still embraced with downward pressure and uncertainties. In the face of strong international headwinds, China has leveraged its dual circulation economic strategy to make its economy more balanced and resilient through improving supply chains inside China and promoting domestic consumption within China's economy. China's uplifting of COVID-related restrictions, reopening of the borders together with government's supportive policies to boost consumption, have paved the way for a quick rebound in market activities. The Group believes that China's economic recovery is on track and will usher in a more stable development while its pharmaceutical industry will continue to show tremendous potential and great vitality, in particular, the pharmaceutical manufacturing sector will continue to prosper and facilitate the business growth of the Group's pharmaceutical manufacturing business in future. The Group will endeavor to navigate the businesses diligently amid the challenges ahead and is cautiously optimistic on its long-term development.

On behalf of the Board, I would like to express our appreciation to all staff of the Group for their dedicated efforts and contribution to the Group, and to the shareholders, business partners and other stakeholders for their continuous support.

Dr. Xie Yi

Chairman

Hong Kong, 29 June 2023

儘管世界各地放寬出行限制及社交距離措施可帶動經濟復甦，但受地緣政治壓力和全球需求疲弱所影響，全球商貿仍然受壓。全球經濟仍然面臨下行壓力及各項不明朗因素。面對國際上的困境，中國利用其雙循環經濟戰略，改善國內供應鏈及促進內需，使其經濟格局更為平衡及更能抵禦風險。中國取消與新冠肺炎相關的限制措施，重新開放邊境，加上政府為提振消費推出各項支援政策，已為市場快速反彈創造路徑。本集團相信，中國的經濟已步入正軌，並將迎來更穩定的發展，中國的醫藥行業將繼續展現龐大潛力並充滿生機，而製藥行業將一如既往茁壯成長，推動本集團製藥業務日後繼續增長。面對未來的挑戰，本集團會致力導航各項業務，並對其長遠發展持審慎樂觀的態度。

本人謹代表董事會衷心感謝本集團全體員工為本集團付出不懈努力及貢獻，同時亦對股東、業務夥伴及其他利益相關者一如既往之支持致以謝意。

主席

謝毅博士

香港，二零二三年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Overall Performance Review

Global economic growth slowed in 2022 amid macroeconomic headwinds. China's economy, battered by the country's dynamic zero-COVID policy and faltering overseas demand, recorded a 3% full-year growth in 2022, marking one of its weakest annual performances in decades. Resurgence of sporadic spikes in COVID-19 cases in China caused widespread lockdowns to its major cities to contain transmission of the COVID-19 variants, particularly in the first half of 2022. Restrictive measures related to the COVID-19 pandemic have gradually been lifted in China starting from December 2022. China's economy got off to a solid start in 2023, registering a growth of 4.5% in the first quarter.

The citywide lockdowns, travel restrictions and supply chain interruptions caused by the lingering pandemic outbreaks in the past years, impacted the growth pace of China's pharmaceutical industry. However, under the Fourteenth Five-Year Plan, intensive policy reforms in China's pharmaceutical industry have provided strong support for the shift from generic to innovative drug research and development while drug regulations better align with international standards. China's pharmaceutical industry continues to transform and upgrade with stress on innovation and technological advancement, supported by the government's unwavering commitment to deepening reforms, expanding high-level opening up and widening market access. The pharmaceutical industry is entering a stage of high-quality development with focus on innovation-driven growth. The launch of the expanded scope of centralised drug procurement and the dynamic adjustments of the national drug reimbursement list have become normalised, and pharmaceutical enterprises, including the Group, are facing pricing pressure and intensifying competition in the dynamic market.

業務回顧

整體表現回顧

在宏觀經濟不利因素的影響下，二零二二年全球經濟增長放緩。受國家對新冠病毒肺炎疫情之動態清零政策及海外需求搖擺不定的衝擊，中國經濟在二零二二年全年僅錄得3%增幅，為其幾十年來表現最弱的年份之一。中國的新冠病毒病例再次出現零星高峰，令各大主要城市需要封鎖，以遏制新冠病毒變種傳播（尤以二零二二年上半年為然）。自二零二二年十二月開始，中國已逐步放寬新冠病毒疫情之有關管控措施。中國經濟於二零二三年開局良好，於第一季度已實現了4.5%的增幅。

過去幾年，疫情揮之不去，已造成城市封鎖、來往限制及供應鏈中斷的情況，繼而影響中國醫藥行業的增長速度。然而，在「十四五」規劃下，中國醫藥行業經歷多重政策改革，為從仿製藥品向創新藥品研發的轉變提供強而有力的支持，同時藥品法規亦與國際標準更好接軌。在政府堅定不移地深化改革、擴大高水準開放及拓寬市場准入條件的支持措施下，中國的醫藥行業繼續轉型升級，著重創新和技術促進。醫藥行業正進入以創新驅動增長為重點的高質量發展階段。藥品集中採購範圍擴大，及國家醫保藥品目錄不時調整已成常態，而包括本集團在內的醫藥企業在這充滿活力的市場當中面臨著定價壓力及市場競爭加劇的局面。

BUSINESS REVIEW (Continued)

Overall Performance Review (Continued)

During the year, the Group's revenue and gross profit, which were mainly contributed by the manufacturing segment operating in China, was about HK\$72.6 million (2022: HK\$73.9 million) and HK\$31.1 million (2022: HK\$37.6 million) respectively, representing a decrease of about HK\$1.3 million or 1.8% in revenue and a decrease of about HK\$6.4 million or 17.1% in gross profit. While the revenue was kept relatively stable, there was decrease in gross profit caused by the multiple effects arising from the government-mandated factory lockdown imposed on Changchun city during March to May 2022, including the Group's manufacturing plants, that resulted in lower production outputs, and the supply chain interruptions due to transport constraints and movement restrictions, that increased the cost of sales, and primarily due to the short-term effect of such disruptions and certain change in sales mix, the gross margin dropped from 50.8% to 42.9%.

The Group's administrative, selling and distribution expenses in aggregate decreased to about HK\$42.4 million, representing a decrease by about HK\$8.1 million or 16.0% when compared to about HK\$50.5 million of last year. There was a decrease in selling and distribution expenses of about HK\$9.6 million which was primarily due to substantial lower marketing and sales activities caused by the disruptions of regional and citywide lockdowns in China during the first half of 2022 and budget controls, while there was an increase in administrative expenses of about HK\$1.5 million which was mainly due to increase in overall maintenance costs and expenses for optimising the workplaces of the Group's manufacturing segment that outweighed the cost reduction in other operations.

The Group's profit for the year attributable to owners of the Company was about HK\$129.3 million, representing a decrease of about HK\$1.3 million, primarily due to the non-cash item related to the gain from fair value change of the Group's investments in convertible bonds.

業務回顧(續)

整體表現回顧(續)

於年度內，製造分類(在中國經營)為本集團貢獻的收益及毛利分別為約72,600,000港元(二零二二年: 73,900,000港元)及31,100,000港元(二零二二年: 37,600,000港元)，收益減少約1,300,000港元或1.8%，而毛利則減少約6,400,000港元或17.1%。儘管收益相對保持穩定，惟毛利有所下降，此乃源於政府於二零二二年三月至五月期間於長春市(其中包括本集團當地的生產廠房)實施工廠封鎖強制措施，導致產量下降，加上運輸物流所限及出行限制導致供應鏈中斷而增加銷售成本，以及主要由於有關中斷所造成的短期影響及銷售組合的若干變化，令毛利率從50.8%下降至42.9%。

本集團的行政、銷售及分銷費用合共減少至約42,400,000港元，較去年的約50,500,000港元減少約8,100,000港元或16.0%。銷售及分銷費用減少約9,600,000港元，此乃主要由於二零二二年上半年中國各地及城市受封鎖措施所干擾導致營銷及銷售活動大幅減少以及預算控制，而行政費用則增加約1,500,000港元，此乃主要由於優化本集團製造分類之工作場所之整體維護成本及開支增加的幅度超出於其他營運單位之成本下降所致。

本公司擁有人應佔本集團年度溢利約為129,300,000港元，相當於減少約1,300,000港元，此乃主要由於與本集團可換股債券投資的公平值變動收益有關的非現金項目所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

REVENUE AND OPERATING RESULTS

Manufactured Pharmaceutical Sector

While the Group has become responsive to the challenges brought by the continued deepening of healthcare reforms, the COVID-19 outbreaks across China in March 2022 that extended into the second quarter of 2022 leading to citywide lockdowns of major cities in China, presented added challenge to manufacturing operations nationwide including the Group. The Group observed the imposition of mandated factory lockdown by the Chinese authorities during April and May 2022 to temporarily halt production operations of its manufacturing plants in Changchun, to safeguard the safety and health of the Group's personnel and the general public as a whole. Following the lifting of the strict lockdown measures in phase, the Group's manufacturing plants gradually resumed its normal production in late May 2022 and have been operating safely with the Group's deployment of reinforced health measures for its personnel at the workplaces.

The temporary closure of factory led to lower production volumes and the supply chain interruptions caused increase in materials cost in the near term, which squeezed gross profit margins, and inevitably affected the segment's revenue and profitability. However, with management's arduous efforts to strengthen internal management and production efficiency, the impacts of the production halt was minimised, and the Group's production has picked up pace to meet market demand.

收益及經營業績

自產藥品業務

儘管本集團已就持續深化醫療改革帶來的挑戰作出應對，中國各地於二零二二年三月爆發的新冠病毒疫情一直肆虐至二零二二年第二季度，令中國主要城市封鎖，為全國生產營運(包括本集團在內)帶來重重挑戰。在二零二二年四月至五月期間，本集團已遵照中國當局指示對旗下廠房實施強制性封鎖，暫時停止其在長春生產廠房的生產運營，以保障本集團員工及公眾的整體安全及健康。隨著分階段解除嚴格封鎖措施，本集團的生產廠房已於二零二二年五月下旬逐漸回復正常生產，並一直安全運行，本集團已在工作場所加強保障員工健康的措施。

廠房暫時關閉導致產量下降，供應鏈中斷短期內令材料成本增加，從而擠壓毛利率，而此難免影響該分類的收益及盈利能力。然而，在管理層的不懈努力下，本集團已加強內部管理及生產效率，將停產的影響降至最低，亦加快其生產步伐以滿足市場需求。

REVENUE AND OPERATING RESULTS (Continued)

Manufactured Pharmaceutical Sector (Continued)

During the year, segment revenue was maintained at about HK\$72.6 million (2022: HK\$73.9 million), representing a decrease of about HK\$1.3 million or 1.8% and gross profit decreased by about HK\$6.4 million or 17.1% when compared to that of last year. The temporary closure of factory and the resulting increase in cost of sales, had impacted the gross margin, which decreased from 50.8% to 42.9%, while there was a reduction of marketing and promotion expenses of about HK\$10.0 million mainly due to citywide lockdowns and movement restrictions hindering marketing activities and management's efforts in budget control in response to the evolving challenges, which were partly offset by the increase in overall maintenance costs and expenses for optimising the Group's workplaces of about HK\$2.4 million, while there was an increase in research and development expenses of about HK\$0.4 million and an increase in property tax of about HK\$0.7 million due to less tax relief by the government, and an increase in reversal of other receivables previously written off of about HK\$0.8 million was fully offset by an increase in provision for impairment loss on trade receivables of about HK\$1.1 million. Despite the complicated operating environment, the segment profit was maintained at about HK\$2.1 million with management's relentless efforts in strengthening cost control and improving operational efficiency.

The Group will continue to strengthen its development potentials by enhancing its production capability and capacity so as to cope with the market demand in the competitive landscape, and strive to improve operating performance to sustain a long-term development path.

Imported Pharmaceutical Sector

During the year, the issues of sales suspension of the segment's major revenue contributor, the imported skin treatment product and the import license renewal, as disclosed in the 2022 Annual Report, continued to impact on the segment. While the prolonged pandemic in the past three years resulting widespread impacts on worldwide business operations to varying degrees, that made the hard situation even more difficult, however, the substantial lifting of the pandemic control measures in China, including borders reopening and resumption of normal travel around the world from early 2023, are expected to open up new opportunities for trade and development.

收益及經營業績(續)

自產藥品業務(續)

於年度內，分類收益維持在約72,600,000港元(二零二二年：73,900,000港元)，較去年減少約1,300,000港元或1.8%，而毛利則減少約6,400,000港元或17.1%。由於工廠暫時關閉導致銷售成本增加，毛利率從50.8%下降至42.9%，同時主要由於城市封鎖及出行限制令營銷活動受阻及管理層為應對不斷變化的挑戰而控制預算，營銷及推廣費用減少約10,000,000港元，惟此被優化本集團工作場所之整體維護成本及開支增加約2,400,000港元、研發開支增加約400,000港元以及物業稅因政府減少寬免而增加約700,000港元所部分抵銷，而過往已撇銷之其他應收款項撥回增加約800,000港元被貿易應收賬款減值虧損撥備增加約1,100,000港元悉數抵銷。儘管經營環境複雜，惟有賴管理層堅持不懈加強成本控制及提高營運效率，分類溢利仍維持在約2,100,000港元。

本集團將繼續增進其產能及產量，提升其發展潛力，以在競爭激烈的形勢下滿足市場需求，同時努力改善經營業績，令其得以長遠發展。

進口藥品業務

於年度內，該分類繼續受到其主要收益來源(即進口皮膚治療產品)暫停銷售及進口許可證更新的問題所影響，有關情況已於二零二二年年報披露。過去三年疫情長期肆虐，對全球業務營運廣泛造成不同程度的影響，令困境更為艱難，然而，隨著中國大幅度解除疫情控制措施(包括從二零二三年初開始重新開放邊境及恢復與世界各地的正常旅行)，商貿及發展將有望迎來新機遇。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

REVENUE AND OPERATING RESULTS (Continued)

Imported Pharmaceutical Sector (Continued)

In early 2023, the Group took a positive move to carry out a startup sales of a new product to test the market. A small amount of revenue of about HK\$4,000 was recorded during the year. Meanwhile, management continued to implement stringent cost control measures to reduce operating costs and expenses so as to minimise segment loss. As a result, segment loss reduced to about HK\$3.4 million, representing a decrease of about HK\$0.8 million or 19.5% when compared to about HK\$4.2 million of last year.

Management will make continued efforts with the manufacturer to develop a new line of products to achieve market acceptance and will keep monitoring the market trends to identify business opportunities that may provide an income stream to the Group.

Gene Development Sector

During the year, gene development remained inactive and no revenue was recorded.

Interest in an Associate

The Group holds 49% equity interest in Smart Ascent Limited (“Smart Ascent”, together with its subsidiaries, the “Smart Ascent Group”), and the major asset of the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (“In-process R&D”) involving an oral insulin product (the “Product”), which is still at its clinical trial stage. As a minority shareholder of Smart Ascent, the Group has been working closely with Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”, together with its subsidiaries, the “Innovative Pharm Group”), the 51% shareholder of Smart Ascent, in monitoring the progress of the In-process R&D with a view to facilitating successful launching of the Product to the market.

收益及經營業績(續)

進口藥品業務(續)

在二零二三年初，本集團已採取積極行動，開展了新產品的試銷售，以便測試市場反應。本年度錄得少量收益約4,000港元。與此同時，管理層繼續實施嚴格成本控制措施，以減少經營成本及開支，從而將分類虧損降至最低。因此，分類虧損由去年的約4,200,000港元減少約800,000港元或19.5%至約3,400,000港元。

管理層將繼續與製造商努力開發新產品線，爭取市場認同，並將繼續監察市場趨勢，務求物色可增加本集團收益的潛在業務商機。

基因開發業務

於年度內，基因開發業務仍未開展，故並無錄得任何收益。

於一間聯營公司之權益

本集團持有進生有限公司(「進生」，連同其附屬公司稱為「進生集團」)49%股權，進生集團之主要資產為有關進行中之研發項目(「進行中之研發」)之無形資產，當中涉及口服胰島素產品(「該產品」)，其仍在臨床測試階段。作為進生之少數股東，本集團已與領航醫藥及生物科技有限公司(「領航醫藥」，連同其附屬公司稱為「領航醫藥集團」)(擁有進生51%股權之股東)緊密協作，監察進行中研發之進展情況，以促使該產品成功推出市場。

REVENUE AND OPERATING RESULTS (Continued)

Interest in an Associate (Continued)

For the purpose of financing the working capital requirements of Smart Ascent Group for the In-process R&D, the Group and Innovative Pharm Group, as lenders and Smart Ascent, as borrower, entered into a shareholders' loan agreement on 27 July 2018 ("First Loan Agreement") for a loan to Smart Ascent amounting to HK\$30 million in total ("First Loan"), contributed as to 51% i.e. HK\$15.3 million by Innovative Pharm Group and as to 49% i.e. HK\$14.7 million by the Group. The First Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the First Loan. In August 2019 and September 2018, Smart Ascent had drawn down in aggregate of HK\$20 million and HK\$10 million respectively, that the First Loan of HK\$30 million had been fully drawn down, and Innovative Pharm Group and the Group had made contribution in the aggregate sum of HK\$15.3 million and HK\$14.7 million respectively to Smart Ascent.

To enhance the financial resources of Smart Ascent Group and facilitate the progress of the clinical trial and further development of the Product, Innovative Pharm Group and the Group, as lenders, and Smart Ascent, as borrower, entered into the second shareholders' loan agreement ("Second Loan Agreement") on 8 March 2022 for a loan to Smart Ascent amounting to HK\$12 million in total ("Second Loan"), contributed as to 51% i.e. HK\$6.12 million by Innovative Pharm Group and as to 49% i.e. HK\$5.88 million by the Group.

The Second Loan is unsecured, interest bearing at 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Second Loan. Smart Ascent had drawn down HK\$5 million, HK\$4.5 million and HK\$2.5 million in June 2022, December 2022 and March 2023 respectively, that the Second Loan had been fully drawn down, and Innovative Pharm Group and the Group had made contribution in the aggregate sum of HK\$6.12 million and HK\$5.88 million respectively to Smart Ascent.

收益及經營業績(續)

於一間聯營公司之權益(續)

為向進生集團就進行中之研發之營運資金需求提供融資，本集團與領航醫藥集團（作為貸款方）及進生（作為借款方）於二零一八年七月二十七日訂立一份股東貸款協議（「首份貸款協議」），向進生提供總額為30,000,000港元之貸款（「首筆貸款」），由領航醫藥集團提供51%款項（即15,300,000港元）及由本集團提供49%款項（即14,700,000港元）。首筆貸款為無抵押、年利率為5%及須於每次提取首筆貸款後60個月內償還。於二零一九年八月及二零一八年九月，進生分別提取合共20,000,000港元及10,000,000港元，首筆貸款30,000,000港元已悉數提取，因此，領航醫藥集團與本集團已相應向進生分別提供款項合共15,300,000港元及14,700,000港元。

為提升進生集團的財務資源以及促進該產品的臨床測試進度及進一步開發，領航醫藥集團及本集團（作為貸款方）及進生（作為借款方）於二零二二年三月八日訂立第二份股東貸款協議（「第二份貸款協議」），向進生提供總額為12,000,000港元之貸款（「第二筆貸款」），由領航醫藥集團提供51%款項（即6,120,000港元）及由本集團提供49%款項（即5,880,000港元）。

第二筆貸款為無抵押、年利率為5%及須於每次提取第二筆貸款後60個月內償還。進生已分別於二零二二年六月、二零二二年十二月及二零二三年三月自第二筆貸款提取5,000,000港元、4,500,000港元及2,500,000港元，故第二筆貸款已獲全數提取，而領航醫藥集團及本集團已向進生分別提供款項合共6,120,000港元及5,880,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

REVENUE AND OPERATING RESULTS (Continued)

Interest in an Associate (Continued)

As stated in the 2022 Annual Report, the COVID-19 pandemic since early 2020 had disrupted the normal operations of participating hospitals for the clinical trial of the Product, that the clinical trial in the process of selection and enrolment of patients was temporarily suspended pending improvement in the pandemic situation, for the safety of patients and clinical researchers. As the pandemic situation in China had gradually improved, during the third quarter of 2020, the enrolment of patients had commenced, and while the pandemic situation in China was largely under control, the preventive and control measures associated with the prolonged pandemic situation have been continuously implemented causing certain delay in patient selection and enrolment. Furthermore, the sporadic outbreaks of COVID-19 variant in China, and particularly the emergence of the highly transmissible Omicron variant in early 2022, had driven the nation to vigilantly stick to its toughest COVID-19 measures, and caused regional and citywide lockdowns in many parts of China, restricting patient flows and impacting on clinical research activities. As such, the patient selection and enrolment process experienced further delay, and is still ongoing. In light of the aforesaid, and based on the current information available to the Company, as the pandemic control measures in China have been substantially lifted from early 2023, the prolonged pandemic disruptions are expected to be gradually minimised that Smart Ascent Group has under the current circumstance, reassessed the timeline for commercialisation of the Product which is currently expected to be in around the first quarter of 2025.

During the year, the loss of Smart Ascent Group was about HK\$13.0 million (2022: HK\$13.2 million), for which the Group's share of loss amounted to about HK\$3.8 million (2022: HK\$3.7 million) representing an increase of about HK\$0.1 million.

In light of the accelerating aging population and increasing life expectancy, and the development of chronic diseases such as diabetes in China, market demand for quality diabetes drugs is expected to be enormous. The Product characterised by oral administration of insulin is expected to provide an effective treatment and better quality of life for the constantly growing diabetic population in China that there will be enormous market potential for the Product, and once the Product is commercialised, it will bring substantial benefits to the Group.

收益及經營業績(續)

於一間聯營公司之權益(續)

誠如二零二二年年報所述，自二零二零年初起新冠病毒肺炎疫情已經擾亂該產品臨床測試參與醫院的正常運作，為確保患者及臨床研究人員的安全，甄選及招募患者階段的臨床測試已暫停進行，以待疫情形勢好轉。隨著於中國的疫情逐漸改善，於二零二零年第三季度，患者招募工作已經開始，而於中國的疫情形勢大致受控，惟與疫情長時間肆虐有關的防控措施一直持續實施，導致患者甄選及招募工作出現若干延誤。此外，新冠病毒變種於中國零星爆發，特別是傳播力極高的新冠病毒變種奧米克戎(Omicron)於二零二二年初冒起，促使全國警覺性緊遵最嚴格的新冠病毒措施，導致中國各地出現地區性及全市封鎖，而有關措施導致患者人流受限制及影響臨床研究活動。因此，甄選及招募患者階段出現進一步延遲，但仍然持續進行中。鑒於上文所述，及基於本公司目前可得的資料，隨著中國疫情防控措施自二零二三年初已大幅度解除，預計長時間疫情干擾的影響將逐漸減弱，故於當前情況下，進生集團已重新評估該產品商品化的時間表，目前預期為二零二五年第一季度前後。

於年度內，進生集團的虧損約為13,000,000港元(二零二二年：13,200,000港元)，當中本集團分佔虧損約3,800,000港元(二零二二年：3,700,000港元)，相當於增加約100,000港元。

鑒於中國人口加速老齡化及預期壽命延長，以及糖尿病等慢性病的發展，預期對優質糖尿病藥品的市場需求殷切。具以口服方式服用胰島素為特色的該產品有望為中國不斷增長的糖尿病患者提供有效治療以及更好的生活質量，該產品有著龐大市場潛力，且一旦該產品實現商品化，其將為本集團帶來莫大裨益。

REVENUE AND OPERATING RESULTS (Continued)

收益及經營業績(續)

Interest in an Associate (Continued)

於一間聯營公司之權益(續)

In making the assessment as to the recoverability of the In-process R&D and the fair value of the interest in the associate, the Group has engaged an independent qualified valuer, Roma Appraisals Limited (“Valuer”) in conducting a valuation. The asset-based valuation approach has been consistently adopted in the valuation and the recoverable amount of the In-process R&D was determined based on fair value calculation using cash flow projections, which the estimated cash inflows derived from budgeted sales and gross margin were based on the expectation for the market development, and which included the regulatory approvals from the relevant government bodies and launching of the Product in around the first quarter of 2025. The recoverable amount of the interest in the associate was determined based on share of the estimated fair value of the In-process R&D after taking into account the lack of control discount.

就評估進行之研發的可收回金額及於聯營公司之權益的公平值，本集團委聘了獨立合資格估值師羅馬國際評估有限公司（「估值師」）進行估值。在進行估值時一直採用資產基礎估值法，而進行之研發的可收回金額乃使用現金流量預測根據公平值計算釐定，其中根據預算銷售額及毛利率計算之估計現金流入乃基於對市場發展之預期，當中包括於二零二五年第一季度前後取得有關政府監管部門批准及推出該產品。於聯營公司之權益的可收回金額乃根據應佔進行之研發的估計公平值並經計及無控制權之折讓後釐定。

The expected future economic benefits attributable to the In-process R&D was assumed to cover a 10-year period from the commercialisation of the Product. The calculation used in the cash flow projections with certain key parameters are as below:

進行之研發應佔預期未來經濟利益乃假設自該產品商品化起涵蓋十年期間。用於計算現金流量預測之若干關鍵參數如下：

Discount rate (post-tax)	貼現率(除稅後)	28.98%
Growth rate	增長率	2.2%
Gross profit ratio	毛利率	63.41%

In conducting the impairment assessment, the directors of the Company, having considered the prevailing market conditions, reasonableness of assumptions used for the cash flow projections and the valuation as prepared by the Valuer indicating its fair value in excess of the carrying amount, do not identify any indication on the carrying amount of the interest in the associate as at 31 March 2023 that may need to be impaired. Accordingly, no impairment is considered necessary as at 31 March 2023.

在進行減值評估時，經考慮當前市況、各現金流量預測所使用假設的合理性及估值師進行之估值表明其公平值超出賬面值，本公司董事並無發現任何跡象顯示於聯營公司之權益於二零二三年三月三十一日之賬面值可能須作出減值，故認為於二零二三年三月三十一日毋須作出減值。

The Group will continue to closely coordinate with Innovative Pharm in monitoring the progress of the In-process R&D with a view to facilitating successful launching of the Product to the market. In addition, the Group will continue to perform impairment assessment on the carrying amount of the interest in the associate in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets” where necessary.

本集團將繼續與領航醫藥緊密協作，監察進行之研發之進展情況，以促使該產品成功推出市場。此外，本集團於必要時將繼續根據香港會計準則第36號「資產減值」就於聯營公司之權益之賬面值進行減值評估。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

REVENUE AND OPERATING RESULTS (Continued)

Other income and other gains and losses, net

Other income and other gains and losses, net were in total a gain of about HK\$161.7 million (2022: gain of HK\$162.2 million), which decreased by about HK\$0.5 million. The decrease was mainly the result of (i) a non-cash item related to decrease in gain arising from fair value change of the Group's investment in convertible bonds of about HK\$10.0 million; (ii) decrease in provision for impairment loss on amount due from an associate and loan to an associate of about HK\$7.5 million in aggregate; (iii) increase in provision for impairment loss on trade receivables of about HK\$1.1 million and reversal of written off on other receivables of about HK\$0.8 million respectively; (iv) increase in bank interest income of about HK\$1.8 million; (v) increase in rental income of about HK\$0.2 million and (vi) increase in loan interest income of about HK\$0.1 million.

Selling and Distribution Expenses

Selling and distribution expenses decreased to about HK\$16.7 million (2022: HK\$26.3 million), representing a decrease of about HK\$9.6 million or 36.5%. Such decrease was mainly due to significant decrease in marketing and promotion expenses of about HK\$10.0 million as a result of the substantially lower marketing and sales activities caused by the disruptions of regional and citywide lockdowns in China and the relevant budget control, and partly offset by the increase in research and development expenses of about HK\$0.4 million.

Administrative Expenses

Administrative expenses were about HK\$25.7 million (2022: HK\$24.2 million), representing an increase of about HK\$1.5 million or 6.3%, which was primarily due to the increase in overall maintenance costs and expenses for optimising the Group's workplaces of the manufacturing segment of about HK\$2.4 million, which outweighed the cost reduction in other operations.

收益及經營業績(續)

其他收入及其他收益及虧損淨額

其他收入及其他收益及虧損淨額合計錄得收益約161,700,000港元(二零二二年: 收益162,200,000港元), 減幅約500,000港元。該減幅乃主要由於(i)與本集團可換股債券投資之公平值變動產生之收益減少有關的非現金項目約10,000,000港元(ii)應收一間聯營公司款項及貸款予一間聯營公司款項之減值虧損撥備合共減少約7,500,000港元; (iii)貿易應收賬款減值虧損撥備增加約1,100,000港元及其他應收賬款撇銷撥回約800,000港元; (iv)銀行利息收入增加約1,800,000港元; (v)租金收入增加約200,000港元及(vi)貸款利息收入增加約100,000港元。

銷售及分銷費用

銷售及分銷費用減少至約16,700,000港元(二零二二年: 26,300,000港元), 減幅約9,600,000港元或36.5%。該減少乃主要由於因中國地區性及城市封鎖措施造成干擾導致營銷及銷售活動大幅減少及相關預算控制措施令營銷及推廣開支大幅減少約10,000,000港元, 惟此因研發開支增加約400,000港元所部份抵銷。

行政費用

行政費用約為25,700,000港元(二零二二年: 24,200,000港元), 增幅約1,500,000港元或6.3%, 主要由於優化本集團之製造分類辦公場所的整體維護成本及開支增加約2,400,000港元而其超出於其他營運單位之成本下降所致。

OUTLOOK

Against the backdrop of COVID-19 pandemic abating, cross-border travels and normal economic activities resuming in many countries, and supply chain disruptions starting to ease, the global economy is expected to gradually recover in the post-pandemic era. However, inflationary pressure, geopolitical tensions and soaring energy prices continued to add to the uncertainties surrounding the economic outlook. Despite challenges and complexities from the external environment, China has always demonstrated its resilience to stabilise its economy and exhibited signs of gradual recovery through implementing an array of policies against the destabilising forces, and leveraging its dual circulation economic strategy.

The prolonged COVID-19 pandemic situation in the past three years impacted the pharmaceutical industry's growth pace as the citywide lockdowns and border restrictions caused disruptions to supply chains, affecting pharmaceutical manufacturing and distribution in China. However, China's timely implementation of the pandemic containment measures and controls, together with a series of policies and reforms on stabilising the economy and advancing the research and development of innovative drugs, have facilitated the industry to continuously develop in a sustainable development pace. As the pandemic control measures in China have been substantially lifted from early 2023, the supply chain interruptions that may impact business operations will be gradually minimised, and the Group expects that the pharmaceutical manufacturing sector in China will continue to prosper and facilitate the business growth of the Group's pharmaceutical manufacturing business in the years to come.

Amid the challenges brought by the prolonged COVID-19 pandemic, the health awareness among people is growing and demand for quality drugs remains robust in China. In accordance with the Fourteenth Five-Year Plan (2021–2025), China's pharmaceutical industry is expected to continuously undergo transformation and thereby developing a sustainable path while the health systems will continuously be enhanced to cater for building of Healthy China. Grasping the development trends of the pharmaceutical industry, the Group will continue to allocate its internal resources to develop quality products so as to meet market demand and enhance its core competitiveness in the long run.

The Group believes that it has maintained prudent cash management to preserve a sound financial position, which remains stable, such that the Group will endeavor to capture the growing market opportunity while remaining cautiously optimistic in striving for a sustainable development path for the Group.

前景

隨著新冠病毒肺炎疫情減弱，許多國家已恢復跨境來往及正常經濟活動，供應鏈中斷開始緩解，全球經濟於經受新冠病毒肺炎疫情後有望逐漸復甦。然而，通脹壓力、地緣政局緊張及能源價格飆升，繼續為經濟前景增添陰霾。儘管外部環境極具挑戰及錯綜複雜，中國始終表現出能抵禦經濟不穩的韌性，而透過實施一系列針對不穩定因素的政策，利用其雙循環經濟戰略，中國已呈現逐步走向復甦的跡象。

在過去三年，新冠病毒肺炎疫情長期肆虐影響醫藥行業的增長速度，乃因城市封鎖及邊境管控措施已造成供應鏈中斷，對中國的製藥及分銷造成影響。然而，隨著中國及時實施疫情遏止及控制措施，加上推進一系列關於穩定經濟及推進創新藥品研發的政策及改革，該行業有望加快可持續發展步伐。隨著中國從二零二三年初開始大幅度取消疫情防控措施，可能影響業務營運的供應鏈中斷狀況將逐漸減少，本集團預期，中國製藥行業將依然保持蓬勃發展，而此在未來幾年有望惠及本集團製藥業務的發展。

新冠肺炎疫情長期肆虐帶來重重挑戰，中國居民的健康意識不斷增強，對優質藥品的需求依然強勁。根據「十四五」規劃（二零二一至二零二五年），中國的醫藥行業有望繼續轉型，邁向可持續發展軌道，而醫療系統亦將不斷提升水平，以構建「健康中國」。本集團將把握醫藥行業的發展趨勢，繼續調配內部資源開發優質產品，以在滿足市場需求的同時，提升其長遠核心競爭力。

本集團相信，憑藉審慎的現金管理，本集團的財務狀況得以保持穩健，本集團亦將努力把握不斷增長的市場機遇，並保持審慎樂觀，致力本集團的可持續發展。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

FINANCIAL REVIEW

Liquidity and Financial Resources

It is the Group's strategy to manage its financial resources conservatively by maintaining a healthy level of cash flows to meet all its financial commitments when they fall due. The Group generally finances its operations with internally generated cash flow and banking facilities.

As at 31 March 2023, the Group had total cash and bank balances (including pledged bank deposits) of about HK\$122.2 million (2022: HK\$133.6 million), representing a decrease by about HK\$11.4 million or 8.5%. Such decrease in cash and bank balances included net cash used in operations, provision of a shareholder's loan of about HK\$5.9 million to Smart Ascent, the cash utilisations for acquisition of property, plant and equipment of about HK\$6.6 million and payment of lease interests and liabilities of about HK\$2.2 million, and an increase in bank interest income of about HK\$1.8 million.

Accruals and Other Payables

Accruals and other payables decreased by about HK\$5.3 million to about HK\$26.0 million as of 31 March 2023 (2022: HK\$31.3 million). Such decrease was mainly due to decrease in payables for marketing and promotion expenses and other operating expenses.

The Group did not have bank borrowings during the year but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$19.8 million (2022: HK\$21.7 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

The Group's total borrowing over total assets ratio as at 31 March 2023 was 0.07 (2022: 0.065), calculated based on the Group's total assets of about HK\$1,444.9 million (2022: HK\$1,317.1 million) and total debts of about HK\$103.2 million (2022: HK\$85.3 million), comprising convertible bonds of about HK\$98.6 million (2022: HK\$83.1 million) and lease liabilities of about HK\$4.6 million (2022: HK\$2.2 million).

財務回顧

流動資金及財務資源

本集團之策略為透過將現金流量維持於穩健水平審慎地管理其財務資源，以確保所有財務承擔可如期償還。本集團一般以內部產生之現金流量及銀行信貸為其營運提供資金。

於二零二三年三月三十一日，本集團有現金及銀行結餘總額(包括已抵押銀行存款)約122,200,000港元(二零二二年：133,600,000港元)，減幅約11,400,000港元或8.5%。現金及銀行結餘減少包括用於經營之現金淨額、提供股東貸款予進生約5,900,000港元、收購物業、廠房及設備使用之現金約6,600,000港元以及支付租賃利息及負債約2,200,000港元，以及銀行利息收入增加約1,800,000港元。

預提費用及其他應付款項

截至二零二三年三月三十一日，預提費用及其他應付款項減少約5,300,000港元至26,000,000港元(二零二二年：31,300,000港元)。有關減少主要由於營銷及推廣開支以及其他經營開支的應付款項減少所致。

本集團於年度內並無銀行借款，惟擁有貿易融資之銀行信貸融資，其乃以本集團之定期存款約19,800,000港元(二零二二年：21,700,000港元)以及本公司與其若干附屬公司提供之公司擔保作抵押。一般而言，本集團之貿易融資需求並無重大季節性波動。

於二零二三年三月三十一日，本集團總借款與總資產之比率為0.07(二零二二年：0.065)，乃按本集團總資產約1,444,900,000港元(二零二二年：1,317,100,000港元)及總債項約103,200,000港元(二零二二年：85,300,000港元)(包括可換股債券約98,600,000港元(二零二二年：83,100,000港元)及租賃負債約4,600,000港元(二零二二年：2,200,000港元))計算。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

FINANCIAL REVIEW (Continued)

Foreign Exchange Exposure

The Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group manages the foreign currency exposure by closely monitoring the foreign currency movements and may purchase foreign currencies at spot rate, when and where appropriate for meeting its payment obligation. No hedge on foreign currencies was made during the year but the Group will use financial instruments for hedging purpose when considered appropriate.

Material Acquisition and Disposal

There was no material acquisition or disposal of subsidiaries, associates and investments in financial instruments during the year ended 31 March 2023.

Financial Assets at Fair Value through Profit or Loss — Investments in Convertible Bonds

The Company held financial assets at fair value through profit or loss of approximately HK\$793.5 million as at 31 March 2023 (2022: approximately HK\$634.9 million), which related to the Group's investments in convertible bonds issued by Innovative Pharm ("Innovative Pharm Bonds"). The fair value of the Innovative Pharm Bonds represented 55.0% of the Group's total assets as at 31 March 2023 (2022: 48.3%).

Innovative Pharm is an investment holding company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 399), and its subsidiaries are principally engaged in the trading of beauty products and equipment, and research, development and commercialisation of the oral insulin product.

財務回顧(續)

外匯風險

本集團之業務交易、資產及負債主要以港元、美元及人民幣列值。本集團透過密切監察外幣變動和於適時購買即期外匯以履行付款責任等措施來執行外匯風險管理。本集團於年度內並無進行外幣對沖活動，然而，本集團在合適時機將會以金融工具作風險對沖用途。

重大收購及出售事項

截至二零二三年三月三十一日止年度，並無附屬公司、聯營公司及金融工具投資的重大收購或出售事項。

按公平值計入損益之金融資產 — 可換股債券投資

於二零二三年三月三十一日，本公司持有按公平值計入損益之金融資產約793,500,000港元(二零二二年：約634,900,000港元)，乃與本集團於領航醫藥發行之可換股債券(「領航醫藥債券」)投資有關。於二零二三年三月三十一日，領航醫藥債券之公平值佔本集團總資產55.0%(二零二二年：48.3%)。

領航醫藥為投資控股公司，其股份於聯交所主板上市(股份代號：399)，其附屬公司主要從事美容產品及設備貿易以及研發並商品化口服胰島素產品。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

FINANCIAL REVIEW (Continued)

Financial Assets at Fair Value through Profit or Loss — Investments in Convertible Bonds (Continued)

As stated in the Company's profit warning announcement dated 16 June 2023, based on a preliminary assessment by the directors of the Company on the Group's consolidated management accounts for the year ended 31 March 2023, the Group expected to record a loss of about HK\$190 million of which a loss of about HK\$165 million was attributable to a non-cash item, resulted from the fair value change of the Group's investments in convertible bonds ("Innovative Pharm Bond"). The preliminary assessment was based on the valuation conducted by the Valuer with the assumption that the maturity date of the Innovative Pharm Bonds would be extended for two years to 28 July 2025 in accordance with the third deed of amendment ("Third Amendment Deed") dated 28 April 2023 entered into between the Company and Innovative Pharm to further amend certain terms and conditions of the Innovative Pharm Bonds ("Third Amendments"), as the Company's circular and notice had been despatched to its shareholders for the special general meeting to be held on 28 June 2023 to approve the Third Amendments.

The Third Amendments mainly included: (i) the two-year extension of the maturity date of the Innovative Pharm Bonds from 28 July 2023 to 28 July 2025; (ii) the annual interest at 4.5% for the two-year extension period from 28 July 2023 to 28 July 2025; and (iii) the additional interest at 15% per annum on the total outstanding interests up to 28 July 2025.

In the course of finalising the annual results of the Group for the year ended 31 March 2023 and when further discussions with the auditor, the Company noted that certain terms of the Third Amendments including the increase of annual interest rate from 3.5% to 4.5% for the two years' extension to 28 July 2025 had yet to fix prior to the year-end date 31 March 2023, such that it shall be more appropriate for the Company to assess the impact of the fair value change of the Innovative Pharm Bonds without taking into account the Third Amendments, that was approved by the shareholders on 28 June 2023.

財務回顧(續)

按公平值計入損益之金融資產 — 可換股債券投資(續)

誠如本公司日期為二零二三年六月十六日之盈利警報公告所述，根據本公司董事就本集團截至二零二三年三月三十一日止年度之綜合管理賬目而作出之初步評估，本集團預期錄得虧損約190,000,000港元，其中可換股債券投資（「領航醫藥債券」）之公平值變動所產生非現金項目相關之虧損約為165,000,000港元。該初步評估乃根據估值師所作出之估值，當中假設，由於本公司已向其股東發出相關通函及通告（內容有關於二零二三年六月二十八日舉行股東特別大會以批准第三次修訂），領航醫藥債券之到期日將根據本公司與領航醫藥所訂立日期為二零二三年四月二十八日以進一步修訂領航醫藥債券之若干條款及條件（「第三次修訂」）之第三份修訂契據（「第三份修訂契據」）而延後兩年二零二五年七月二十八日）。

第三次修訂主要包括：(i) 將領航醫藥債券到期日由二零二三年七月二十八日延長兩年至二零二五年七月二十八日；(ii) 由二零二三年七月二十八日期間的利息按4.5%年利率計息；及(iii) 直至二零二五年七月二十八日之尚未支付利息總數按15%年利率計算額外利息。

於落實本集團截至二零二三年三月三十一日止年度之全年業績及與核數師作進一步討論時，本公司注意到第三次修訂之若干條款（包括就延後兩年至二零二五年七月二十八日而將年利率由3.5%增至4.5%一事）尚未於二零二三年三月三十一日（即年度結算日）前釐定，故此評估領航醫藥債券之公平值變動之影響時不予考慮股東於二零二三年六月二十八日所批准之第三次修訂對本公司而言乃更為合適。

FINANCIAL REVIEW (Continued)

Employment and Remuneration Policy

As at 31 March 2023, the Group had 181 employees (2022: 168). Staff costs (including directors' emoluments) for the year ended 31 March 2023 amounted to approximately HK\$21.1 million (2022: approximately HK\$22.4 million). The increase in number of employees primarily related to increase in production workforce of the manufacturing segment in the first quarter of 2023. The decrease in staff costs was mainly due to decreased expenses of wages, salaries and allowances of the manufacturing segment due to the factory lockdown in accordance with the COVID-19 containment measures in China, and cost reduction in other operations of the Group.

The Group remunerates its employees with salary, bonus and other benefits based on industry practices and provides various training opportunities to its staff members and directors. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with prevailing labour laws of its operating entities.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 August 2022, a new share option scheme ("New Scheme") had been adopted by the Company, which became effective on 2 September 2022 upon obtaining listing approval from The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and unless otherwise cancelled or amended, will remain in force for 10 years from that date, while the share option scheme adopted by the Company with effective adoption date of 29 August 2012 which had a term of 10 years expired on 28 August 2022 ("Old Scheme") and no share options had been granted, exercised, cancelled or lapsed under the Old Scheme.

The New Scheme will enable the Group to reward the employees, the directors and other selected participants for their contribution to the Group and will assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the long-term growth of the Group. Details of the New Scheme are disclosed in the Company's circular dated 29 July 2022.

From the effective date of the New Scheme to 31 March 2023, no share options have been granted, exercised, cancelled or lapsed under the New Scheme.

財務回顧(續)

僱傭和薪酬政策

於二零二三年三月三十一日，本集團共聘用181名僱員(二零二二年：168名)。截至二零二三年三月三十一日止年度之員工成本(包括董事薪酬)為約21,100,000港元(二零二二年：約22,400,000港元)。員工人數增加，主要與二零二三年第一季度製造分類的生產勞工增加有關。員工成本減少主要由於中國新冠肺炎遏制措施封鎖工廠致使製造分類的工資、薪金及津貼開支減少，及本集團其他營運單位之成本下降所致。

本集團乃根據行業慣例向僱員支付薪酬、花紅及其他福利，並向其員工及董事提供各種培訓機會。其員工利益、福利和法定供款(如有)乃按照其營運實體之現行勞動法實行。

根據本公司於二零二二年八月三十日舉行的股東週年大會上通過的普通決議案，一項新購股權計劃(「新計劃」)已獲本公司採納並於取得香港聯合交易所有限公司(「聯交所」)上市批准之後於二零二二年九月二日生效，除非被另行取消或修訂，有效期自該日起計為期10年，而本公司已採納的生效日期為二零一二年八月二十九日及有效期為10年之購股權計劃(「舊計劃」)已於二零二二年八月二十八日到期，概無購股權根據舊計劃授出、行使、註銷或失效。

新計劃將讓本集團可獎勵為本集團作出貢獻之僱員、董事及其他經挑選之參與者，並有助本集團招聘及挽留有利本集團長期增長之優秀專才、主管及僱員。有關新計劃之詳情已於本公司日期為二零二二年七月二十九日的通函披露。

自新計劃的生效日期起至二零二三年三月三十一日止，概無購股權根據新計劃授出、行使、註銷或失效。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

EVENTS AFTER THE REPORTING PERIOD

- (a) On 31 March 2023, Changchun Extrawell Pharmaceutical Co., Ltd. (“Changchun Extrawell”), an indirect non-wholly owned subsidiary of the Company, entered into the share buy-back agreement with the vendor to buy back shares representing 9.14% of total issued share capital of Changchun Extrawell (“Share Buy-Back”) for cancellation (“Share Cancellation”) at the consideration of RMB4,400,000 (equivalent to approximately HK\$4,972,000). Upon completion of the Share Buy-Back and Share Cancellation, the Group’s shareholding in Changchun Extrawell will be increased to 80.46% and Changchun Extrawell will continue to be an indirect non-wholly owned subsidiary of the Group. The Share Buy-Back transaction was completed on 19 June 2023.
- (b) On 28 April 2023, the Company as the bondholder and Innovative Pharm as the issuer of the HK\$715,000,000 convertible bonds due on 28 July 2023 (“Innovative Pharm Bonds”), entered into, the third deed of amendment (“Third Amendment Deed”) to further amend certain terms and conditions of the Innovative Pharm Bonds in respect of the further extension on the maturity date and the payment of the interest of the Innovative Pharm Bonds to 28 July 2025 (“Third Amendments”), and the deed of waiver pursuant to which the Company granted to Innovative Pharm a waiver in respect of the obligation of Innovative Pharm to the extent necessary and solely to effect the Third Amendments. The transaction contemplated under the Third Amendment Deed in respect of the Third Amendments constitutes a major transaction for the Company which is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

At a special general meeting of the Company held on 28 June 2023, the transaction was approved by the shareholders.

Other than the abovementioned, no other material subsequent event is noted.

報告期後事項

- (a) 於二零二三年三月三十一日，長春精優藥業股份有限公司(「長春精優」)(本公司間接非全資擁有之附屬公司)與賣方訂立股份回購協議以回購相當於長春精優已發行股本總額之9.14%之股份(「股份回購」)以供註銷(「股份註銷」)，代價為人民幣4,400,000元(相當於約4,972,000港元)。於股份回購及股份註銷完成後，本集團於長春精優之持股量將增加至80.46%，而長春精優將繼續為本集團間接非全資擁有之附屬公司。該股份回購交易已於二零二三年六月十九日完成。
- (b) 於二零二三年四月二十八日，本公司(作為債券持有人)與領航醫藥(作為於二零二三年七月二十八日到期之715,000,000港元可換股債券(「領航醫藥債券」)之發行人)訂立第三份修訂契據(「第三份修訂契據」)以進一步修訂領航醫藥債券之若干條款及條件，其內容有關將領航醫藥債券之到期日及利息支付進一步延長至二零二五年七月二十八日(「第三次修訂」)，並訂立一份豁免契據，據此本公司就領航醫藥之責任向領航醫藥授出豁免，惟僅以使第三次修訂生效所必要者為限。有關第三次修訂之第三份修訂契據項下擬進行交易構成本公司之主要交易，故須遵守上市規則第14章的申報、公告及經股東批准之規定。

於二零二三年六月二十八日舉行之本公司股東特別大會上，相關交易已獲股東批准。

除以上所述，概無其他重大期後事項。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高層管理人員簡介

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

Executive Directors

Dr. Xie Yi Ph.D. (aged 60)

Chairman, Chief Executive Officer and Executive Director

Dr. Xie Yi is a professor of School of Life Sciences in Fudan University and is one of the founders of United Gene group of companies in the PRC. Being a scientist with significant breakthroughs in human genome research, Dr. Xie is responsible for research and development and management of United Gene group and is the vice chairman and chief executive officer of United Gene Holdings Limited in the PRC.

Dr. Xie is currently the chairman and chief executive officer of the Company responsible for the strategic planning and development and the overall management of the Group. He is also a director and chairman of Changchun Extrawell Pharmaceutical Co., Ltd., a non-owned subsidiary of the Company established in the PRC, and a director of certain subsidiaries of the Group.

Mr. Cheng Yong (aged 60)

Executive Director and Deputy Chief Executive Officer

Mr. Cheng Yong is a practicing pharmacist in the PRC. Mr. Cheng obtained his Master of Pharmacology from Second Military Medical University in the PRC. He has been engaged in pharmacology and research study for over ten years and has extensive experience in the aspects of research and drug development. Since 2001, he has been working in the capacity of director and general manager for various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director of the Company. Mr. Cheng is currently a director of a PRC subsidiary of Innovative Pharmaceutical Biotech Limited (formerly known as United Gene High-Tech Group Limited), a company listed on the Main Board of the Stock Exchange.

Since 1 July 2019, Mr. Cheng has been appointed as the deputy chief executive officer of the Company to provide support in the execution of the Company's plans and strategies.

執行董事

謝毅博士(六十歲)

主席、行政總裁及執行董事

謝毅博士為復旦大學生命科學學院教授，並為中國聯合基因集團公司創始人之一。作為在人類基因研究中作出突破性進展的科學家，謝博士負責聯合基因集團的研發工作及管理事務，並擔任中國聯合基因控股有限公司之副董事長及行政總裁。

謝博士現為本公司之主席兼行政總裁，負責本集團之策略規劃及發展以及整體管理。彼亦為長春精優藥業股份有限公司(於中國成立並為本公司非全資擁有之附屬公司)之董事及董事長，同時亦擔任本集團旗下若干附屬公司之董事。

程勇先生(六十歲)

執行董事及副行政總裁

程勇先生為一名中國執業藥劑師。程先生自中國第二軍醫大學取得藥理學碩士學位。彼從事藥理學及研究逾十年，並於研究及藥物開發方面擁有豐富經驗。自二零零一年起，彼於由謝毅博士及毛裕民博士(前任本公司主席兼執行董事)所擁有之多間公司擔任董事及總經理職務。程先生目前為於聯交所主板上市公司領航醫藥及生物科技有限公司(前稱為聯合基因科技集團有限公司)之一間中國附屬公司之董事。

自二零一九年七月一日起，程先生獲委任為本公司副行政總裁，為執行本公司計劃及策略提供協助。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Dr. Lou Yi Ph.D. (aged 65)

Executive Director

Dr. Lou Yi obtained a doctoral degree in medicine and conducted his postdoctoral research in clinical study at Shanghai Second Medical University (now renamed as School of Medicine, Shanghai Jiaotong University) and industrial economy at Fudan University. Dr. Lou had been a director and general manager of Shanghai Biochip Co. Ltd. and as a director and deputy general manager of General Technology Group Pharmaceutical Holdings, Ltd. in the PRC. Dr. Lou was also a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a company listed on the GEM of the Stock Exchange, from June 2004 to June 2006. Dr. Lou is currently a director and general manager of various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director of the Company.

Ms. Wong Sau Kuen (aged 60)

Executive Director

Ms. Wong Sau Kuen joined the Group in May 2008 as assistant to the Board and was appointed as executive director in October 2008. Ms. Wong has more than 20 years of experience in both the commercial and industrial sectors including the PRC pharmaceutical market. Ms. Wong has extensive experience in areas of business administration and internal control. She is currently the Authorised Representative of the Company.

Ms. Wong was appointed as the joint company secretary of the Company with effect from 8 January 2014 and has acted as the company secretary of the Company since 30 September 2022.

董事及高層管理人員簡介(續)

執行董事(續)

樓屹博士(六十五歲)

執行董事

樓屹博士持有醫學博士學位，曾經在上海第二醫科大學(現為上海交通大學醫學院)從事臨床醫學博士後研究，亦曾在復旦大學從事產業經濟學博士後研究。樓博士曾擔任上海生物芯片有限公司之董事兼總經理，及曾在中國擔任通用技術集團醫藥控股有限公司之董事兼副總經理。於二零零四年六月至二零零六年六月期間，樓博士亦曾在上海復旦張江生物醫藥股份有限公司(一間於聯交所GEM上市之公司)擔任非執行董事。樓博士目前於由謝毅博士及毛裕民博士(前任本公司主席兼執行董事)所擁有之多間公司兼任董事和總經理職務。

王秀娟女士(六十歲)

執行董事

王秀娟女士於二零零八年五月加盟本集團擔任董事會助理，並於二零零八年十月獲委任為執行董事。王女士於工商業領域(當中包括中國醫藥市場)擁有逾二十年經驗。王女士具有豐富的商業管理及內部監控經驗。彼目前為本公司之授權代表。

王女士自二零一四年一月八日起獲委任為本公司聯席公司秘書，並於二零二二年九月三十日起擔任本公司之公司秘書。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高層管理人員簡介(續)

Independent Non-executive Directors

獨立非執行董事

Mr. Fang Lin Hu (aged 85)

方林虎先生(八十五歲)

Independent Non-executive Director

獨立非執行董事

Mr. Fang Lin Hu was a professor in Fudan University, ex-vice chancellor of the Fudan University (overseeing technology industrialisation and utilisation matters), a member of National Information Technology Education and Electronic Education Advisory Committee and vice faculty head of the Physics Faculty of Fudan University, dean of the Electronic Engineering Faculty, and the director of Micro-electronic Research Institute. Mr. Fang retired in 2000. Currently, he is the chairman of Fudan University Senior Professor Association, the president of Fudan University Retired Education Workers Association, and an honorary chairman of Fudan University Shanghai Alumni Association. Mr. Fang has performed research in the area of microwave theory and technology. He is a well-recognised scientist who has extensive experience in scientific research and management. Mr. Fang was appointed as an independent non-executive director in 2001.

方林虎先生曾任復旦大學教授、復旦大學前副校長(主管科技工業化及應用事宜)，彼曾兼任國家教委信息與電子學科教學指導委員會委員，並曾任復旦大學物理系副主任、電子工程系主任及微電子學研究所所長職務。方先生在二零零零年退休，現任復旦大學老教授協會會長、復旦大學退休教育工作者協會理事長及復旦大學上海校友會榮譽會長。方先生在微波理論與技術領域進行深入研究，具有豐富的科學研究與管理經驗，為卓有聲望之科學家。方先生於二零零一年獲委任為獨立非執行董事。

Ms. Jin Song (aged 52)

金松女士(五十二歲)

Independent Non-executive Director

獨立非執行董事

Ms. Jin Song holds a diploma in engineering from Broadcasting University in Shandong Province and a diploma in business from Fudan University. She is a member of the Chinese Institute of Certified Public Accountants ("CICPA") and passed all the professional examinations held by CICPA in 2001. Ms. Jin has over 20 years' experience in accounting in different industries. Ms. Jin was appointed as an independent non-executive director in 2004.

金松女士持有山東廣播電視大學工程學專科文憑和復旦大學國際貿易專科文憑。彼為中國註冊會計師協會(「中國註冊會計師協會」)會員，並且於二零零一年取得中國註冊會計師協會考試全科合格證。金女士於多個行業會計方面擁有逾二十年之經驗。金女士於二零零四年獲委任為獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

Dr. Guo Yi (aged 42)

Independent Non-executive Director

Dr. Guo Yi obtained a bachelor degree in science (with a major in biology) and a doctorate degree in science (with a major in genetics) from the School of Life Sciences of Fudan University in 2003 and 2011 respectively. Dr. Guo has extensive experience in the fields of genetics, health care management, and investment management and development for venture in biomedicine. Dr. Guo was a non-executive director (from 8 June 2011 to 26 April 2012) and an executive director (from 27 April 2012 to 13 December 2015) of United Gene High-Tech Group Limited (now known as Innovative Pharmaceutical Biotech Limited), a company listed on the Main Board of the Stock Exchange. Dr. Guo has been committing his time and working in investment management and project development in the fields of biomedicine, medical devices and diagnostic services since August 2015. He is currently the managing partner of Shanghai Rui Jian Venture Capital Management Co., Ltd.* (上海睿筭創業投資管理有限公司), a company established in the PRC.

* English name for identification only

Senior Management

Mr. Gong Youlu (aged 54)

General Manager of Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") and Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECP")

Mr. Gong Youlu joined the Group in 2011. Mr. Gong is responsible for the overall management and operations of CEP and JECP. He has over 20 years' experience in the pharmaceutical manufacturing sector. Mr. Gong holds a Bachelor of Engineering degree from Taiyuan Mechanical College (now known as North University of China) and a Master's degree in Business Administration from Jilin University, China. Prior to joining the Group, he had held the position of general manager for pharmaceutical manufacturing enterprises in the PRC for over 10 years.

董事及高層管理人員簡介(續)

獨立非執行董事(續)

郭懿博士(四十二歲)

獨立非執行董事

郭懿博士，分別於二零零三年及二零一一年取得復旦大學生命科學學院理學學士學位(主修生物科學)及理學博士學位(主修遺傳學)。郭博士於基因行業、健康管理服務以及生物醫藥投資管理及開發的領域擁有豐富經驗。郭博士曾擔任聯合基因科技集團有限公司(現稱為領航醫藥及生物科技股份有限公司，為聯交所主板上市公司)之非執行董事(自二零一一年六月八日至二零一二年四月二十六日期間)及執行董事(自二零一二年四月二十七日至二零一五年十二月十三日期間)。郭博士自二零一五年八月起一直致力投放時間及精力於生物醫藥、醫療器械和診斷服務領域的投資管理和項目開發工作。彼目前為上海睿筭創業投資管理有限公司(一家於中國成立的公司)之管理合夥人。

* 英文名稱僅供識別

高層管理人員

龔有祿先生(五十四歲)

長春精優藥業股份有限公司(「長春精優」)及吉林精優長白山藥業有限公司(「吉林精優」)總經理

龔有祿先生於二零一一年加入本集團。龔先生負責長春精優及吉林精優之整體管理及營運。彼於製藥行業擁有逾二十年經驗。龔先生畢業於太原機械學院(現稱中北大學)，取得工學學士學位，並於中國吉林大學取得工商管理碩士學位。在加入本集團前，彼已在國內製藥企業擔任總經理職務逾十年。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Ms. Wu Hong (aged 51)

Group Senior Finance Manager

Ms. Wu Hong, a qualified accountant in the PRC, joined the Group in 1995 and is responsible for the Group's financial matters in the PRC. She graduated from Jiangsu Television Broadcast University, majoring in Foreign Trading Accounting. Before joining the Group, she worked with a joint venture company in the PRC.

Mr. Huang Wenda (aged 46)

Financial Controller of CEP and JECP

Mr. Huang Wenda joined the Group in 2004. Mr. Huang is responsible for financial control and financial management of the operations of CEP and JECP and currently also serves as secretary to the board handling corporate secretarial matters of CEP and JECP. He has accumulated experience of over 10 years in financial management of pharmaceutical manufacturing enterprises. Prior to joining the Group, he worked with manufacturing enterprises in the PRC.

董事及高層管理人員簡介(續)

高層管理人員(續)

吳紅女士(五十一歲)

集團高級財務經理

吳紅女士，中國合資格會計師，於一九九五年加入本集團，負責本集團在中國之財務事宜。彼畢業於江蘇省廣播電視大學，主修外貿會計。在加入本集團前，彼曾於一家國內合資公司工作。

黃文達先生(四十六歲)

長春精優及吉林精優財務總監

黃文達先生於二零零四年加入本集團。黃先生負責長春精優及吉林精優營運的財務控制及財務管理工作，現時亦擔任董事會秘書處理長春精優及吉林精優的公司秘書事務。彼在製藥企業財務管理方面累積了逾十年經驗。在加入本集團前，彼曾於國內的製造企業工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

A. CORPORATE GOVERNANCE PRACTICES

Corporate Governance

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the need and requirements of its business and the best interest of all of its shareholders. The Group is fully committed to doing so.

The Company has adopted and complied with the code provisions of the Corporate Governance Code (“Code Provisions”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange during the year ended 31 March 2023, except for certain deviations as set out below.

Code Provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same person. Dr. Xie Yi has served as the Chairman and Chief Executive Officer of the Company. However, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person as all major decisions of the Company are made in consultation with members of the Board.

Code Provision B.2.2 stipulates that every director should be subject to retirement by rotation at least once every three years. According to the bye-laws of the Company, one-third of the directors shall retire from office by rotation and the Chairman, Deputy Chairman or Managing Director shall not be subject to retirement by rotation. The Company’s bye-laws deviate from the Code Provision. The Company considers that the continuity of the Chairman/Deputy Chairman/Managing Director and their leadership are essential for the stability of the business and key management. The rotation methodology ensures a reasonable continuity of directorship which is to the best interest of the Company’s shareholders.

A. 企業管治常規

企業管治

本集團認同達致及監控高水平企業管治之重要性，務求符合商業需要及規定以及其全體股東之最佳利益。本集團承諾竭盡所能達致高水平之企業管治。

本公司於截至二零二三年三月三十一日止年度已採納並遵守聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治守則內之守則條文（「守則條文」），惟下文載列之若干偏離情況除外。

守則條文第C.2.1條規定，主席及行政總裁之角色應分開，且不應由同一人兼任。謝毅博士擔任本公司之主席兼行政總裁。然而，由於本公司所有主要決策均於諮詢董事會成員後作出，故本公司相信，即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。

守則條文第B.2.2條規定，每名董事應最少每三年輪值退任一次。根據本公司之公司細則，三分之一的董事須輪值退任，而主席、副主席或董事總經理毋須輪值退任。本公司之公司細則偏離守則條文。本公司認為主席／副主席／董事總經理之連任及彼等之領導對業務及主要管理層之穩定性非常重要。輪值方法可確保董事合理連任，從而符合本公司股東之最佳利益。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

A. CORPORATE GOVERNANCE PRACTICES (Continued)

Corporate Governance (Continued)

Code provision F.1.1 stipulates that the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company considers it more appropriate to determine a dividend payment after taking into account those factors including the Company's then financial performance, operating and capital requirements and market conditions, to enable the Company be in a better position to cope with its future development, which is to the best interest of the Company and its shareholders as a whole.

The Company will continue to review and monitor the situation as stated above, and to improve the practices as and when the circumstances demand.

B. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2023.

A. 企業管治常規(續)

企業管治(續)

守則條文第F.1.1條規定，本公司應設立派付股息的政策。本公司並無設立股息政策，由於本公司認為經計及本公司當時的財務表現、營運及資本需求及市況等因素釐定股息支付更為合適，以使本公司處於更有利之地位，應對其未來發展，此舉符合本公司及其股東之整體最佳利益。

本公司將繼續審視及監控上述情況，如情況需要，將會對有關常規作出改善。

B. 董事進行之證券交易

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(「標準守則」)作為董事買賣本公司證券之本公司操守守則。經向董事作出特定查詢後，董事於截至二零二三年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

C. BOARD OF DIRECTORS

Composition of the Board

As at the date of this annual report, the board of directors (the “Board”) comprises four executive directors and three independent non-executive directors (“INEDs”). The Board has established three Board committees namely the Nomination Committee, Remuneration Committee and Audit Committee. All the INEDs are members of the Board committees.

The current composition of the Board and its changes since 1 April 2022 are set out below.

Executive Directors

Dr. Xie Yi (*Chairman and Chief Executive Officer*)

Mr. Cheng Yong (*Deputy Chief Executive Officer*)

Dr. Lou Yi

Ms. Wong Sau Kuen

Independent Non-executive Directors

Mr. Fang Lin Hu

Mr. Xue Jing Lung (*passed away on 4 December 2022*)

Ms. Jin Song

Dr. Guo Yi (*appointed on 14 April 2023*)

Following the passing away of Mr. Xue Jing Lung, an INED and a member of each of the three Board committees, on 4 December 2022, the Company did not meet (i) the minimum number of INEDs required under Rule 3.10(1) of the Listing Rules; and (ii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules. Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company is required to appoint sufficient number of INEDs and members of the audit committee within three months after failing to meet the requirements under Rules 3.10(1) and 3.21 of the Listing Rules. The process to identify suitable candidates to fill the vacancies was lengthened due to the customary holidays in mainland China and the epidemic containment measures under COVID-19 in place in mainland China prior to the Lunar New Year. The Company had applied for, and the Stock Exchange had granted to the Company a waiver for strict compliance with the Listing Rules for filling the vacancies.

C. 董事會

董事會之組成

於本年報日期，董事會（「董事會」）由四名執行董事及三名獨立非執行董事（「獨立非執董」）組成。董事會已設立三個董事委員會，即提名委員會、薪酬委員會及審核委員會。全體獨立非執董均為董事委員會成員。

現時董事會之組成及其自二零二二年四月一日起之變動載列如下：

執行董事

謝毅博士（主席及行政總裁）

程勇先生（副行政總裁）

樓屹博士

王秀娟女士

獨立非執行董事

方林虎先生

薛京倫先生（於二零二二年十二月四日辭世）

金松女士

郭懿博士（於二零二三年四月十四日獲委任）

隨薛京倫先生（獨立非執董及三個董事委員會各自之成員）於二零二二年十二月四日辭世後，本公司未能符合(i)上市規則第3.10(1)條規定的獨立非執董之最低人數；及(ii)上市規則第3.21條規定的審核委員會成員最低人數。根據上市規則第3.11及3.23條，本公司須於未能符合上市規則第3.10(1)及3.21條的規定後三個月內委任足夠數目的獨立非執董及審核委員會成員。甄選合適人選以填補空缺的過程延長，主要由於中國內地的傳統節日假期以及在農曆新年前中國內地施行的新型冠狀病毒疫情遏制措施所致。本公司已向聯交所作出申請，而聯交所已准予豁免本公司嚴格遵守有關填補空缺的上市規則。

C. BOARD OF DIRECTORS (Continued)

Composition of the Board (Continued)

With effect from 14 April 2023, Dr. Guo Yi was appointed as an INED and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Following the aforesaid changes, the number of INEDs has satisfied the minimum number as stipulated under Rule 3.10(1) of the Listing Rules and the composition of the Audit Committee also complied with Rule 3.21 of the Listing Rules.

Each of the INEDs has provided to the Company an annual confirmation in writing of his/her independence pursuant to the requirements of the Listing Rules. The Company is of the view that all INEDs meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent under the Listing Rules. Of the three INEDs, Ms. Jin Song has appropriate accounting or related financial management experience as required under Rule 3.10(2) of the Listing Rules.

Save as disclosed, there is no family, financial, business or other material/relevant relationship among members of the Board.

Board Responsibilities

The Board is responsible for the leadership and control of the Group and is collectively responsible for promoting the success of the Company. The Board oversees the Group's businesses, strategic decisions and performances and provides insights regarding the Group's culture and values. The management is delegated with the authority and responsibility by the Board for the day-to-day management of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board's approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate risk management and internal control systems, and compliance with relevant statutory and regulatory requirements and rules and regulations. The Board is ultimately accountable for the Group's activities, strategies and financial performance.

C. 董事會(續)

董事會之組成(續)

郭懿博士獲委任為獨立非執董及審核委員會、薪酬委員會及提名委員會各自之成員，自二零二三年四月十四日起生效。於上述變動之後，獨立非執董之人數已滿足上市規則第3.10(1)條的規定，而審核委員會之組成亦已滿足上市規則第3.21條的規定。

各獨立非執董均已根據上市規則規定向本公司發出其年度獨立性書面確認函。本公司認為，各獨立非執董均符合獨立性指引(包括上市規則第3.13條所載者)，並認為根據上市規則，彼等均屬獨立。三名獨立非執董當中，金松女士具備上市規則第3.10(2)條所規定之適當會計或相關財務管理經驗。

除披露者外，董事會成員之間並無家族、財務、業務及其他重大／相關關係。

董事會責任

董事會負責領導及監控本集團，並集體負責推動本公司發揮成就。董事會監督本集團之業務、策略決策及表現並就本集團之文化及價值提供見解。董事會授予管理層權力及責任以監管本集團之日常管理。董事會特別授予管理層權力處理之主要企業事宜包括編製中期及年度報告及公告，以於刊發前提交董事會批准、實施董事會所採納之業務策略及舉措、推行充足之風險管理及內部監控制度，並遵守有關法定和監管規定及規則與法規。董事會對本集團之活動、策略及財務表現承擔最終責任。

C. BOARD OF DIRECTORS (Continued)

Mechanisms Ensuring Independent Views Available to the Board

The Company maintains the following mechanisms which are reviewed annually to ensure independent views and input are available to the Board:

The Board comprises three INEDs that represent over one-third of the Board members. Each of the Board committees comprises all the INEDs. Each of the Nomination Committee and Remuneration Committee comprises three INEDs out of its four members. The Audit Committee comprises INEDs only.

The Company's nomination policy sets out the approach and procedures for the nomination and selection, and appointment/re-appointment of directors (including INEDs). The Nomination Committee is mandated to assess annually the independence of all INEDs by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement. In addition to providing the written confirmation of independence annually, each INED is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence.

In accordance with the Company's bye-laws, each director has to disclose his/her interest, if any, in the matters to be considered at the Board meetings and shall abstain from voting in respect of any transaction, contract or arrangement in which he/she is interested. INEDs (as other directors) shall not vote or be counted in the quorum on any Board resolution approving any contract or arrangement in which such director or any of his/her close associates has a material interest.

C. 董事會(續)

確保董事會可獲得獨立意見的機制

本公司設有以下機制並每年進行檢討，以確保董事會可獲得獨立意見及見解：

董事會由三名獨立非執董組成，佔董事會成員逾三分之一。各董事委員會之組成均包括全體獨立非執董。提名委員會及薪酬委員會之四名成員中各包括三名獨立非執董。審核委員會僅由獨立非執董組成。

本公司之提名政策規定董事(包括獨立非執董)之提名及甄選以及委任／重新委任之方法及程序。提名委員會獲授權每年參照上市規則所載之獨立性準則評估全體獨立非執董之獨立性，以確保彼等可持續作出獨立判斷。除須每年發出獨立性書面確認函外，若其個人情況有任何變動而可能對其獨立性產生重大影響，各獨立非執董亦須於可行情況下盡早通知本公司。

根據本公司之公司細則，各董事須披露其於董事會會議審議之事項之利益(如有)，並應就其有利益之任何交易、合約及安排放棄投票。獨立非執董(如同其他董事)不得就批准該董事或其任何緊密聯繫人擁有重大利益之任何合約或安排之董事會決議案投票或被計入法定人數。

C. BOARD OF DIRECTORS (Continued)

Mechanisms Ensuring Independent Views Available to the Board (Continued)

Other than the director's fee for serving as a member of the Board and Board committees, no equity-based remuneration with performance-related elements will be granted to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

INEDs (as other directors) are entitled to seek further information and documentation from the management on the matters to be discussed at Board meetings. They can also seek assistance from the company secretary of the Company and, where necessary, independent advice from external professional advisers at the Company's expense.

During the meetings of the Board and Board committees, INEDs and executive directors are encouraged to express their independent views and inputs in an open manner.

The chairman of the Board shall at least annually hold meetings with the INEDs without the presence of executive directors to discuss major issues and any concerns.

The Board considers that the above mechanisms can facilitate the directors to contribute effectively to the Board with independent views and input.

C. 董事會(續)

確保董事會可獲得獨立意見的機制(續)

除擔任董事會及董事委員會成員之董事袍金外，概不會向獨立非執董授予與業績掛鈎之股票類薪酬，因可能導致彼等決策出現偏差並損害其客觀及獨立。

獨立非執董(如同其他董事)有權就董事會會議上討論之事項向管理層索取進一步資料及文件。彼等亦可向本公司之公司秘書尋求協助，並於必要時尋求外部專業顧問之獨立意見，費用由本公司承擔。

於董事會及董事委員會會議期間，鼓勵獨立非執董及執行董事以公開方式表達其獨立意見及見解。

董事會主席須至少每年在執行董事不在場的情況下與獨立非執董舉行會議，討論重大問題及任何關注事項。

董事會認為，上述機制可促進董事對董事會作出有效貢獻，提供獨立意見及見解。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

C. BOARD OF DIRECTORS (Continued)

During the year ended 31 March 2023, five Board meetings and one annual general meeting of the Company were held, and the attendance records of each director at the respective meetings are set out in the table below:

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會會議	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	5/5	1/1
Mr. Cheng Yong	程勇先生	5/5	1/1
Dr. Lou Yi	樓屹博士	5/5	1/1
Ms. Wong Sau Kuen	王秀娟女士	5/5	1/1
Mr. Liu Kwok Wah ^{#1}	廖國華先生 ^{#1}	3/3	1/1
Mr. Fang Lin Hu	方林虎先生	5/5	1/1
Mr. Xue Jing Lun ^{#2}	薛京倫先生 ^{#2}	3/4	1/1
Ms. Jin Song	金松女士	5/5	1/1

#1 Mr. Liu Kwok Wah resigned with effect from 30 September 2022.

#2 Mr. Xue Jing Lun passed away on 4 December 2022.

In addition, a meeting was held between the Chairman and the INEDs without the presence of executive directors during the year.

The Company has arranged appropriate directors' and officers' liability insurance for members of the Board and officers in order to protect legal claims against their lawful discharge of duties in relation to the Group's business.

C. 董事會(續)

截至二零二三年三月三十一日止年度，本公司曾舉行五次董事會會議及一次股東週年大會，而各董事於相關會議之出席率載列於下表：

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會會議	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	5/5	1/1
Mr. Cheng Yong	程勇先生	5/5	1/1
Dr. Lou Yi	樓屹博士	5/5	1/1
Ms. Wong Sau Kuen	王秀娟女士	5/5	1/1
Mr. Liu Kwok Wah ^{#1}	廖國華先生 ^{#1}	3/3	1/1
Mr. Fang Lin Hu	方林虎先生	5/5	1/1
Mr. Xue Jing Lun ^{#2}	薛京倫先生 ^{#2}	3/4	1/1
Ms. Jin Song	金松女士	5/5	1/1

#1 廖國華先生於二零二二年九月三十日起辭任。

#2 薛京倫先生於二零二二年十二月四日辭世。

此外，主席亦曾於本年度內在執行董事不在場的情況下與獨立非執董舉行一次會議。

本公司已為董事會成員及高級人員安排合適之董事及高級人員責任保險，以為彼等就本集團業務依法履職過程中產生的法律申訴提供保障。

D. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. Xie Yi serves as the Chairman and Chief Executive Officer of the Company. This is a deviation from Code Provision C.2.1, which requires the roles of chairman and chief executive officer should be separate and should not be performed by the same person. As all major decisions of the Company are made in consultation with members of the Board, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person.

E. NON-EXECUTIVE DIRECTORS

Pursuant to Code Provision B.2.2, every director shall retire by rotation at least once every three years. The INEDs are not appointed for a specific term and according to the bye-laws of the Company, one-third of the directors (except for the Chairman) shall retire from office by rotation and become eligible for re-election. The reason for the deviation is that the Company believes that the directors ought to be committed to representing the long-term interest of the Company's shareholders and the rotation methodology ensures a reasonable proportion of directors in continuity which is to the best interest of the Company's shareholders.

The function of the INEDs includes but not limited to participating in meetings of the Board and of Board committees to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct.

Each of the Nomination Committee, Remuneration Committee and Audit Committee, is comprised of all INEDs and is responsible for, inter alia, the review and oversight of the activities within its defined terms of reference. The written terms of reference for the respective Board committees are available on the websites of the Stock Exchange and the Company.

D. 主席及行政總裁

謝毅博士擔任本公司主席及行政總裁。此不符合守則條文第C.2.1條所要求，即主席及行政總裁之角色應該分開，且不應由同一人士兼任之規定。由於本公司所有主要決策均經董事會成員磋商後作出，故本公司相信，即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。

E. 非執行董事

根據守則條文第B.2.2條，每名董事應最少每三年輪值退任一次。獨立非執董並非按特定任期委任，而根據本公司之公司細則，三分之一的董事(主席除外)須輪值退任，並符合資格重選連任。偏離此條之原因為本公司相信董事應為本公司股東之長遠利益而作出承擔，而輪值方法可確保董事按合理比例連任，從而符合本公司股東之最佳利益。

獨立非執董之職責包括但不限於參加董事會會議及董事委員會會議，以就有關策略、政策、表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷。

提名委員會、薪酬委員會及審核委員會各自之組成均包括全體獨立非執董，負責(其中包括)審視及監管其指定職權範圍內的活動。各董事委員會的書面職權範圍可於聯交所及本公司網站查閱。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

F. NOMINATION COMMITTEE

The Nomination Committee consists of four members including, Dr. Xie Yi, the chairman of the Board and chief executive officer of the Company, and three INEDs. The Nomination Committee is chaired by Dr. Xie Yi.

The major role and function of the Nomination Committee are to formulate and implement the policy for nominating candidates for consideration by the Board and election by shareholders, review the structure, size and composition of the Board with due regard to Board diversity, and to assess the independence of non-executive directors having regard to the criteria under the Listing Rules.

During the year, one meeting was held and all members had attended the meeting to review the Board's structure, size and composition including Board diversity, and review the implementation of the Board the Board Diversity Policy; consider and make recommendations to the Board on the re-appointment of retiring directors; and assess the independence of INEDs.

The attendance of each director is set out below:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	1/1
Mr. Xue Jing Lun	薛京倫先生	1/1
Ms. Jin Song	金松女士	1/1
Dr. Xie Yi	謝毅博士	1/1

Upon the passing away of the INED, Mr. Xue Jing Lun on 4 December 2022, the Nomination Committee comprising of Mr. Fang Lin Hu, Ms. Jin Song and Dr. Xie Yi, endeavored to identify individual(s) suitably qualified to become Board member(s), conducted selection and recommended the suitable candidate for nomination to the Board based on merit and contribution the candidate will bring to the Board with due regard to the Board Diversity Policy and in accordance with the Company's nomination policy. Dr. Guo Yi who was recommended for nomination to become a Board member, was appointed as an INED and a member of each of the Nomination Committee, Remuneration Committee and Audit Committee, with effect from 14 April 2023.

F. 提名委員會

提名委員會由四名成員組成，包括謝毅博士(董事會主席及本公司行政總裁)以及三名獨立非執董。提名委員會由謝毅博士擔任主席。

提名委員會的主要角色及功能是制定及實施有關提名人選之政策，以供董事會審議及股東選任，及適當考慮董事會多元化以檢討董事會的架構、人數及組成，以及經顧及上市規則之準則評核非執行董事之獨立性。

於本年度，已舉行一次會議且所有成員均出席會議以檢討董事會的架構、人數及組成，包括董事會成員多元化及檢討董事會成員多元化政策的實施情況；審議及建議董事會重新委任退任董事；以及評估獨立非執董之獨立性。

各董事之出席率載列如下：

於獨立非執董薛京倫先生於二零二二年十二月四日辭世後，由方林虎先生、金松女士及謝毅博士組成的提名委員會致力於物色合適且符合資格之人選成為董事會成員，在充分考慮董事會成員多元化政策及本公司提名政策的情況下，按候選人的能力和對董事會的貢獻進行遴選並推薦合適的候選人提名進入董事會。郭懿博士獲推薦提名為董事會成員，獲委任為獨立非執董以及提名委員會、薪酬委員會及審核委員會各自之成員，自二零二三年四月十四日起生效。

F. NOMINATION COMMITTEE (Continued)

Board Diversity Policy

The Board has adopted a Board Diversity Policy and the Nomination Committee will help implement and monitor the policy. To enhance the effectiveness of the Board, selection of candidates is based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills and length of service. The Nomination Committee will review and discuss, on an annual basis, Board diversity with regard to the building and maintaining of the Board with a diversity of directors, without focusing on a single diversity aspect, and will make recommendation to the Board for its consideration and approval. The Board currently comprises four executive directors and three INEDs, who have possessed professional qualifications or relevant experience in various aspects; including accounting and financial management, corporate compliance, business management, scientific research, China pharmaceutical industry, and investment management in biomedicine. The directors' biographical details including their roles and functions, academic background and experience are disclosed in "Directors and Senior Management Profile" on pages 23 to 27 of this annual report, and the Board profile in gender, age and length of service is summarised as below:

F. 提名委員會(續)

董事會成員多元化政策

董事會已採納一套董事會成員多元化政策，提名委員會將協助實施並監督該政策。為提高董事會的效率，挑選人選時將基於一系列多元化觀點，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及服務年期。提名委員會將每年審視及討論董事會多元化，以建立及維持董事會成員多元化組合，而非專注於單一多元化方面，並將向董事會提出建議以供其考慮及批准。董事會目前由四名執行董事及三名獨立非執董組成，彼等擁有各方面的專業資格或相關經驗，包括會計及財務管理、企業合規、業務管理、科學研究、中國醫藥行業，及生物醫藥投資管理。董事履歷詳情(包括彼等之角色及職能、學術背景及經驗)已於本年報第23至27頁「董事及高級管理人員簡介」中披露，董事會成員之性別、年齡及服務年期概要載列如下：

Board profile
董事會簡介

Number of directors (%)
董事人數 (%)

Board profile 董事會簡介	Number of directors (%) 董事人數 (%)	
Capacity 身份	Executive directors: 4 (57.1%) 執行董事：4 (57.1%)	INEDs: 3 (42.9%) 獨立非執董：3 (42.9%)
Gender 性別	Male: 5 (71.4%) 男性：5 (71.4%)	Female: 2 (28.6%) 女性：2 (28.6%)
Age Group 年齡組別	Age 40–60: 5 (71.4%) 40歲至60歲：5 (71.4%)	Age above 60: 2 (28.6%) 60歲以上：2 (28.6%)
Length of service 服務年期	Below 10 years: 1 (14.3%) 10年以下：1 (14.3%)	Above 10 years: 6 (85.7%) 10年以上：6 (85.7%)

F. NOMINATION COMMITTEE (Continued)

Board Diversity Policy (Continued)

Having reviewed the structure and composition of the Board and taken into account the diversity perspectives, the Nomination Committee considered that the current Board has appropriate mix of skills, experience and a sufficient level of diversity that are relevant to the business nature and requirements of the Group, and concluded that the Board Diversity Policy has been effectively implemented.

Gender Diversity

As at the date of this report, the Board comprises seven directors, two of whom are female (representing 28.6%). The Board considers that the current level of female representation reflects gender diversity and meets specific needs of the Group, and that gender diversity of the Board has been achieved.

As at 31 March 2023, the Group's total workforce (including senior management) comprises approximately 35.9% male and 64.1% female. The Group has avoided a single gender workforce in workplaces. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. The Group will review the gender diversity of the workforce regularly in accordance with business development of the Group.

Nomination Policy

The Nomination Committee has adopted a nomination policy guiding the nomination criteria and procedures to identify, select and recommend candidates for directorship.

F. 提名委員會(續)

董事會成員多元化政策(續)

經審視董事會結構及組成並考慮多元化角度後，提名委員會認為目前的董事會具有與本集團的業務性質及要求相關的適當技能、經驗組合及充足的多元化水平，故總結認為董事會成員多元化政策已有效執行。

性別多元化

於本報告日期，董事會由七名董事組成，其中兩名為女性(相當於28.6%)。董事會認為女性代表目前之水平可反映性別多元化且符合本集團之特定需求，而本集團已達成董事會性別多元化。

於二零二三年三月三十一日，本集團之員工總數(包括高層管理人員)約35.9%為男性及約64.1%為女性。本集團已避免工作場所由單一性別員工組成。本集團向所有合資格員工平等提供僱傭、培訓及事業發展之機會，概無歧視。本集團將根據本集團之業務發展定期檢討員工性別多元化。

提名政策

提名委員會已採納提名政策，作為提名標準及程序的指引，以物色、挑選及建議董事人選。

F. NOMINATION COMMITTEE (Continued)

Nomination Policy (Continued)

The Nomination Committee shall consider a number of nomination criteria in assessing the suitability of a proposed candidate for directorship or proposed re-appointment of a retiring director, including but not limited to: the skills, knowledge and experience possessed by the candidate or retiring director which are relevant to the Company's business, corporate development and strategy; the diversity perspectives set out in the Board Diversity Policy and the balance of skills and experience in Board composition; the level of independence from the Company and compliance of the relevant requirements under the Listing Rules; and such other factors the Nomination Committee may consider relevant to enhancement of the effectiveness of the Board.

Subject to the provisions in the Company's bye-laws, where the Nomination Committee determines that an additional director or a replacement director is required, it may take appropriate steps in connection with the identification and evaluation of a suitable candidate for directorship. The Nomination Committee may deploy channels including referral from directors, advisers of the Company and external executive search firms in the identification process, evaluate a candidate based on the nomination criteria stated above, and make recommendation for the Board's consideration and approval.

For re-appointment of a retiring director, the Nomination Committee reviews his/her service to the Company, the level of participation on the Board during his/her term, and after taking into account the nomination criteria, recommends to the Board for proposed re-appointment of the retiring director who wishes to stand for re-election at the Company's general meeting.

F. 提名委員會(續)

提名政策(續)

提名委員會於評估人選擔任董事職務或重新委任退任董事是否適合時，須考慮若干提名標準，包括但不限於：人選或退任董事所擁有與本公司業務、企業發展及戰略相關之技能、知識及經驗；董事會成員多元化政策中載列之多元化觀點以及董事會組成之技能及經驗之平衡；在多大程度上獨立於本公司及是否符合上市規則之相關規定；以及提名委員會可能認為與提高董事會效率有關之其他因素。

根據本公司之公司細則，倘提名委員會決定需要一名新增或替補董事，則可採取適當措施物色及評估合適董事人選。提名委員會可在物色人選過程中部署渠道，包括董事、本公司顧問及外部獵頭公司之推薦，根據上述提名標準評估人選，並建議人選供董事會考慮及批准。

就重新委任退任董事而言，提名委員會會審視彼對本公司之服務、彼於任期內在董事會之參與程度，並經計及提名標準後，向董事會建議重新委任有意於本公司股東大會上重選連任的退任董事。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

F. NOMINATION COMMITTEE (Continued)

Nomination Policy (Continued)

The Nomination Committee may also propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board, if it evaluates that the candidate meets the nomination criteria. The procedures for shareholders to propose a person for election as a director are published in the Company's website.

The Board has the ultimate responsibility for selection and appointment of directors. On accepting the recommendation made by the Nomination Committee, the Board may (as the case may be) appoint the candidate as director to fill a casual vacancy or as an addition to the Board and recommend the candidate to shareholders for election or re-election (for a retiring director) at the general meeting.

G. REMUNERATION COMMITTEE

The Remuneration Committee consists of four members including, three INEDs and Dr. Xie Yi. The Remuneration Committee is chaired by Mr. Fang Lin Hu, an INED.

The Remuneration Committee has been established with specific terms of reference, which state clearly its authority and duties, among others, it makes recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and review and approve remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive directors and senior management, and also review and/or approve matters relating to share schemes as may from time to time be adopted by the Company.

F. 提名委員會(續)

提名政策(續)

若提名委員會評估由本公司股東所推薦或提名之人選符合提名標準，則可向董事會推薦該人選，作為被提名人供董事會選任。股東提名人選參選董事的程序刊登於本公司網站。

甄選及委任董事的最終責任由董事會承擔。在接納提名委員會作出之建議時，董事會可(視情況而定)委任該人選擔任董事以填補臨時空缺或作為增補董事，並向股東推薦該人選以於股東大會上進行選任或重新委任(就退任董事而言)。

G. 薪酬委員會

薪酬委員會由四名成員組成，包括三名獨立非執董及謝毅博士。薪酬委員會由方林虎先生(獨立非執董)擔任主席。

薪酬委員會按照特定職權範圍成立，清楚列明其權力及職責，其中包括其就本公司有關全體董事及高級管理層薪酬之政策及結構，及就薪酬政策設立正式及透明程序向董事會提供建議，以及因應董事會不時決定的企業方針及目標而檢討及批准薪酬建議。薪酬委員會就個別執行董事及高級管理層之薪酬方案向董事會提供建議，並亦檢討及／或批准本公司不時採納之股份計劃之事項。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

G. REMUNERATION COMMITTEE (Continued)

During the year ended 31 March 2023, two meetings were held and attendance of each director is set out below:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	2/2
Mr. Xue Jing Lun [#]	薛京倫先生 [#]	1/2
Ms. Jin Song	金松女士	2/2
Dr. Xie Yi	謝毅博士	2/2

[#] passed away on 4 December 2022

The emoluments of the directors are reviewed and recommended by the Remuneration Committee with regard to the directors' respective responsibilities, individual performance, and/or decided by the Board as authorised by the shareholders at the annual general meeting. The Company has also adopted a share option scheme as an incentive to the directors and the senior management. The Remuneration Committee conducts regular review of the Company's remuneration policy and structure of the directors and senior management which takes into account the prevailing market conditions and the role and responsibility of individual members, for making recommendation to the Board. During the year, the Remuneration Committee reviewed and approved the remuneration packages (including directors' fee) of the directors, and made recommendation to the Board for consideration and approval.

G. 薪酬委員會(續)

截至二零二三年三月三十一日止年度，本公司曾舉行兩次會議，各董事之出席率載列如下：

董事薪酬由薪酬委員會根據董事各自的責任及個別表現檢討及建議，及／或由董事會經股東於股東週年大會上之授權而作出決定。本公司亦已採納購股權計劃作為對董事及高層管理人員之獎勵。薪酬委員會因應當時市況及個別成員之角色及職責，定期審視本公司就董事及高層管理人員採納的薪酬政策以及架構，向董事會作出建議。於本年度，薪酬委員會已審視及批准董事之薪酬待遇(包括董事袍金)，並向董事會提供建議以供考慮及批准。

[#] 於二零二二年十二月四日辭世

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

G. REMUNERATION COMMITTEE (Continued)

Directors' emoluments and the five highest paid individuals for the year ended 31 March 2023 are disclosed in notes 11 and 12 respectively to the consolidated financial statements.

Emoluments of senior management whose profiles are disclosed in the section "Directors and Senior Management Profile" but not included in the note as the five highest paid individuals, fell within the following band:

Emolument band

HK\$ Nil to HK\$1,000,000

酬金範圍

零港元至1,000,000港元

Number of individuals

人數

2023

2022

二零二三年

二零二二年

3

3

H. AUDIT COMMITTEE

The Audit Committee comprises three INEDs and is chaired by Mr. Fang Lin Hu, an INED.

The Audit Committee has been established with specific terms of reference that have included the duties set out in the relevant Code Provisions, with appropriate modification when necessary.

The major role and function of the Audit Committee are to ensure the maintenance of proper relationship with the Company's auditor, the establishment of proper review and control arrangements relating to risk management and internal control systems, financial reporting and the compliance to applicable reporting requirements.

G. 薪酬委員會(續)

截至二零二三年三月三十一日止年度之董事酬金及五位最高薪酬人士分別於綜合財務報表附註11及12內披露。

高層管理人員(其履歷披露於「董事及高層管理人員簡介」一節,但未載列於附註內作為五位最高薪酬人士)之酬金屬於下列範圍:

H. 審核委員會

審核委員會由三名獨立非執董組成並由方林虎先生(獨立非執董)擔任主席。

審核委員會按照特定職權範圍,有關職權範圍已包括守則條文所載之職責(於必要時作出適當修訂)。

審核委員會之主要職責及功能是確保與本公司之核數師維持恰當關係,就風險管理及內部監控制度、財務報告及遵守適用報告規定作出適當審閱及監管安排。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

H. AUDIT COMMITTEE (Continued)

During the year ended 31 March 2023, three meetings were held and attendance of each director is set out below:

Name of Director	董事姓名	Number of attendance	出席次數
Mr. Fang Lin Hu	方林虎先生	4/4	
Mr. Xue Jing Lun [#]	薛京倫先生 [#]	3/4	
Ms. Jin Song	金松女士	4/4	

[#] passed away on 4 December 2022

The Audit Committee reviewed the half yearly and full year consolidated financial statements, including the Group's adopted accounting principles and practices, risk management and internal control systems with internal audit function and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this annual report comply with the applicable accounting standards and Appendix 16 of the Listing Rules.

I. AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's auditor, Elite Partners CPA Limited in respect of audit services and non-audit services for the year ended 31 March 2023 amounted to HK\$800,000 and HK\$ nil respectively.

H. 審核委員會(續)

截至二零二三年三月三十一日止年度曾舉行三次會議，各董事之出席率載列如下：

Name of Director	董事姓名	Number of attendance	出席次數
Mr. Fang Lin Hu	方林虎先生	4/4	
Mr. Xue Jing Lun [#]	薛京倫先生 [#]	3/4	
Ms. Jin Song	金松女士	4/4	

[#] 於二零二二年十二月四日辭世

審核委員會已審閱半年度及全年綜合財務報表，包括本集團所採納之會計原則及慣例、風險管理及內部監控制度(設有內部審核功能)及財務報告事宜，並就年度業績與外聘核數師一同審閱。審核委員會贊同本公司所採取之會計處理方法，並已盡力確保本年報披露之財務資料符合適用之會計準則及上市規則附錄十六。

I. 核數師酬金

截至二零二三年三月三十一日止年度，就審核服務及非審核服務已付／應付本公司核數師開元信德會計師事務所有限公司之酬金分別為800,000港元及零港元。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

J. FINANCIAL REPORTING

The directors of the Company acknowledged their responsibility for preparing the consolidated financial statements of the Group in accordance with the requirements of the Listing Rules and applicable statutory requirements and accounting standards. The Group has adopted the going concern basis in preparing its financial statements.

A statement by the auditor of the Company about their reporting responsibilities is set out in the “Independent Auditor’s Report” on pages 91 to 97 of this annual report.

K. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing on an ongoing basis and ensuring that sound and effective risk management and internal control systems are maintained within the Group in order to safeguard the Group’s assets and the interests of the Company’s shareholders. These systems are designed under the framework of a defined management structure with specified limits of authority and control responsibilities to manage rather than to eliminate the risk of failure to achieve business objectives and help to provide reasonable assurance against material misstatement or loss.

The Audit Committee is delegated with authorities to assist the Board to fulfill its oversight role over the systems by reviewing and evaluating on a regular basis the effectiveness and adequacy of the Company’s financial controls, risk management and internal control systems (the “Systems”). During the year ended 31 March 2023, the Audit Committee, after taking into consideration the size of the Group’s activities and operations, had adopted a risk-based approach in identifying the scope of review for its business units. The review was conducted by the Group’s risk management and internal audit function independent of the business unit, which covered appraisal of the Systems by conducting tests on operating procedures. Audit findings and recommendations were reported to the Audit Committee and the senior management. The Audit Committee and the Board satisfied the result of the review and concluded that the key areas of the Systems are reasonably and adequately implemented to their satisfaction.

J. 財務報告

本公司董事確認彼等按照上市規則規定及根據適用法定要求及會計準則編製本集團綜合財務報表之責任。本集團已採納持續經營基準編製其財務報表。

本公司核數師就其報告責任所作聲明載於本年報第91至97頁之「獨立核數師報告」。

K. 風險管理及內部監控

董事會負責持續監督及確保於本集團內維持一個健全且有效之風險管理及內部監控制度，以保障本集團之資產及本公司股東之利益。該等制度乃於界定管理架構框架下設計，具備特定的職權範圍及監控職責，旨在管理而非消除未能實現業務目標的風險並協助提供針對重大錯誤闡述或缺失的合理保證。

審核委員會獲授權力透過定期審閱及評估本公司之財務監控、風險管理及內部監控制度（「該等制度」）是否有效及足夠以協助董事會履行其對該等制度之監管角色。截至二零二三年三月三十一日止年度，經考慮本集團業務及營運之規模後，審核委員會已採納風險管理方法，以確定其業務單位的審閱範疇。有關審閱乃由本集團獨立於業務單位的風險管理及內部審核職能進行，其中涵蓋透過對經營流程進行的測試評估該等制度。審核發現及推薦建議向審核委員會及高層管理人員匯報。審核委員會及董事會信納審閱結果，並總結該等制度的主要領域獲合理及充分執行。

K. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

In addition, a whistleblowing policy and system has been established for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group and an anti-corruption policy has been in place to promote and support anti-corruption laws and regulations.

With respect to handling and dissemination of inside information (the "Information"), the Group is aware of its obligations under the Listing Rules, the Securities and Futures Ordinance and the guiding principle that when the Information comes to the Group's attention, it should be properly disclosed as soon as practicable. In this regard, the Group has adopted an inside information disclosure policy (the "Policy") since 2013 with the aim of preventing the disclosure of premature Information and ensuring shareholders and the public are provided with full, accurate and timely Information about the activities, performance and financial condition of the Group. The Policy covers the procedures as to (i) maintain the confidentiality of Information, such as identification of project by using code name, dissemination on a need-to-know basis and (ii) identify, assess and monitor the dissemination of Information. The Audit Committee and the Board consider that the procedures are effective in discharging the Group's obligations in respect of the Information.

K. 風險管理及內部監控(續)

另外，本集團亦制定了檢舉政策及制度，以使員工及與本集團進行交易的人士(如客戶及供應商)以保密及匿名形式向審核委員會提出與本集團有關的任何事項中可能存在之不當行為，並制定反腐敗政策以促進及支持反腐敗法律及法規。

就處理及發佈內幕消息(「該等資料」)而言，本集團知悉其於上市規則、證券及期貨條例及指引原則項下的責任，即倘本集團知悉該等資料，應在實際可行情況下儘快妥為披露該等資料。就此而言，本集團已自二零一三年起採納內幕消息披露政策(「該政策」)，旨在防止該等資料遭提前披露及確保股東及公眾就本集團活動、表現及財務狀況獲提供完整、準確和及時的該等資料。該政策涵蓋有關以下各項的程序：(i)對該等資料保密，如使用代號識別項目、按須知基準發佈；及(ii)識別、評估及監察該等資料分發。審核委員會及董事會認為該等程序在本集團履行有關該等資料的責任方面屬有效。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors are encouraged to participate in continuous professional development in order to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the year ended 31 March 2023, the directors were briefed and updated with written materials on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the Company had organised an in-house training seminar for the directors, which was conducted by qualified professional covering update of the Listing Rules, with training materials provided. Directors are also encouraged to attend outside seminars and talks organised by professional bodies to enrich their knowledge in discharging their duties as a director. All directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to corporate governance and regulations:

Executive Directors

Dr. Xie Yi	Attending in-house training course and self-study
Mr. Cheng Yong	Attending in-house training course and self-study
Dr. Lou Yi	Attending in-house training course and self-study
Ms. Wong Sau Kuen	Attending in-house training course and outside seminars/talks conducted by professional bodies and self-study
Mr. Liu Kwok Wah [#]	Attending outside seminars/talks conducted by professional bodies and self-study

[#] resigned with effect from 30 September 2022

L. 董事的持續培訓及發展

本公司鼓勵董事進行持續的專業進修，以發展及更新彼等的知識及技能。此舉能確保彼等繼續在掌握全面資訊及切合所需的情況下向董事會作出貢獻。

截至二零二三年三月三十一日止年度，董事不時獲得有關上市規則及其他適用的法律及監管規定最新發展的簡報及最新書面資料，以確保合規及增加對良好企業管治常規的認識。此外，本公司亦為董事舉辦內部培訓研討會，該研討會由合資格專業人士進行，內容涵蓋上市規則之更新，並向參加者提供培訓材料。本公司亦鼓勵董事參加由專業組織舉辦的外界研討會及講座，以增加彼等在履行董事職務方面的知識。所有董事已透過參加培訓課程及／或參考有關企業管治及法規的資料進行持續的專業進修：

執行董事

謝毅博士	參加內部培訓課程及自修
程勇先生	參加內部培訓課程及自修
樓屹博士	參加內部培訓課程及自修
王秀娟女士	參加內部培訓課程及由專業組織舉辦的外界研討會／講座及自修
廖國華先生 [#]	由專業組織舉辦的外界研討會／講座及自修

[#] 於二零二二年九月三十日辭任

L. DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (Continued)

Independent Non-executive Directors

Mr. Fang Lin Hu	Attending in-house training course and self-study
Mr. Xue Jing Lun [#]	Self-study
Ms. Jin Song	Attending in-house training course and self-study

[#] Mr. Xue Jing Lun passed away on 4 December 2022

Dr. Guo Yi was appointed as an INED with effect from 14 April 2023.

M. COMPANY SECRETARY

Mr. Liu Kwok Wah and Ms. Wong Sau Kuen are joint company secretaries of the Company prior to the resignation of Mr. Liu Kwok Wah with effect from 30 September 2022. Ms. Wong Sau Kuen has acted as the company secretary of the Company since 30 September 2022 and has taken no less than 15 hours of relevant professional training during the year ended 31 March 2023.

N. COMMUNICATION WITH SHAREHOLDERS

The Company recognises the value of maintaining open communication with its shareholders and is committed to promoting effective communication with shareholders and potential investors.

A Shareholder Communication Policy has been put in place to promote effective engagement and a two-way dialogue with shareholders and other stakeholders.

L. 董事的持續培訓及發展(續)

獨立非執行董事

方林虎先生	參加內部培訓課程及自修
薛京倫先生 [#]	自修
金松女士	參加內部培訓課程及自修

[#] 薛京倫先生於二零二二年十二月四日辭世

郭懿博士於二零二三年四月十四日獲委任為獨立非執董。

M. 公司秘書

廖國華先生及王秀娟女士於廖國華先生於二零二二年九月三十日辭任之前為本公司聯席公司秘書。王秀娟女士自二零二二年九月三十日起擔任本公司之公司秘書，且已於截至二零二三年三月三十一日止年度參與不少於15小時的相關專業培訓。

N. 與股東之溝通

本公司認同維持與其股東公開溝通的價值，並致力促進與股東及潛在投資者的有效溝通。

為促進與股東及其他利益相關者的有效交流及雙向對話，本公司已制定股東傳訊政策。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

N. COMMUNICATION WITH SHAREHOLDERS (Continued)

Shareholder Communication Policy

The Company strives to ensure that shareholders are given ready access to balanced and understandable information relating to the Group, which includes but not limited to the Group's financial performance, governance and material developments, to enable shareholders to exercise their rights in an informed manner, and to engage actively with the Company. The Board will review the Shareholder Communication Policy annually to ensure its effectiveness.

The Company uses a number of channels to disseminate information to shareholders and potential investors through:

- (1) the Stock Exchange's website (www.hkexnews.hk)
- (2) the Company's website (www.extrawell.com.hk)
- (3) corporate information in printed and/or electronic forms such as annual and interim reports, circulars and explanatory materials, shall be provided in plain language in both English and Chinese versions to facilitate shareholders' understanding
- (4) the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited in respect of share registration and related matters
- (5) annual general meeting (and other general meetings)

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. The Board members, in particular, Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee (or their delegates) will endeavor to make themselves available at the annual general meetings to meet shareholders and answer their enquiries. Shareholders' meetings are, as far as practicable, arranged to be held at a convenient location with the aim of encouraging shareholders' participation.

N. 與股東之溝通(續)

股東傳訊政策

本公司致力確保股東可隨時獲得與本集團有關的公正及清晰的資訊，其中包括但不限於本集團的財務表現、管治及重大發展，以使股東可以充分知情之方式行使其權利，並積極與本公司互動。董事會將每年審視股東溝通政策，以確保其有效性。

本公司透過利用以下多個渠道以向股東及潛在投資者傳達資料：

- (1) 聯交所網站(www.hkexnews.hk)
- (2) 本公司網站(www.extrawell.com.hk)
- (3) 公司資料印刷本及／或電子版(例如年報及中期報告、通函及說明資料)將以簡明語文之中英文兩種版本提供予股東以促進理解
- (4) 本公司之香港股份過戶登記分處卓佳登捷時有限公司，處理股份登記及相關事宜
- (5) 股東週年大會(及其他股東大會)

本公司之股東週年大會為股東提供一個與董事會交流意見之有效平台。董事會成員尤其是董事會主席以及提名委員會、薪酬委員會及審核委員會主席(或其代表)將盡力出席股東週年大會，與股東會面並回答彼等之詢問。股東大會將安排在盡可能方便的地點舉行，以鼓勵股東參與。

N. COMMUNICATION WITH SHAREHOLDERS (Continued)

Enquiries to the Board

Shareholders may send their enquiries, request for publicly available information and provide comments and suggestions to the Board by mail to the Company's principal place of business at Suites 2206-08, 22/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, by email to info@extrawell.com.hk, and/or via the Company's investor corner published on the Company website (www.extrawell.com.hk). Shareholders can also make enquiries to the Board directly at the general meetings of the Company.

Having reviewed the implementation and effectiveness of different channels of communication available to the shareholders, and with reference to the shareholders' feedbacks in shareholders' meetings, the Company considered that the Shareholder Communication Policy has been effectively implemented during the year.

O. SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

Section 74 of the Companies Act 1981 of Bermuda stipulates that the directors shall, on the requisition of shareholders holding not less than one-tenth of such of the paid-up capital of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the relevant requisitionists and deposited at the registered office of the Company. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

N. 與股東之溝通(續)

向董事會提交查詢

股東可致函本公司主要營業地點予董事會，地址為香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206-08室，或發送電子郵件至info@extrawell.com.hk，及/或通過本公司網站(www.extrawell.com.hk)刊發之本公司投資者之區域，向董事會提交查詢、要求提供公開資料以及提供意見及建議。股東也可於本公司股東大會直接向董事會提出查詢。

於審視提供予股東的多種溝通管道之執行情況及有效性，及參考股東於股東大會上之回饋意見後，本公司認為股東傳訊政策於本年度獲有效執行。

O. 股東權利

召開股東特別大會

百慕達《一九八一年公司法》第74條規定，董事應按持有不少於本公司已繳足股本十分之一的股東請求書的請求，立刻安排召開本公司股東特別大會。請求書須列明會議目的，並須由相關呈請人簽署及遞交至本公司註冊辦事處。倘董事在請求書遞呈日期起計二十一日期內，未有妥為安排召開大會，則該等呈請人或任何佔全體呈請人總投票權一半以上之呈請人，則可自行召開大會，惟任何如此召開之大會均不能於上述日期起計三個月屆滿後舉行。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

O. SHAREHOLDERS' RIGHTS (Continued)

Putting forward Proposals at General Meetings

Section 79 of the Companies Act 1981 of Bermuda stipulates that the Company shall, on the requisition in writing by 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, (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 these shareholders a written 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.

Section 80 of the Companies Act 1981 of Bermuda stipulates that the written requisition as signed by the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's expenses in giving effect thereto not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition.

P. CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 March 2023.

O. 股東權利(續)

於股東大會上提呈議案

百慕達《一九八一年公司法》第79條規定，本公司應按持有有權於本公司股東大會投票之本公司繳足股本不少於二十分之一之任何數目股東，或不少於100名股東的書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案，及(b)向該等股東傳閱不超過1,000字之書面陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

百慕達《一九八一年公司法》第80條規定，由呈請人簽署之書面請求須於大會舉行前不少於六星期(如為要求發出決議案通知的請求)及不少於一星期(如為任何其他請求)送交本公司註冊辦事處，並須支付一筆足以合理彌補本公司就此產生的開支的款項。

P. 組織章程文件

截至二零二三年三月三十一日止年度，本公司之組織章程文件概無任何變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. INTRODUCTION

As a member of the global business community, the Group recognises the importance of sustainable development and has continuously implemented various measures to improve and strengthen corporate governance and related policies on sustainability over the past years and will continue to optimise its ongoing efforts and commitment to sustainability performance in the years to come. This Environmental, Social and Governance (“ESG”) Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “Guide”) under Appendix 27 of the Listing Rules, which reports the Group’s strategies and practices in relation to environmental protection, social responsibility and operational governance. This report has been reviewed and approved by the board of directors (the “Board”) of the Company and should be read in conjunction with the Group’s Annual Report 2023; in particular the Corporate Governance Report, to gain more understanding of the Group’s ESG performance.

2. ESG GOVERNANCE STRUCTURE

The Board is at the core corporate governance framework and has overall responsibility for the Group’s ESG strategy, performance and reporting. The established governance structure comprising the Board and the audit, remuneration and nomination committees (the “Board Committees”), which has laid a solid foundation for oversight of the ESG issues, shall ensure that the Group has corporate governance processes in place that are effective for overseeing the Group’s management of significant ESG risks, and that it coordinates the practices and actions of the Group for sustainable development, through the management team in the day-to-day implementation of the ESG strategy and periodic reporting for emerging or continually evolving ESG issues. The top-down governance structure; namely the Board, the Board Committees and the management team at the Group’s business segments, ensures the effective deployment and implementation of the Group’s ESG risk management and enables continuing improvement in ESG performance. Details of governance information for the Board and the Board Committees are set out on pages 28 to 50, and the ESG management and controls are detailed in this report.

1. 緒言

作為全球商界的一員，本集團認同可持續發展的重要性，並在過去多年不斷實施改善及加強企業管治的各種措施以及相關可持續發展政策，並將在未來繼續保持其現有工作，致力優化可持續表現。本環境、社會及管治（「環境、社會及管治」）報告乃根據上市規則附錄二十七項下的「環境、社會及管治報告指引」（「指引」）編製，呈報本集團在環境保護、社會責任及營運管治方面的策略及慣例。本報告已由本公司董事會（「董事會」）審閱及批准，並應與本集團二零二三年年報（特別是企業管治報告）一併閱讀，從而更深入了解本集團的環境、社會及管治績效。

2. 環境、社會及管治之管治架構

董事會乃企業管治框架的核心，對本集團的環境、社會及管治策略、績效及報告承擔整體責任。由董事會、審核委員會、薪酬委員會及提名委員會（「董事委員會」）組成的既定管治架構，為監督環境、社會及管治議題奠定堅實基礎，須確保本集團擁有有效的公司治理流程，以監督集團對重大環境、社會及管治風險的管理，並通過管理團隊對環境、社會及管治戰略的日常實施以及對新出現或不斷演變的環境、社會及管治問題作出定期匯報，協調本集團在可持續發展方面的實踐及行動。自上而下的管治結構（即董事會、董事委員會及本集團業務分類的管理團隊）確保本集團有效部署及實施環境、社會及管治風險管理，令環境、社會及管治表現得以持續改善。有關董事會及董事委員會的管治資料詳情載於第28至50頁，而有關環境、社會及管治管理及監控的詳情則載於本報告。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

2. ESG GOVERNANCE STRUCTURE (Continued)

The Board is committed to conducting regular review and evaluation of the Group's ESG-related policies and risks so as to ensure that appropriate and effective ESG risk management and internal control systems (the "Systems") are in place and embedded at the Group's business segments. As the Group's manufacturing plants in Changchun, China (or the "PRC") involve production process (the "Manufacturing Activities"), which will have a material ESG impact, an "Environmental Protection, Occupational Health and Safety Management Committee" (the "Management Committee") has been formed since 2017 to lead the management of environmental protection as well as to foster a safe and healthy work environment. The Management Committee includes staff members who are professionally qualified with relevant permits recognised by the Chinese authorities to administrate and monitor the works. Since the Group's Hong Kong headquarters, trading and gene development activities (the "Non-Manufacturing Activities") are generally office's operations and will have a limited ESG impact, no such committee is established and senior staff members of various departments are engaged to implement the sustainable policies and practices adopted by the Group.

The Group's risk management and internal audit function, in conjunction with the Management Committee, will conduct regular review on the effectiveness of the Systems and report the findings to the Audit Committee and the Board on material ESG issues on an annual basis.

3. REPORTING PRINCIPLES

In preparation of this ESG Report, the Group observes and applies the principles of materiality, quantitative, balance and consistency as set out in the Guide in order to provide a clear, balanced, quantifiable and comparative information to its stakeholders:

- (1) Materiality : Major stakeholders are identified and their concerns on ESG issues are considered. ESG issues that have material impacts on the Group's sustainable development form the basis of this report.
- (2) Quantitative : Where practicable, all environmental and social key performance indicators ("KPIs") are disclosed in a quantitative manner.
- (3) Balance : The information reflecting the overall performance of the Group in ESG aspects are disclosed in an objective and impartial manner.
- (4) Consistency : Methods used in the calculation of KPIs are consistent with those used in past years to facilitate a fair comparison.

2. 環境、社會及管治之管治架構(續)

董事會致力定期檢討及評估本集團環境、社會及管治相關的政策及風險，以確保落實適當且有效的環境、社會及管治風險管理及內部監控制度(「該等制度」)，並於本集團的業務分類貫徹實行。由於本集團於中國長春的生產廠房涉及將對環境、社會及管治產生重大影響的生產過程(「製造活動」)，本集團自二零一七年起已成立「環境保護、職業健康及安全管理委員會」(「管理委員會」)以領導環境保護管理工作以及營造安全及健康的工作環境。管理委員會包括具有專業資格並持有中國當局認可的相關許可證的工作人員，負責管理和監督工程。由於本集團的香港總部、貿易及基因開發活動(「非製造活動」)一般於辦公室營運，對環境、社會及管治的影響有限，因此並無設立有關委員會，並已委派各部門的資深員工實施本集團採取的可持續政策及慣例。

本集團的風險管理及內部審核職能人員聯同管理委員會，將定期審視該等制度的有效性，並每年向審核委員會及董事會報告有關重大環境、社會及管治議題的發現事項。

3. 報告原則

於編製本環境、社會及管治報告時，本集團遵守及應用指引所載有關重要性、量化、平衡及一致性原則，以便向其利益相關者提供清晰、平衡、可量化及可比較的資料：

- (1) 重要性 : 識別主要利益相關者，考慮彼等對環境、社會及管治議題的關注事項。對本集團可持續發展有重大影響的環境、社會及管治議題構成本報告的基礎。
- (2) 量化 : 在可行情況下，所有環境及社會關鍵績效指標(「關鍵績效指標」)會以量化方式披露。
- (3) 平衡 : 以客觀及公正方式披露反映本集團在環境、社會及管治方面整體績效的資料。
- (4) 一致性 : 計算關鍵績效指標所使用的方法與過去多年使用的方法一致，以便進行公平比較。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)

4. REPORTING BOUNDARY

The information provided in this report covers the period from 1 April 2022 to 31 March 2023 (the “2023 Period”) and relates to the ESG performance of the Group’s core operating segments; namely manufacturing, trading and gene development as well as the Hong Kong headquarters, which reflects the business activities of the Group’s subsidiaries disclosed in note 39 to the consolidated financial statements. There were no significant changes to the reporting boundary of the activities included in this report when compared to the period from 1 April 2021 to 31 March 2022 (the “2022 Period”).

5. STAKEHOLDER ENGAGEMENT AND IDENTIFICATION OF MATERIAL ESG ISSUES

The Group values opinions from stakeholders including shareholders, staff members, business partners, governments and the communities, and is committed to building constructive relationships with internal and external stakeholders through different communication channels including trainings and workshops with management and general staff, telephone, email enquiries and general meetings with shareholders and investors, tender meetings, appraisal and assessment with suppliers, feedback mechanism and meetings with customers, dialogues with local environmental departments, industry forums, and other business and social meetings, and via the Company’s website, annual reports, and information disclosure in accordance with the continuing obligations under the Listing Rules, with a view to achieving its objectives towards sustainable growth.

Management Committee of the manufacturing segment, senior management and departmental staff of relevant operations have been engaged to communicate with stakeholders in order to understand their concerns and expectations. Through continuous discussions and communications with stakeholders using various channels, the materiality issues identified in the 2023 Period has not changed significantly when compared to the 2022 Period. The following table summarises the material issues identified and reported by the Group in the 2023 Period:

4. 報告範圍

本報告所提供資料涵蓋二零二二年四月一日至二零二三年三月三十一日期間(「二零二三年期間」)，涉及本集團核心營運分類(即製造、貿易及基因開發)以及香港總部的環境、社會及管治績效，反映綜合財務報表附註39所披露本集團附屬公司的業務活動。與二零二一年四月一日至二零二二年三月三十一日期間(「二零二二年期間」)相比，本報告所載活動報告範圍並無重大變動。

5. 持份者參與及識別重大環境、社會及管治議題

本集團重視利益相關者(包括股東、員工、業務合作夥伴、政府及社區)發表的意見，並致力於透過不同溝通渠道(包括培訓及與管理層及一般員工進行的研討會、電話、郵件查詢及與股東及投資者舉行的股東大會、招標會議、供應商鑒定及評估、反饋機制及與客戶的會議、與當地環境部門對話、行業論壇以及其他商業會議及社交聚會，以及通過本公司網站、年度報告及根據上市規則項下持續責任而須予披露的資料)與內部及外部利益相關者建立良好關係，以期實現其可持續增長目標。

製造分類的管理委員會、相關業務的高級管理層及部門員工已與利益相關者接觸溝通，以了解彼等的關注事項及期望。通過利用各種渠道與利益相關者持續討論及溝通，二零二三年期間所識別重大議題與二零二二年期間相比並無重大變動。下表概述本集團於二零二三年期間所識別及呈報的重大議題：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

5. STAKEHOLDER ENGAGEMENT AND IDENTIFICATION OF MATERIAL ESG ISSUES (Continued)

5. 持份者參與及識別重大環境、社會及管治議題(續)

Subject Areas and Aspects	主要範疇及層面	Activities 活動	
		Manufacturing [#] 製造 [#]	Non- Manufacturing* 非製造*
A. Environmental Aspects	A. 環境層面		
A1 Emissions	A1 排放物		
Air pollutants	空氣污染物	M	NM
Greenhouse gas	溫室氣體	M	NM
Water wastes	廢水	M	NM
Solid wastes	固體廢物	M	NM
A2 Use of Resources	A2 資源使用		
Water	水	M	NM
Electricity	電力	M	NM
Natural gas	天然氣	M	NM
Fuel (vehicle)	燃料(汽車)	M	NM
Packing material	包裝物料	M	NM
A3 The Environment and Natural Resources	A3 環境及天然資源	M	NM
A4 Climate Change	A4 氣候變化	M	NM
B. Social Aspects	B. 社會層面		
Employment and Labour Practices	僱傭及勞工常規		
B1 Employment	B1 僱傭	M	M
B2 Health and Safety	B2 健康與安全	M	M
B3 Development and Training	B3 發展及培訓	M	M
B4 Labour Standards	B4 勞工準則	M	M
Operating Practices	營運慣例		
B5 Supply Chain Management	B5 供應鏈管理	M	M
B6 Product Responsibility	B6 產品責任	M	M
B7 Anti-corruption	B7 反貪污	M	M
Community	社區		
B8 Community Investment	B8 社區投資	M	M

referred to the Group's manufacturing segment in Changchun, China
 * Included the Group's Hong Kong headquarters, trading and gene development segments
 M Material
 NM Not Material

指本集團位於中國長春的製造分類
 * 包括本集團的香港總部、貿易及基因開發分類
 M 重大
 NM 不重大

Feedback

Stakeholders are welcome to send their comments and suggestions on this ESG Report to the head office of the Company by post, fax or email as detailed in the Company's website www.extrawell.com.hk.

反饋

歡迎利益相關者通過郵寄、傳真或電郵方式(詳情見本公司網站(www.extrawell.com.hk))向本公司總辦事處提交彼等對本環境、社會及管治報告的意見及建議。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS

6.1 Emissions (A1)

It is the Group's policy for each business segment or operation to manage the environmental impacts of emissions caused by its activities and comply with the applicable environmental laws, prevention and control regulations in which it operates. During the 2023 Period, the Group has not breached the related emissions laws and regulations.

Emissions arising from the Manufacturing Activities include air pollutants, greenhouse gas ("GHG"), water and solid wastes, whilst the Non-Manufacturing Activities have insignificant emissions of air pollutants, water and solid wastes but limited GHG emissions.

In this report, GHG is categorised into three scopes as below:

- (i) Scope 1 refers to direct emissions from sources that are owned or controlled by the operations. Examples include natural gas combusted for boilers, fuels used by owned vehicles.
- (ii) Scope 2 refers to indirect emissions from consumption of purchased electricity, steam or other sources of energy.
- (iii) Scope 3 refers to indirect emissions from other activities that are consequences of the operations but are not directly owned or controlled. Examples include business travel, third-party distribution and logistics.

Note: GHG emissions data are presented in terms of carbon dioxide equivalent (tonne).

6.1.1 Non-Manufacturing Activities — GHG emissions arising from the Non-Manufacturing Activities mainly relate to indirect emissions of purchased electricity under Scope 2 and third-party distribution and logistics as well as business travels under Scope 3. During the 2023 Period, the respective Scope 2 and Scope 3 carbon dioxide ("CO₂") emissions amounted to a total of about 11 tonnes (2022: 14 tonnes) and 1 tonne (2022: 1 tonne) respectively.

6. 環境層面

6.1 排放(A1)

本集團各業務分類或營運的政策為管理因其活動產生的排放對環境的影響並遵守其經營所在地區的適用環境法律、預防及監控法規。於二零二三年期間，本集團並未違反相關排放法律及法規。

製造活動產生的排放物包括空氣污染物、溫室氣體(「溫室氣體」)、廢水及固體廢物，而非製造活動則產生有限的溫室氣體排放，以及排放量微乎其微的空氣污染物、廢水及固體廢棄物。

在本報告中，溫室氣體分為以下三個範圍：

- (i) 範圍1 指來自業務擁有或控制的來源的直接排放。例子包括鍋爐燃燒的天然氣、自有汽車使用的燃料等。
- (ii) 範圍2 指來自消耗所購電力、蒸汽或其他能量來源的間接排放。
- (iii) 範圍3 指因來自非直接擁有或控制的業務產生的其他活動的間接排放。例子包括商務旅行、第三方分銷及物流等。

附註：溫室氣體排放數據以二氧化碳當量(噸)呈列。

6.1.1 非製造活動 — 非製造活動產生的溫室氣體排放主要與範圍2所購電力及範圍3第三方分銷及物流以及商務旅行的間接排放有關。於二零二三年期間，範圍2及範圍3各自產生的二氧化碳(「二氧化碳」)排放總量分別約為11噸(二零二二年：14噸)及1噸(二零二一年：1噸)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.1 Emissions (A1) (Continued)

6.1.2 Manufacturing Activities — As one of the pharmaceutical manufacturers in the PRC, the Management Committee is responsible for implementing policies for the GMP factory in Changchun, and monitoring the factory's performance so as to ensure its strict compliance with the GMP standards and environmental requirements under the relevant laws and regulations such as the Environmental Protection Law (《環境保護法》), the Water Pollution Prevention and Control Law (《水污染防治法》), the Prevention and Control of Air Pollution Law (《大氣污染防治法》) and the Prevention and Control of Environment Pollution by Solid Wastes (《固體廢物污染環境防治法》), of the PRC. During the 2023 Period, the factory handled its major emissions in the following manner:

(a) *Waste gas emission management*

The major source of waste gas emission comes from natural gas boilers. Air pollutants mainly include sulfur oxide ("SOx"), nitrogen oxide ("NOx"), and particle material ("PM"). The factory has installed a desulfurisation tower to ensure levels of emission are in compliance with the standards. The tower is functioning well and levels of emission are significantly lower than the lower limit of the national emission requirements. In the 2023 Period, SOx, NOx, and PM emissions amounted to about 71 kgs (2022: 10 kgs), 465 kgs (2022: 311 kgs) and 0 kg (2022: 0 kg) respectively. The results were monitored and measured by an independent third party in accordance with the prevailing requirements of the Technical Guidelines of Accounting Method for Pollution Source Intensity Basic Principles (《污染源源強核算技術指南—準則》) of the PRC.

6. 環境層面(續)

6.1 排放(A1)(續)

6.1.2 製造活動 — 作為位於中國的醫藥製造商之一，管理委員會負責為長春的GMP工廠實施政策及監控工廠的履行情況，以確保其嚴格遵守GMP準則及中國相關法律及法規(如《環境保護法》、《水污染防治法》、《大氣污染防治法》及《固體廢物污染環境防治法》)項下的環保規定。於二零二三年期間，該工廠乃按以下方式處理其主要排放物：

(a) *廢氣排放管理*

廢氣排放主要來自天然氣鍋爐。空氣污染物主要包括硫氧化物(「硫氧化物」)、氮氧化物(「氮氧化物」)及顆粒物(「顆粒物」)。工廠已安裝脫硫塔，以確保排放水平符合標準。該塔運行良好，排放水平遠低於國家排放要求的下限。於二零二三年期間，硫氧化物、氮氧化物及顆粒物的排放量分別約為71千克(二零二二年：10千克)、465千克(二零二二年：311千克)及0千克(二零二二年：0千克)。結果乃根據中國《污染源源強核算技術指南—準則》之現行規定，經由獨立第三方作監測及測量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.1 Emissions (A1) (Continued)

6.1.2 (Continued)

(a) *Waste gas emission management (Continued)*

CO₂ emissions arising from natural gas boilers and fuels for daily operations of vehicles (Scope 1), purchased electricity (Scope 2) and business travels (Scope 3) amounted to about 1,197 tonnes (2022: 994 tonnes), 1,820 tonnes (2022: 1,551 tonnes) and 2 tonnes (2022: 4 tonnes) respectively.

(b) *Wastewater management*

The factory has built its own waste water treatment facilities with daily capacity of 400 tonnes to treat the wastewater from its production processes before discharge, and about 43,377 tonnes (2022: 30,616 tonnes) of effluents were treated and discharged in the 2023 Period. The increase in discharge of wastewater was primarily due to shifts in production to meet changes in sales mix and the testing and commissioning conducted for a new production line during the 2023 Period. To monitor and control the discharge, the factory has worked jointly with local environmental monitoring stations, and an on-line monitoring system has been installed to test and collect data on the quality of effluent. In addition, the factory has commissioned a third-party inspection unit to conduct regular surveillance on effluent discharge against the standards in order to ensure timely detection of its abnormality and implementation of corrective measures when in exceedances.

6. 環境層面(續)

6.1 排放(A1)(續)

6.1.2 (續)

(a) *廢氣排放管理(續)*

天然氣鍋爐以及汽車日常使用所用燃料(範圍1)、所購電力(範圍2)及商務旅行(範圍3)產生的二氧化碳排放量分別約為1,197噸(二零二二年: 994噸)、1,820噸(二零二二年: 1,551噸)及2噸(二零二二年: 4噸)。

(b) *廢水管理*

工廠已建立自身日處理量為400噸的廢水處理設施以於排放前處理其生產過程產生的廢水，而於二零二三年期間，約有43,377噸(二零二二年: 30,616噸)廢水經處理及排放。廢水排放增加乃主要由於生產轉移以滿足銷售組合變動，以及於二零二三年期間測試及調試新生產線。為監察及監控有關排放，工廠已與當地的環境監察站合作，並已安裝在線監測系統，以測試及收集污水的質量數據。此外，工廠委聘了第三方檢測單位，定期監測污水排放是否符合標準，以確保及時探測到異常情況，並於污水排放過量時採取糾正措施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.1 Emissions (A1) (Continued)

6.1.2 (Continued)

(c) *Solid waste management*

The storages and disposals of hazardous and non-hazardous wastes are handled in accordance with the requirements of relevant rules and regulations. During the 2023 Period, about 2,896 kgs (2022: 749 kgs) hazardous wastes generated from the production process were disposed of with waste management services provided by contractors as designated by Jilin Province Environmental Protection Office. The increase was primarily related to the increase in wastewater discharge as stated above. The non-hazardous wastes of about 145 tonnes (2022: 140 tonnes) were disposed of through wastes collection services provided by the local authorities.

In practice, the Group endeavors to adopt measures to reduce carbon emissions, lower energy consumption and pollution, and encourage employees to consider related environmental factors from time to time. In addition to the above-mentioned, the Group has been taking the practices and measures as described below to achieve its objectives. The Group aims to maintain, and strives for reducing, the intensity of total GHG emissions and the hazardous and non-hazardous wastes, in the three financial years from 2023 to 2025, by using the data in 2022 referenced to the amount generated per HK\$'000 of revenue and per employee as the baseline.

6.2 Use of Resources (A2)

It is the Group's policy to encourage all staff to be environmentally friendly at work to reduce the consumption of paper, water and electricity and effective use of the resources. Measures being implemented include double-sided printing and copying, disseminating information in digital format, waste paper recycling, turning off power consuming devices when not in use.

6. 環境層面(續)

6.1 排放(A1)(續)

6.1.2 (續)

(c) *固體廢棄物管理*

有害及無害廢棄物乃根據相關規則及法規的規定儲存及處理。於二零二三年期間，生產過程產生之約2,896千克(二零二二年：749千克)有害廢棄物已由吉林省環保廳指定的承包商提供的廢棄物管理服務進行處理。正如以上所述，該增加主要與廢水排放增加有關。約145噸(二零二二年：140噸)無害廢棄物已通過地方當局提供的廢棄物收集服務進行處理。

實際上，本集團致力採取各項措施減少碳排放、降低能耗及污染，並不時鼓勵員工考慮相關環境因素。除上述措施外，本集團亦採取以下慣例及措施以實現其目標。本集團目標乃於2023年至2025年止三個財政年度內，以2022年的密度數據(參照每千港元收入及每名僱員所產生的數量)為基線，保持並致力減少溫室氣體總排放量及有害及無害廢物。

6.2 資源使用(A2)

本集團的政策為鼓勵全體員工在工作中保護環境以減少紙張、水及電力的消耗並高效使用資源。所實行的措施包括雙面打印及影印、以數碼形式傳播資料、回收廢紙、於不使用時關閉用電設備。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.2 Use of Resources (A2) (Continued)

6.2.1 Non-Manufacturing Activities — The major resources used are electricity, and paper (including own offices use and bulk printing of annual and interim reports and circulars distributed to the Company's shareholders through printing firms). In the 2023 Period, the electricity consumption was in aggregate of about 15,000 KWhs (2022: 20,000 KWhs) and paper used was in aggregate of about 1.1 tonnes (2022: 1.2 tonnes), of which about 1.1 tonnes (2022: 1.2 tonnes) were FSC certified paper.

The Group has been making its best efforts to reduce paper usage by distributing office files in digital format, reusing single-sided paper, and collecting double-sided printed paper for recycler's handling. The Group also adopts the practice of green procurement that eco-friendly paper is selected for office use and bulk printing of reports.

6.2.2 Manufacturing Activities — These consume mainly water, electricity, natural gas, fuel for vehicles and packing material used for finished products. Paper consumption in its daily operations amounted to about 2 tonnes (2022: 2 tonnes) relates to paper used during the processes of procurement, invoicing, production, quality assurance, marketing and administration, of which the consumption in various departments is being monitored by the management. The similar level of paper consumption was maintained as the results of (i) management's efforts to promote paperless office within internal departments by better utilisation of the electronic network and digitalisation of files as far as practicable in the paper procurement process, (ii) less consumption in printed materials related to decrease in promotion and symposium activities as a result of the pandemic control measures, and (iii) the shift from the centralised supply of paper stationeries back to the distributors to arrange and to bear on their own, in the 2023 Period and the 2022 Period.

The Group has also formulated plans to install photovoltaic power system to its GMP factory in the PRC for the purpose of achieving energy conservation and emission reduction objectives.

6. 環境層面(續)

6.2 資源使用(A2)(續)

6.2.1 非製造活動—電力及紙張(包括辦公室自用及透過印刷公司大量印刷向本公司股東分發之年報及中期報告以及通函)乃主要使用的資源。於二零二三年期間,耗電量合計約15,000千瓦時(二零二二年:20,000千瓦時)以及用紙量合計約1.1噸(二零二二年:1.2噸),當中約1.1噸(二零二二年:1.2噸)為FSC認證紙。

本集團一直在盡其最大努力來減少紙張使用,方法為分發數碼格式的辦公文件、重用單面紙及收集雙面印刷紙供回收站處理。本集團亦採用綠色採購做法,選擇環保紙於辦公室使用及批量印刷報告。

6.2.2 製造活動—其主要消耗水、電力、天然氣、汽車燃料及製成品所用的包裝物料。其日常業務的紙張消耗約2噸(二零二二年:2噸)涉及採購、開具發票、生產、質量控制、營銷及管理過程中所使用的紙張,管理層正監控各部門的紙張消耗情況。於二零二三年期間及二零二二年期間,紙張消耗量維持在相若水平,乃歸功於(i)管理層致力於內部部門推廣無紙辦公室,於紙張採購過程中力盡所能,更好地善用電子網絡及數碼化文件,(ii)由於疫情控制措施,導致宣傳和研討會活動減少,印刷材料的消耗量減少,及(iii)將紙質文具由集中供應轉由經銷商自行安排和承擔。

本集團亦計畫於中國的GMP工廠安裝光伏發電系統,以實現節能減排目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.2 Use of Resources (A2) (Continued)

6.2.2 (Continued)

The major resources consumed in the periods are set out below:

Type of resources consumed	所消耗資源類型	2023 二零二三年		2022 二零二二年	
		Amount 數量	Intensity* 密度*	Amount 數量	Intensity* 密度*
1. Water (tonne)	水(噸)	54,841	0.76	50,183	0.68
2. Electricity (KWh)	電力(千瓦時)	2,563,640	35.3	2,184,000	29.5
3. Natural gas (m ³)	天然氣(立方米)	458,277	6.31	373,100	5.0
4. Fuel for vehicles (liter)	汽車燃料(升)	31,958	0.44	32,880	0.44
5. Packing material (tonne)	包裝物料(噸)	652	0.01	786	0.01

* Amount generated per HK\$'000 of revenue.

It is the Group's policy to ensure effective and efficient use of resources in the production process with the aim of minimising wastes and reducing consumption of the resources.

Water — Water is a key element of the products and production process. Water supplies are provided by the municipally owned water supply company, which will ensure relatively stable and adequate water supplies. During the 2023 Period, there were no reported difficulties or issues arising from water supplies.

The Group recognises the importance of water conservation, and therefore has closely monitored the operation with the aim of identifying means and ways in saving and reusing water; including setting clear instructions for water used (time, volume and frequency) in the production process, more frequent inspection to reduce leakage in water supplies, and enhance employees' consciousness of water conservation in operation process training.

6. 環境層面(續)

6.2 資源使用(A2)(續)

6.2.2 (續)

該等期間所消耗的主要資源載列如下：

Type of resources consumed	所消耗資源類型	2023 二零二三年		2022 二零二二年	
		Amount 數量	Intensity* 密度*	Amount 數量	Intensity* 密度*
1. Water (tonne)	水(噸)	54,841	0.76	50,183	0.68
2. Electricity (KWh)	電力(千瓦時)	2,563,640	35.3	2,184,000	29.5
3. Natural gas (m ³)	天然氣(立方米)	458,277	6.31	373,100	5.0
4. Fuel for vehicles (liter)	汽車燃料(升)	31,958	0.44	32,880	0.44
5. Packing material (tonne)	包裝物料(噸)	652	0.01	786	0.01

* 每千港元收入所產生的數量。

本集團的政策為在生產過程中確保資源的高效使用，以盡量減少廢棄物及降低資源消耗。

水—水是產品和生產過程的關鍵要素。供水由市政供水公司提供，這將確保相對穩定和充足的供水。於二零二三年期間，沒有關於供水困難或問題的報告。

本集團深明節約用水攸關重要，因此密切關注旗下生產營運狀況，以找出節水及再利用水的方法和途徑，當中包括在生產過程中制定明確用水說明(時間、水量和頻率)，增加檢查次數以減少供水滲漏，並在操作過程培訓中提高員工對節約用水的意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.2 Use of Resources (A2) (Continued)

6.2.2 (Continued)

Other Resources — Measures being implemented include avoiding procurement of high-energy consumption materials, regular monitoring performance of the production equipment, upgrading and phasing out non eco-friendly machines to raise the utilisation of energy and resources. Packing materials primarily comprise paper, glasses and plastics used for the Group's finished products. As a good practice, the Group endeavors to select eco-friendly materials in the procurement process, and minimise wastes by managing purchase quantities.

6.3 The Environment and Natural Resources (A3)

The Group is dedicated to reducing the adverse effect of its activities that could result in environmental damages, controlling the level of consumption of natural resources and promoting environmental awareness among its employees at workplaces. In production, the Group has regularly inspected and monitored the production process to ensure strict compliance with relevant laws and regulations on emissions. In office, management has persistently reminded colleagues to protect the environment by recycling papers and plastic, turning off unused electricity devices. Management has also kept colleagues abreast of various environmental issues and encouraged colleagues to participate in activities like tree planting.

6.4 Climate Change (A4)

The Group understands that climate change poses increasing risks to global sustainable development, which not only brings extreme weather, and its consequences have a far-reaching impact on various economic and social activities. As a member of an environmentally aware business community, the Group is committed to reducing GHG emissions, and aligning its businesses with sustainable growth development.

The material climate change risks which the Group is exposed to are tied to its Manufacturing Activities in the PRC. The Group has identified the climate-related risks and the measures to cope with them. The risks of changing climate that might affect its operations mainly fall into two types; namely transition risks and physical risks, as referenced to the report framework developed by the Task Force on Climate-related Financial Disclosures.

6. 環境層面(續)

6.2 資源使用(A2)(續)

6.2.2 (續)

其他資源—所實行的措施包括避免採購高耗能材料、定期監察生產設備的性能、升級及淘汰不環保機器以提升對能源及資源的使用。包裝材料主要包括用於本集團製成品的紙張、玻璃和塑料。作為一項良好做法，本集團在採購過程中盡量選擇環保材料，並通過管理採購數量以最大限度地減少浪費。

6.3 環境及自然資源(A3)

本集團致力於減少其活動可能對環境造成的不利影響，控制自然資源的消耗水平，並在工作場所提高員工的環保意識。在生產方面，本集團會定期檢查和監控生產過程，以確保嚴格遵守有關排放的法律法規。就辦公室而言，管理層不斷提醒同事保護環境，鼓勵彼等回收紙張及塑料、關閉不用的電器等。管理層亦經常向同事灌輸各種環保知識，鼓勵同事參與植樹等活動。

6.4 氣候變化(A4)

本集團深明，氣候變化為全球可持續發展帶來的風險與日俱增，不僅引發極端天氣，其造成的後果亦對各類經濟及社會活動產生深遠影響。作為具備環保意識的商界一員，本集團致力於減少溫室氣體排放，使其業務與可持續增長發展保持一致。

本集團所面臨的重大氣候變化風險與中國製造活動息息相關。本集團已識別氣候相關風險以及應對有關風險的措施。根據氣候相關財務披露工作組制定的報告框架，可能影響其運營的氣候變化風險主要分為兩類，即過渡風險及實體風險。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

6. ENVIRONMENTAL ASPECTS (Continued)

6.4 Climate Change (A4) (Continued)

Transition Risks — The transition risks are brought by the nation's target to peak its carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060. It is expected that the Chinese authorities will implement more stringent policies and regulations to control GHG emissions, which will result in rising compliance-related capital investment and operating costs. In addition, the operations may also be exposed to higher risks of climate change claims and litigations as well as reputational risks. To mitigate the impact, the Group will actively manage the compliance with the current policies and regulations, and at the same time, closely monitor and prepare for the emerging trends and development of relevant policies and regulations to the industry so as to avoid cost increments, non-compliance fines or reputational damages due to poor or delayed response.

Physical Risks — The physical risks relate to extreme weather events like floods or droughts, storms, extreme heat or extreme low temperature. The increased frequency, duration and severity of such events might cause disruptions to the supply chain and production, and endanger human life and health.

As a result, management has formulated the “Emergency Plan for Environmental Emergencies” (the “Plan”) in accordance with the relevant national, provincial and municipal laws and administrative regulations, which set out the emergency response procedures to protect staff safety, and to avoid or reduce losses. The Plan will be reviewed and updated annually to ensure its effectiveness. In addition, annual training and drills will be carried out to enhance employees' awareness and their response capabilities in times of emergencies.

Due to the size and nature of operations, the Non-Manufacturing Activities are the least vulnerable to the impacts of climate change. Nevertheless, the Group has remained committed to minimising the environmental footprints of the operations with a particular focus on reducing energy consumption, carbon emissions, paper use, and waste.

Looking forward, the Group shall continue to monitor and assess the evolving risks that climate change may bring to the Group's business, reforming the business practices to minimise the impact of the Group's operations on the environment, and adopting policies that can help mitigate climate change.

6. 環境層面(續)

6.4 氣候變化(A4)(續)

轉型風險—國家目標在二零三零年之前達到二氧化碳排放的峰值，並在二零六零年之前實現碳中和，由此帶來轉型風險。預期中國當局將實施更嚴格的政策及法規以控制溫室氣體排放，此舉將導致與合規有關的資本投資及營運成本上升。此外，旗下營運亦可能面臨更高的氣候變化索賠及訴訟風險以及聲譽風險。為減輕影響，管理層將積極設法遵守現行政策及法規，同時密切監測及準備應對行業相關政策及法規的新趨勢及發展，避免因應對不力或延誤而導致成本增加、違規罰款或聲譽受損。

實體風險—實體風險與極端天氣事件有關，如洪水或乾旱、風暴、酷熱或極端低溫。有關事件的發生頻率、持續時間及嚴重程度上升可能會導致供應鍊及生產中斷，並危及人類性命及健康。

因此，管理層根據相關全國及省市法律及行政法規，制定《環境緊急情況應變計劃》(「該計劃」)，當中載列保障員工安全、避免或減少損失的應急程序。該計劃將每年進行審視及更新，以確保行之有效。此外，每年亦會進行培訓及演練，藉此提高員工意識及在緊急情況下的應變能力。

由於營運規模及性質，非製造業活動最不容易受到氣候變化的影響。儘管如此，本集團仍然致力於盡可能減少營運造成的環境足跡，尤其關注減少能源消耗、碳排放、紙張使用及廢棄物。

展望未來，本集團將繼續監察及評估氣候變化可能為本集團業務所帶來不斷演變的風險、改革經營慣例以盡量減少本集團營運對環境的影響，以及採取有助於緩解氣候變化的政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS

Employment and Labour Practices

7.1 Employment (B1)

As at 31 March 2023, the Group employed 180 full-time and 1 part-time employees, and the Group's manufacturing segment accounts for more than 92% of the Group's total workforce. The statistics of the Group's total workforce and the employee turnover rate of the manufacturing segment are set out below:

Total workforce by gender and age group (of the Group)

Gender	性別	Age 年齡			Total 總計
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	6	30	29	65
Female	女	7	91	18	116
Total	總計	13	121	47	181

Employee turnover rate (%) by gender and age group (manufacturing segment only*)

Gender	性別	Age 年齡			Total 總計
		Below 30 30歲以下	Between 30-50 30至50歲	Over 50 50歲以上	
Male	男	0%	40%	17%	27%
Female	女	14%	10%	0%	9%
Total	總計	8%	18%	11%	16%

Note: The employee turnover rate is calculated by (the number of departures in the year ÷ number of employees at the end of the year in the category) × 100%.

* Information relating to the manufacturing segment is disclosed, as the employee turnover rate of the trading and gene development segments and Hong Kong headquarters is insignificant.

7. 社會層面

僱傭及勞工常規

7.1 僱傭(B1)

於二零二三年三月三十一日，本集團聘有180名長期僱員及1名兼職僱員，而製造分類的僱員佔本集團員工總數超過92%。本集團員工總數及製造分類的僱員流失率統計載列如下：

按性別及年齡層劃分之員工總數(本集團)

按性別及年齡層劃分之僱員流失率(%) (僅製造分類*)

附註：僱員流失率以(年內辭職員工數量 ÷ 該類別內年末員工數量) × 100%計算得出

* 由於貿易及基因開發分部以及香港總部的員工流失率乃微不足道，因此披露與製造分類有關的資料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.1 Employment (B1) (Continued)

The Group appreciates its employees as valuable assets to the Group's success and sustainable development. It is the Group's policy to attract and retain high caliber people for its business operations. The Group is committed to promoting equal opportunities and diversity in recruitment. The Group recruits people on the basis of job requirements without discrimination on grounds of age, gender, ethnic, politics or religion, trains and grows their capabilities, rewards and makes promotion based on their contributions. The Group remunerates its employees based on industry practices. The Group arranges working hours, rest periods, benefits and welfare including medical and retirement protection in accordance with prevailing labour laws of its operating units in which they operate. The Group has relevant recruitment procedures in place to prevent child and forced labour. The Group is committed to ensuring that all applicable legal requirements are observed in dealing with dismissal of any employee who violates the Group's regulations or persistently performs below job requirements.

During the 2023 Period, the Group was not aware of any non-compliance with the labour laws and regulations in the PRC and Hong Kong, including, the Labour Law of the PRC, Labour Contract Law of the PRC, and Employment Ordinance of Hong Kong.

7.2 Health and Safety (B2)

The Group is committed to providing and maintaining a safe and healthy working environment for all its employees.

For the Group's office operations, management strives to maintain smoke-free, healthy and safe working environment. All employees are encouraged to participate regularly emergency drills held by the office building management.

7. 社會層面(續)

僱傭及勞工常規(續)

7.1 僱傭(B1)(續)

本集團將人才視為本集團成功及可持續發展的寶貴資產。為本集團之業務經營吸引及挽留優秀人才亦是本集團之政策。本集團致力推動招聘機會平等及多元化。本集團以崗位要求為基準招募僱員，不因年齡、性別、種族、政治或宗教等理由而歧視僱員；本集團培訓及培養各僱員的辦事能力，並根據彼等之貢獻作出獎勵及安排晉升。本集團員工之薪酬乃根據行業慣例而定。本集團按照其經營單位的經營所在地的現行勞工法律安排工作時間、休息時間、利益及福利(包括醫療及退休保障)。本集團已設有相應招聘程序以防止聘用童工及強制勞工。集團致力於確保在解僱任何違反本集團規定或持續表現低於工作要求的員工時遵守所有適用的法律規定。

於二零二三年期間，本集團並無違反任何中國及香港的勞工法律及法規(包括中國《勞動法》、中國《勞動合同法》，及香港《僱傭條例》)。

7.2 健康與安全(B2)

本集團致力為其全體僱員提供及維持安全及健康的工作環境。

就本集團的辦公室營運而言，管理層致力營造無煙、健康及安全的工作環境。本集團鼓勵全體僱員定期參加辦公樓管理處舉行的應急演習。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.2 Health and Safety (B2) (Continued)

For the Group's GMP factory in the PRC, management has persistently upheld the principle of safe production and observed the requirements of the "Law of the Prevention and Control of Occupational Diseases" (《職業病防治法》) and "Fire Protection Law" (《消防法》), of the PRC. There is no allowance of any personal consideration but strict compliance of the requirements under the GMP standards and the relevant laws and regulations. Management has regularly conducted safety examinations for production equipment, conducted drills and provided training to employees in order to increase their awareness and involvement in accident prevention.

During the 2023 Period, the Group has not breached any laws and regulations in relation to occupational health and safety and there were no work-related fatalities in the Group's operations but 2 work injury cases (2022: 2 cases) in the manufacturing segment resulting in 102 lost days (2022: 1 day). Measures have been taken to strengthen the production safety with the aim of minimising risk of injury through safety publicity and education in order to enhance consciousness of all employees. The Group has also deployed internal resources to optimise the workplaces to maintain a safe and healthy working environment for the employees.

7. 社會層面(續)

僱傭及勞工常規(續)

7.2 健康與安全(B2)(續)

就本集團於中國的GMP工廠而言，管理層一貫堅持安全生產的原則及遵守中國《職業病防治法》及中國《消防法》的規定，當中要求嚴格遵守GMP標準和相關法律法規，且不得有任何個人考慮。管理層定期對生產設備進行安全檢查，並對員工進行演練及培訓，以提高員工的事故防範意識和參與程度。

於二零二三年期間，本集團並無違反任何有關職業健康及安全的法律法規，且本集團業務並未發生任何因工作關係而死亡事件，惟製造分類發生2宗工傷事故(二零二二年：2宗)，導致損失工作日數102日(二零二二年：1日)。本集團已採取措施加強生產安全，以期透過安全宣傳及教育提高全體僱員安全意識，從而最大限度地降低受傷風險。本集團亦調配內部資源優化工作場所，為旗下員工營造安全健康的工作環境。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.2 Health and Safety (B2) (Continued)

Preventive Measures on COVID-19

As a stakeholder of the society, the Group follows the government measures, both mandatory and voluntary, for fighting against the epidemic.

The PRC — In March 2023, the highly transmissible Omicron variant of COVID-19 had caused a surge of infections in some regions of China including Jilin, which had resulted in the government-mandated factory lockdown, and following the lockdown measures eased in phase by the Chinese authorities, the factory resumed normal production by late May 2022. To cope with the COVID-19 resurgence, management has continued to implement all necessary precautionary and preventive measures to safeguard the health and safety of the staff in the workplace under the guidelines and announcements of the Chinese authorities. Temperature screening before entering workplaces and provision of adequate disinfection supplies like face masks and hand sanitisers to employees have been maintained and followed through in all workplaces. A designated team of personnel monitors regular cleaning and disinfection of areas in the respective workplaces, while tele-conferencing is used in place of physical meetings and split team arrangements are enhanced, where possible. In addition, employees are educated the need to keep social distancing and hygiene practices and to comply with quarantine orders by the government agencies, where applicable. All these measures have facilitated infection control and are reviewed and adjusted taking into account the public health measures imposed by the Chinese authorities.

Hong Kong — As to the operations of the Group's headquarters, trading and gene segments, precautionary measures within office premises are also in place and adjusted in line with the guidance by the local government authorities, to minimise the risk of contracting and spreading COVID-19; including keeping social distancing and hygiene practices, wearing mask, carrying out regular cleaning and disinfection for door grips and working areas, granting flexible work-from-home arrangements for employees. During the 2023 Period, the COVID-19 has limited impact on the operations.

7. 社會層面(續)

僱傭及勞工常規(續)

7.2 健康與安全(B2)(續)

預防新型冠狀病毒肺炎的措施

作為社會的利益相關者，本集團遵循政府為防治疫情而採取的(不論屬強制或自願性質)措施。

中國—於二零二三年三月，高傳播力的新冠病毒變種奧米克戎(Omicron)已導致中國部分地區(包括吉林)感染案例激增，導致政府須強制封鎖工廠，而於中國當局分階段放寬封鎖措施後，工廠於二零二二年五月下旬恢復正常生產。為應對新冠病毒疫情反彈，管理層已根據中國當局的指引及公告繼續實施所有必要的預防及防範措施，以保障工作場所員工的健康及安全。員工在進入工作場所前須進行體溫檢測，並獲提供充足消毒用品(如口罩和洗手液)，該等措施已貫徹於所有工作場所。由指定人員組成的專責小組負責監督各工作場所區域是否已定期清潔和消毒，同時以電話會議代替實際會面，並在可能的情况下鞏固分組安排。此外，本公司亦教導員工維持社交距離及良好衛生習慣，並在適用情況下遵守政府機構的檢疫命令。所有有關措施均有助於控制感染，並會根據中國政府實施的公共衛生措施進行審查和調整。

香港—對於本集團總部、貿易及基因分類的營運，本集團亦已於辦公場所施行預防措施，有關措施會視乎當地政府的指引而進行調整，以盡量減少感染及傳播新型冠狀病毒肺炎的風險，措施包括保持社交距離及良好衛生習慣、佩戴口罩、對門把及工作場地定期進行清潔及消毒、為僱員提供彈性在家工作安排。於二零二三年期間，新型冠狀病毒肺炎對本集團營運的影響有限。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.3 Development and Training (B3)

The Group organises and provides on-the-job training to develop its employees' potential in order to support the Group's sustainable development. The Group also provides training subsidies to support its employees at senior level to receive external professional training to develop and refresh their knowledge and skills. Employees are encouraged to equip themselves with relevant academic and professional qualifications by attending external training programs to facilitate their personal growth and development. Relevant induction trainings are provided to new employees.

As to the Group's manufacturing segment in the PRC, regular training programs have been provided in the areas of production process operations, quality and safety management, applicable legal and regulatory requirements, important environmental factors and risk controls to relevant personnel including production technicians, safety management personnel and operating personnel.

As part of the training program of the Group's manufacturing segment in the PRC, the Group annually organised team building (outing) activities in group for its employees which usually took a few days, with the aim of enhancing employee engagement and team bonding, fostering their communication and problem solving skills at work and increasing their understanding of the Group's culture and value. Due to the prolonged pandemic control measures in the PRC over the past three years and for the safety and health of its employees, the team building activities could not be carried out. Given the recent uplifting of the control measures and movement restrictions in the PRC, the Group has planned to rearrange the team building activities during the next financial year to achieve its training objectives.

7. 社會層面(續)

僱傭及勞工常規(續)

7.3 發展與培訓(B3)

本集團組織及提供在職培訓，以發展其僱員潛能支持本集團的可持續性發展。本集團亦提供培訓津貼支持其高層僱員接受外部專業培訓，以拓展及更新彼等的知識及技能。本集團鼓勵僱員參加外部培訓課程，取得相關學術及專業資質，促進其自身成長及發展。本集團為新僱員提供相關入門培訓。

至於本集團於中國的製造分類，在生產流程操作、質量及安全管理、適用法律及法規要求、重要環境因素及風險控制等方面向生產技術人員、安全管理人員及操作人員等相關人員提供定期培訓課程。

本集團每年為其僱員組織團隊建設(戶外)活動，此乃本集團中國製造分類培訓計劃的一部分。此等活動通常為期幾日，目標乃加強員工參與及團隊凝聚力，促進彼等相互溝通，培養解決工作問題的能力，加強彼等對本集團文化及價值觀的理解。惟由於中國過往三年長期實行疫情控制措施，及為保障員工安全及健康，團隊建設活動未能實現。鑒於近期中國放寬控制措施及出行限制，本集團已計劃於下個財政年度重新安排團隊建設活動，以實現其培訓目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.3 Development and Training (B3) (Continued)

Summary of the training performance during the 2023

Period is as follows:

Percentage of employees trained	受訓員工佔比	2023 二零二三年
By gender	按性別劃分	
Male	男性	85%
Female	女性	86%
By category	按類別劃分	
Key executive/Senior management	主要行政人員/高級管理層	71%
Middle management	中級管理層	67%
General staff	一般員工	88%

Note: Percentage of employees trained = (number of employees trained by gender or by category ÷ number of employees at the end of the year by gender or by category) x 100%

附註：受訓員工佔比=(該性別或該類別內受訓員工數量÷該性別或該類別內年末員工數量)x 100%

(Total number of employees trained ÷ total number of employees at the end of the year) x 100% = 86%

(受訓員工總數÷年末員工總數) x 100% = 86%

Average number of training hours per employee	每名僱員平均受訓時間	2023 二零二三年
By gender	按性別劃分	
Male	男性	11
Female	女性	7
By category	按類別劃分	
Key executive/Senior management	主要行政人員/高級管理層	9
Middle management	中級管理層	5
General staff	一般員工	9

Note: Average number of training hours per employee = number of training hours by gender or by category ÷ number of employees at the end of the year by gender or by category.

附註：每名員工平均受訓時間=該性別或該類別內受訓時間÷該性別或該類別內年末員工數量

Total number of training hours ÷ total number of employees at the end of the year = 7.2 hours (2022: 3.9 hours)

受訓時間總數÷年末員工總數= 7.2小時(二零二二年：3.9小時)

7. 社會層面(續)

僱傭及勞工常規(續)

7.3 發展與培訓(B3)(續)

二零二三年期間培訓表現概要載

列如下：

7. SOCIAL ASPECTS (Continued)

Employment and Labour Practices (Continued)

7.4 Labour Standards (B4)

All employees of the Group are employed in accordance with the relevant laws and regulations on employment including, inter alia, working hours, rest periods and staff benefits. The Group prohibits the use of child and forced labour at all its operation units and has relevant recruitment procedures in place to prevent child and forced labour. During the recruitment process, the Group requires all applicants to provide true and accurate personal information including their proofs of identity for checking purpose, particularly for verifying the photo on the documents and reviewing the age. Regular reviews and checking are conducted to guard against child or forced labour in the Group's operations. The Group will take immediate action to terminate the employment of anyone who provides false information or in breach of the Group's regulations, and conduct an investigation.

During the 2023 Period, the Group has complied with laws and regulations in relation to the prevention of child and forced labour, including Labour Law of the PRC, Provisions on the Prohibition of Using Child Labour of the PRC, and Employment Ordinance of Hong Kong, and found no violations of laws and regulations regarding child and forced labour.

Operating Practices

7.5 Supply Chain Management (B5)

The Group has been working continuously with its suppliers for supply of goods ranging from raw materials, packaging materials and finished goods, with the objectives of improving the quality of raw materials, and delivering high quality products to its customers, for the Group's manufacturing and trading activities.

7. 社會層面(續)

僱傭及勞工常規(續)

7.4 勞工準則(B4)

本集團全體僱員均按相關僱傭法律法規聘用，涵蓋(其中包括)工作時間、休息時間及員工福利等多個方面。本集團在其所有業務單位禁止使用童工及強制勞工，並已設有相應招聘程序以防止聘用童工及強制勞工。在招聘過程中，本集團要求所有求職者提供真實及準確的個人信息(包括彼等之身份證明)以供核查，尤其是檢查文件上的照片及核實年齡。本集團進行定期審視及檢查，確保在本集團營運中並無發生聘用童工及強制勞工情況。倘發現有僱員提供虛假信息或違反本集團規例，本集團將即時採取措施終止僱傭關係，並展開調查。

於二零二三年期間，本集團已遵守有關防止聘用童工及強制勞工的相關法律及法規(包括中國《勞動法》、中國《禁止使用童工規定》，及香港《僱傭條例》)，當中並無發現任何有關童工及強制勞工法律及法規的違規行為。

營運慣例

7.5 供應鏈管理(B5)

本集團一直與供應商保持合作，為本集團的生產及貿易活動提供原材料、包裝材料及製成品，旨在提高原材料的質量，繼而為客戶提供優質產品。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Operating Practices (Continued)

7.5 Supply Chain Management (B5) (Continued)

Manufacturing Activities — The Group's manufacturing segment with GMP factory located in Changchun, the PRC, has established a quality management system to regulate the production and quality management of drugs and has implemented procedures in material procurement, evaluation and management of suppliers' quality. All procurement is conducted with PRC suppliers, and the Group has clearly notified its suppliers to comply with relevant quality standards and provide necessary permits if so required by the relevant laws and regulations for the goods supplied. Specific procedures have been implemented in quality control and inventory management in order to ensure the Group's products are consistently manufactured in accordance with the registration requirements, and to minimise the risks of contamination, detect, monitor and rectify errors in production process. The Group's procurement procedures follow through relevant laws and regulations. Through the internal filing of suppliers' quality, quality standard, on-site audit, quality assessment, inspections and trials and handling of quality problems, the identification and management of major raw materials and the environmental or social risks caused by suppliers have been facilitated. The Group makes procurement on an open, fair and impartial basis without any discrimination against any particular supplier, and only select those suppliers with good business track records without material non-compliance cases or unethical behaviours.

The Group is committed to supporting local economies by prioritising procurement from local suppliers to reduce the carbon footprint from transportation. The Group continuously monitors the policies implemented by the PRC government and will consider adopting the recommendations of official organisations, to purchase environmentally friendly products or services that have less impact on the environment.

7. 社會層面(續)

營運慣例(續)

7.5 供應鏈管理(B5)(續)

製造活動—本集團的製造分類在中國長春設有GMP工廠，當中已建立質量管理體系，以規範藥品的生產及質量管理，並已實施物料採購、供應商質量評估及管理的程序。全部採購與中國供應商進行，本集團已明確通知供應商遵守相關質量標準，並按相關法律法規規定提供所供貨物的必要許可證。本集團亦實施特定的質量控制和庫存管理程序，以確保本集團的產品始終按照註冊規定生產，同時將污染風險降至最低，並檢測、監控和糾正生產過程中的錯誤。本集團的採購程序符合相關法律法規。藉實施供應商質量內部備案、質量標準、到貨審核、質量評估、檢驗試驗、質量問題處理等措施，本集團得以物色及管理各主要原材料，降低了供應商帶來的環境或社會風險。本集團採購堅守公開、公平、公正原則，並不差別對待任何供應商，並僅挑選經營記錄良好、無重大違規或不道德行為的供應商。

本集團致力支持當地經濟，優先從當地供應商採購，減少運輸過程中的碳足跡。本集團持續關注中國政府實施的政策，並將考慮採納官方組織的建議，採購對環境影響較小的環保產品或服務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Operating Practices (Continued)

7.5 Supply Chain Management (B5) (Continued)

Trading Activities — For imported pharmaceutical products, the Group adheres to the principle to minimise the negative impact of the entire supply chain on the environment and society by selecting and engaging suppliers who manufacture their products under conditions and practices required by the GMP regulations and operate in compliance with their local environmental and labour laws. During the 2023 Period, only small quantity of imported goods was purchased for a startup sales to test the market.

During the 2023 Period, the Group co-operated with about 23 suppliers (2022: 20), of which 95% (2022: 100%) were from the PRC and the other was from Spain.

7.6 Product Responsibility (B6)

The Group places great emphasis on maintaining and improving the quality of its products. The Group has implemented a comprehensive quality control and inspection procedures to ensure product quality and safety from procurement of raw materials, packaging materials and finished products. All products manufactured and sold by the Group to its customers in the PRC have met the GMP production standards and complied with the registration requirements with the National Medical Products Administration of the PRC. During the 2023 Period, the Group was not aware of any material non-compliance with laws and regulations in relation to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress that had a significant impact on the Group, including but not limited to the Drug Administration Law, Advertising Law of the PRC, Law of the PRC on Protection of Consumer Rights and Interests, and Patent Law of the PRC.

7. 社會層面(續)

營運慣例(續)

7.5 供應鏈管理(B5)(續)

貿易活動—就進口藥品而言，本集團堅守原則，透過篩選及訂定根據GMP法規規定的條件及慣例製造其產品並遵照其當地環境及勞工法律營運的供應商，將整個供應鏈對環境及社會的負面影響減至最低。於二零二三年期間，本集團僅採購少量進口貨品，作為初創銷售以測試市場反應。

於二零二三年期間，本集團與約23個(二零二二年：20個)供應商合作，其中95%(二零二二年：100%)來自中國，其他則來自西班牙。

7.6 產品責任(B6)

本集團高度重視維持及提高其產品品質。本集團已落實全面的質控及檢驗程序，確保產品從採購原料、包裝材料到製成品各個方面的質量及安全。本集團為中國客戶製造及向其出售的所有產品均已符合GMP生產標準及符合中國國家藥品監督管理局註冊規定。於二零二三年期間，本集團並無發現任何重大違反與所提供產品及服務有關的健康及安全、廣告、標籤及私隱事宜以及補救方法有關的法律及法規而對本集團造成重大影響的情況，包括但不限於《中國藥品管理法》、《中國廣告法》、《中國消費者權益保護法》及《中國專利法》。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Operating Practices (Continued)

7.6 Product Responsibility (B6) (Continued)

Product and Service Quality — All products sold by the Group have clear instructions and specifications as to its composition, quality and safety use for end-user protection purpose, which are in compliance with the laws and regulations. A team of personnel was designated to handle enquiries and follow up customer feedbacks on quality from distribution to clinical usage, and to provide assistance on recall of pharmaceutical products. During the 2023 Period, the Group did not have recalled products due to safety and health reasons.

Customer Satisfaction for Product and Service — The Group highly values the quality of customer services to satisfy customers' needs and expectations to the best of ability. The Group has developed corresponding management system and standardized operation procedures to respond to complaints on the market and customer enquiries on quality information in a timely manner. During the 2023 Period, the Group did not record any material complaint related to products and services.

Protection of Intellectual Rights — The Group has set up mechanism to protect the intellectual properties that have been acquired for research, development and production, including patent rights, technology, trade secrets and materials in the research and development processes. The confidentiality-related mechanism requires employees to maintain a high degree of confidentiality and to use and carefully handle trade secret data.

Customer Privacy Protection — The Group implemented measures on protection of customers' data and privacy and carried out supervision. Guidelines were provided to the employees regarding the collection, management and destruction of the customer data. The Group restricts employee access to sensitive data and deploys data security measures to protect the customer's information.

During the 2023 Period, the Group has not breached the laws and regulations regarding product responsibility.

7. 社會層面(續)

營運慣例(續)

7.6 產品責任(B6)(續)

產品及服務品質 — 本集團銷售的所有產品均就其成分、質量及安全使用附有清晰的使用說明及藥品規格以保護終端用戶，此做法符合各項法律及法規。本集團指派專職小組人員處理有關由分銷至臨床用產品品質的查詢並跟進客戶反饋，並就召回藥品提供幫助。於二零二三年期間，本集團並無發生因安全及健康原因召回產品的情況。

產品及服務的客戶滿意度 — 本集團高度重視客戶服務品質，盡最大努力滿足客戶需求及期望。本集團已制定相應管理制度及標準化操作流程，及時回應市場投訴及客戶就品質信息的查詢。於二零二三年期間，本集團並無錄得任何產品及服務相關的重大投訴。

保護知識產權 — 本集團已建立知識產權保護機制，以保護為研發及生產而獲取的知識產權，包括研發過程中的專利權、技術、商業機密及材料。保密相關機制要求僱員保持高度保密性，謹慎使用及處理商業機密資料。

保護客戶私隱 — 本集團實施客戶資料及私隱保護措施並進行監督。本集團向員工提供有關收集、管理及銷毀客戶資料的指引。本集團限制員工存取敏感資料，並採取數據安全措施保護客戶資料。

於二零二三年期間，本集團並無違反有關產品責任的法律法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Operating Practices (Continued)

7.7 Anti-corruption (B7)

The Company recognises the importance of good business ethics, which along with good corporate governance, are essential foundation to success. The Group values an ethical approach to business activities to create a safe, trusting and cooperative work environment and thereby building up a healthy corporate culture.

The Company has established ethics code to promote integrity and accountability, which requires all group companies and employees, to strictly comply with the local laws and regulations. The code contains, inter alia, provisions for bribery extortion, fraud, or any other malpractices and whistleblowing procedures. The Group adopts a zero tolerance approach towards any form of bribery, corruption and fraud. The Company has also developed policies and systems that promote and support the applicable laws and regulations on anti-corruption, including the Company Law, Criminal Law, Anti-Unfair Competition Law, and any relevant anti-corruption and bribery laws and regulations, of the PRC, and the Prevention of Bribery Ordinance of Hong Kong. In particular, all unfair competition behaviours such as commercial bribery were prohibited in the sales and procurement processes.

The anti-corruption policy formulated by the Company specifies the obligations of the Group and those working for and on the Group's behalf in observing and upholding the Group's standing; and provides information and guidance on how to identify and address the bribery and corruption issue, while the whistleblowing policy provides reporting channels and guidance on reporting suspected misconducts, and reassurance to persons who report his/her concerns in accordance with the aforesaid policies of protection against unfair disciplinary action or victimisation for any genuine reports made; and allow fair and independent investigation of any impropriety, misconduct or malpractice in any matters related to the Group and appropriate follow-up actions. The Board and the Audit Committee will review and monitor the implementation and effectiveness of the whistleblowing system on a regular basis.

7. 社會層面(續)

營運慣例(續)

7.7 反貪污(B7)

本公司深明良好商業道德的重要性，其與良好的企業管治一起構成達成成功的重要基礎。本集團重視於業務活動中採取合乎道德的方針，以締造安全、信任及合作的工作環境，建立健康企業文化。

本公司已制定道德規範守則，倡導誠信及加強問責，要求所有集團公司及全體僱員嚴格遵守當地法律及法規。守則載有(其中包括)有關賄賂、勒索、欺詐或任何其他舞弊行為及檢舉程序等多方面條文。本集團對任何形式的賄賂、貪污及欺詐採取零容忍態度。本公司已制定相應政策及系統，可推動及支持適用反貪污的相關法律及條例，包括中國《公司法》、《刑事法》、《反不正當競爭法》及任何反貪污相關法律及條例，以及香港《防止賄賂條例》。尤其禁止銷售及採購過程中所有不正當競爭行為(如商業賄賂)。

本公司制定的反貪污政策訂明本集團及其他為及代表本集團工作的人士須遵守及維護本集團名譽的責任，該政策亦提供有關如何識別及處理賄賂及貪污問題的資料及指引，而檢舉政策則提供有關匯報可疑不當行為的匯報渠道及指引，並根據上文所述針對不正當紀律行為或因作出真實匯報而受害的保護政策，向提出其擔憂的人員保證其安全；以及允許公正及獨立調查有關本集團的任何不當、錯誤或舞弊行為以及相應後續行動。董事會及審核委員會將定期檢討及監察檢舉系統的落實情況及有效性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

7. SOCIAL ASPECTS (Continued)

Operating Practices (Continued)

7.7 Anti-corruption (B7) (Continued)

The Group provides regular training to employees to update them with the current trends and bribery issues faced by the Group, which covers legal knowledge about anti-corruption and integrity behaviours in the workplaces, and ensure that they apply the ethics code and observe the Group's policies in their work. The Group also encourages prompt internal reporting of any suspected misconduct, irregularities and malpractices. Training on the Group's policies forms part of the induction process for new employees. Directors of the Company studied relevant regulatory updates and/or attended external training seminar organised by professional bodies to refresh their knowledge in relation to anti-corruption laws and regulations.

During the 2023 Period, the Group did not identify any non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering and there were no reported cases of corrupt practices brought against the Group or its employees.

8. COMMUNITY – COMMUNITY INVESTMENT (B8)

As a socially responsible corporation, the Company is committed to leverage its resources to facilitate the community development and strongly encourages all staff members to participate in volunteering and charitable activities, such as “Dress Casual Day” and “Blood Donation”.

During the 2023 Period, staff members supported the recycling programmes by the environmental group, Greeners Action, including the Lai See Packet Reuse and Recycling Programme and the Mooncake Boxes Collection Campaign, for which unused and undamaged lai see packets and the used mooncake boxes, were collected and deposited at the designated collection stations, respectively. Further, staff members donated surplus edible mooncakes in the Mooncake Sharing Programme by the local food rescue charity, Food Angel, for the underprivileged and those in need, and also donated books in the Books for Love @10 campaign for charity sale.

7. 社會層面(續)

營運慣例(續)

7.7 反貪污(B7)(續)

本集團定期向僱員提供培訓，以使彼等了解本集團面臨的最新趨勢及賄賂問題，其中涵蓋工作場所反貪污及誠信行為相關法律知識，並確保彼等於工作中貫徹應用道德守則，並遵守本集團政策。本集團亦鼓勵及時內部舉報任何可疑不當行為、異常及舞弊行為。新員工介紹流程包括接受本集團政策相關培訓。本公司董事已研讀相關最新條例及/或已參加由專業機構舉辦的外部培訓研討會，更新其有關反貪污法律及條例的認知。

於二零二三年期間，本集團並無違反任何有關賄賂、勒索、欺詐及洗錢的相關法律及法規，且並無針對本集團或其僱員的腐敗行為舉報案件。

8. 社區 – 社區投資(B8)

作為一個具社會責任感的企業，本公司致力利用其資源促進社區發展並積極鼓勵全體員工參與「公益金便服日」及「愛心捐血」等志願及慈善活動。

於二零二三年期間，員工支持環保團體綠領行動的回收計劃，包括利是封回收重用大行動及月餅盒回收活動，分別回收未經使用及未有破損的利是封及二手月餅盒，並存放於指定回收站。此外，員工響應本地食物援助慈善組織惜食堂舉辦的月餅分享計劃，捐贈剩餘可食用月餅，以幫助弱勢社群及有需要人士，同時亦於「書出愛心十元義賣」活動中捐贈書籍作慈善義賣。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

9. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE

The following table summarises the Group’s significant KPIs information as set out in this report:

9. 環境關鍵績效指標(「關鍵績效指標」)表

下表概述本報告內所載本集團主要關鍵績效指標資料：

KPIs	關鍵績效指標	2023 二零二三年	2022 二零二二年
Environment	環境		
Air pollutants (Kg)	空氣污染物(千克)		
SOx	硫氧化物	71	10
NOx	氮氧化物	465	311
PM	顆粒物	—	—
Greenhouse gas (Tonne CO₂)	溫室氣體(噸二氧化碳)		
Total emission:	總排放量：	3,031	2,564
Direct emission (Scope 1)	直接排放(範圍1)	1,197	994
Indirect emission (Scope 2)	間接排放(範圍2)	1,831	1,565
Indirect emission (Scope 3)	間接排放(範圍3)	3	5
Intensity per employee	每名僱員強度	17	15
Wastes (Tonne)	廢棄物(噸)		
Total hazardous waste produced	所產生有害廢棄物總量	43,379	30,617
Intensity (Hazardous waste) per employee	每名僱員強度(有害廢棄物)	240	182
Total non-hazardous waste produced	所產生無害廢棄物總量	145	140
Intensity (Non-hazardous waste) per employee	每名僱員強度(無害廢棄物)	1	1
Energy consumption	能源消耗		
Total energy consumption:	能源消耗總量：		
Fuel consumed for vehicles (Liter)	汽車燃料消耗(升)	31,958	32,880
Intensity (Fuel) per employee	每名僱員強度(燃料)	177	196
Electricity (MWh)	電力(兆瓦時)	2,582	2,204
Intensity (Electricity) per employee	每名僱員強度(電力)	14	13
Natural gas (thousand m ³)	天然氣(千立方米)	458	373
Intensity (Natural gas) per employee	每名僱員強度(天然氣)	3	2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

9. ENVIRONMENTAL KEY PERFORMANCE INDICATORS (“KPIs”) TABLE (Continued)

9. 環境關鍵績效指標(「關鍵績效指標」)表(續)

KPIs	關鍵績效指標	2023	2022
		二零二三年	二零二二年
Social	社會		
Total workforce (persons) – Group	工作員工(人員)總數 – 本集團	181	168
By gender:	按性別劃分：		
Male	男	65	64
Female	女	116	104
By age group:	按年齡層劃分：		
<30	30歲以下	13	12
30–50	30至50歲	121	111
>50	50歲以上	47	45
By employment type:	按僱傭類型劃分：		
Permanent	全職	180	168
Part-time	兼職	1	—
Employee turnover rate(%) – Manufacturing	僱員流失率(%) – 製造		
By gender:	按性別劃分：		
Male	男	27%	10%
Female	女	9%	5%
By age group:	按年齡層劃分：		
<30	30歲以下	8%	0%
30–50	30至50歲	18%	7%
>50	50歲以上	11%	9%
Employees trained (%)	受培訓僱員(%)		
By gender:	按性別劃分：		
Male	男性	85%	77%
Female	女性	86%	89%
By category	按類別劃分		
Key Executive/Senior management	主要行政人員/高層管理人員	71%	71%
Middle management	中層管理人員	67%	68%
General staff	一般員工	88%	87%
Average number of training hours per employee	每名僱員平均受訓時間		
By gender:	按性別劃分：		
Male	男性	11	5
Female	女性	7	5
By category:	按類別劃分：		
Key Executive/Senior management	主要行政人員/高層管理人員	9	9
Middle management	中層管理人員	5	4
General staff	一般員工	9	5
By employment type:	按僱傭類型劃分：		
Permanent	全職	99%	100%
Part-time	兼職	1%	—
Health and safety	健康與安全		
Number of work-related fatalities	因工作關係死亡人數	—	—
Lost days due to work injury (days)	因工傷損失的工作日數(日)	102	1

REPORT OF THE DIRECTORS 董事會報告

The directors present their annual report and the audited consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2023.

董事會謹此提呈精優藥業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零二三年三月三十一日止年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and an associate are set out in notes 39 and 22 to the consolidated financial statements respectively.

主要業務及業務回顧

本公司之主要業務為投資控股，其主要附屬公司及一間聯營公司之業務分別載於綜合財務報表附註39及22。

The business review of the Group and the discussion and analysis of the Group’s performance for the year ended 31 March 2023 are set out in the sections “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 7 and pages 8 to 22 of this annual report respectively.

本集團截至二零二三年三月三十一日止年度之業務回顧及本集團表現之討論及分析分別載於本年報第4至7頁及第8至22頁之「主席報告」及「管理層討論及分析」各節。

A discussion on the Group’s environmental policies and performance, and information about laws and regulations affecting the businesses of the Group and their compliance are included in the Environmental, Social and Governance Report on pages 51 to 76 of this annual report. Furthermore, financial risk management and capital management of the Group are set out in notes 41 and 42 to the consolidated financial statements.

有關本集團環境政策及表現之討論以及有關影響本集團業務及其合規性之法律及法規之資料載於本年報第51至76頁之環境、社會及管治報告。此外，本集團之財務風險管理及資金管理載於綜合財務報表附註41及42。

The above discussions and information form part of this report.

上述討論及資料組成本報告之一部分。

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 98 to 99.

業績及股息

本集團截至二零二三年三月三十一日止年度之業績載於第98至99頁之綜合損益及其他全面收益表。

The directors do not recommend the payment of dividend in respect of the year after taking into account factors including the Group’s financial performance, operating and capital requirements and market conditions. Currently, no formal dividend policy is adopted by the Company.

經考慮多項因素（包括本集團財務表現、營運及資金需求以及市況）後，董事並不建議就本年度派發股息。本公司目前並無採納正式股息政策。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 208.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

EQUITY-LINKED ARRANGEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into during the year.

Details of the convertible bonds of the Company with principal amount of HK\$577,170,000 outstanding are disclosed in note 33 to the consolidated financial statements.

五年財務概要

本集團過去五個財政年度之業績、資產、負債及非控股權益概要載於第208頁。

投資物業

本集團之投資物業於年度內之變動詳情載於綜合財務報表附註16。

物業、廠房及設備

本集團之物業、廠房及設備於年度內之變動詳情載於綜合財務報表附註17。

股本

本公司股本於年度內之變動詳情載於綜合財務報表附註35。

股票掛鈎安排

於年度內並無訂立可能導致本公司發行股份之股票掛鈎協議。

有關本公司未償還本金額為577,170,000港元之可換股債券之詳情於綜合財務報表附註33內披露。

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 August 2022, a new share option scheme (“New Scheme”) had been adopted by the Company, which became effective on 2 September 2022 upon obtaining listing approval from the Stock Exchange, and unless otherwise cancelled or amended, will remain in force for 10 years from that date, while the share option scheme adopted by the Company with effective adoption date of 29 August 2012 which had a term of 10 years expired on 28 August 2022 (“Old Scheme”). No share options had been granted, exercised, cancelled or lapsed under the Old Scheme. Information about the New Scheme is set out in note 12 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2023, the reserves of the Company available for cash distribution and/or distribution in specie amounted to HK\$74,716,000 which was computed in accordance with the Bermuda Companies Act. In addition, the Company’s share premium account with a balance of HK\$191,738,000 as at 31 March 2023 may be distributed in the form of fully paid bonus shares.

RELATIONSHIP WITH EMPLOYEES

During the year, the Group had not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor had it experienced any difficulties in the recruitment. The directors consider that the Group has maintained good working relationship with its employees.

購股權計劃

根據本公司於二零二二年八月三十日舉行之股東週年大會上通過之普通決議案，本公司已採納一項新購股權計劃（「新計劃」）。新計劃在取得聯交所之上市批准後於二零二二年九月二日生效，除非以其他方式取消或修訂，否則自該日起計十年內一直有效；而本公司所採納自有效採納日期二零一二年八月二十九日起為期十年之購股權計劃已於二零二二年八月二十八日屆滿（「舊計劃」），舊計劃項下概無任何已授出、行使、註銷或失效之購股權。有關新計劃之資料載於綜合財務報表附註12。

可供分派儲備

於二零二三年三月三十一日，依據百慕達公司法計算，本公司可供作現金分派及／或實物分派之儲備金額為74,716,000港元。此外，於二零二三年三月三十一日，本公司可供以繳足股本之紅股方式作分派之股份溢價賬餘額為191,738,000港元。

與僱員之關係

於年度內，本集團並無與其僱員出現任何重大問題或因勞工糾紛而令其業務中斷，且其在招聘員工方面並無面臨任何困難。董事認為本集團與其僱員維持良好的工作關係。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining good relationships with its customers and suppliers to the overall development of its business. During the year, there were no disputes between the Group and its customers and/or suppliers that would have caused significant adverse impact to the Group's business.

For the year ended 31 March 2023, revenue attributable to the Group's five largest customers accounted for approximately 25% of the Group's revenue, and revenue attributable to the Group's largest customer accounted for approximately 7% of the Group's revenue.

For the year ended 31 March 2023, purchases attributable to the Group's five largest suppliers accounted for approximately 85% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 33% of the Group's purchases.

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers and the suppliers.

DIRECTORS

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

Executive directors:

Xie Yi
Cheng Yong
Lou Yi
Liu Kwok Wah (resigned on 30 September 2022)
Wong Sau Kuen

Dr. Xie Yi, Dr. Lou Yi and Ms. Wong Sau Kuen are also directors in certain subsidiaries of the Company.

Mr. Liu Kwok Wah was a director in certain subsidiaries of the Company until his resignation on 30 September 2022.

Independent non-executive directors:

Fang Lin Hu
Xue Jing Lung (passed away on 4 December 2022)
Jin Song
Dr. Guo Yi (appointed on 14 April 2023)

主要客戶及供應商

本集團深明與其客戶及供應商維持良好關係對其業務之整體發展十分重要。於年度內，本集團與其客戶及／或供應商並無發生會對本集團業務造成重大不利影響的糾紛。

截至二零二三年三月三十一日止年度，本集團五大客戶應佔之收益額佔本集團收益額的約25%，而本集團最大客戶應佔之收益額佔本集團收益額的約7%。

截至二零二三年三月三十一日止年度，本集團五大供應商應佔之採購額佔本集團採購額的約85%，而本集團最大供應商應佔之採購額佔本集團採購額的約33%。

各董事、彼等之緊密聯繫人或任何股東(就董事所知擁有本公司已發行股本5%以上者)概無於本集團五大客戶及供應商中擁有任何權益。

董事

於年度內及截至本報告日期在任之本公司董事如下：

執行董事：

謝毅
程勇
樓屹
廖國華先生(於二零二二年九月三十日辭任)
王秀娟

謝毅博士、樓屹博士及王秀娟女士亦為本公司若干附屬公司之董事。

廖國華先生為本公司若干附屬公司之董事直至彼於二零二二年九月三十日辭任為止。

獨立非執行董事：

方林虎
薛京倫先生(於二零二二年十二月四日辭任)
金松
郭懿博士(於二零二三年四月十四日獲委任)

DIRECTORS (Continued)

The Company has received from the independent non-executive directors (“INEDs”), Mr. Fang Lin Hu, Ms. Jin Song and Dr. Guo Yi annual confirmations of independence in writing pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and is satisfied that each of them meets the independence criteria under the Listing Rules, and still considers them to be independent.

In accordance with the Company’s bye-law 111, other than the Chairman, the directors of the Company, including the independent non-executive directors (“INEDs”), are subject to retirement by rotation and re-election at the annual general meeting of the Company. In accordance with the provisions of the Company’s bye-laws, Dr. Lou Yi will retire as director by rotation at the forthcoming annual general meeting of the Company and, being eligible, will offer himself for re-election. In accordance with the Company’s bye-law 115, Dr. Guo Yi who was appointed as an INED with effect from 14 April 2023, will hold office only until the forthcoming annual general meeting of the Company and, being eligible, will offer himself for re-election. The re-election of the retiring directors will be individually voted on by the shareholders of the Company.

DIRECTORS’ SERVICE CONTRACTS

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

DIRECTORS’ REMUNERATION

The directors’ fees are subject to shareholders’ approval at general meetings. Other emoluments are determined by the Company’s board of directors with reference to directors’ duties, responsibilities and performance and the results of the Group, and pursuant to the recommendation made by the remuneration committee.

董事(續)

本公司已收到獨立非執行董事(「獨立非執董」)即方林虎先生、金松女士及郭懿博士根據聯交所證券上市規則(「上市規則」)第3.13條發出之獨立性年度書面確認書，並信納彼等均符合上市規則項下獨立性準則，以及認為彼等仍為獨立人士。

根據本公司之公司細則第111條之規定，除主席外，本公司董事(包括獨立非執行董事(「獨立非執董」))須輪值退任，並於本公司之股東週年大會上重選連任。根據本公司之公司細則條文，樓屹博士將於本公司應屆股東週年大會上輪值退任董事，並符合資格且願意重選連任。根據本公司之公司細則第115條之規定，郭懿博士(於二零二三年四月十四日獲委任為獨立非執董)僅將繼續任職至本公司應屆股東週年大會為止，惟彼符合資格且願意重選連任。本公司股東將就每位退任董事重選連任個別投票表決。

董事之服務合約

擬於應屆股東週年大會上重選連任之董事概無與本公司訂立不可由本公司於一年內免付賠償(法定責任除外)而終止之服務合約。

董事薪酬

董事袍金須於股東大會上獲得股東批准。其他酬金乃由本公司董事會參考董事之職務、職責及表現以及本集團之業績並根據薪酬委員會所作推薦意見而釐定。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, no director had material interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no directors or their close associates are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY

Pursuant to the Company's bye-laws, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2023, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

董事之合約利益

除綜合財務報表所披露者外，概無董事於本公司或其任何附屬公司於年度內所訂立對本集團業務具重大影響之任何合約中，直接或間接擁有重大權益。

董事於競爭業務之權益

於年度內，概無董事或彼等之緊密聯繫人被視為於與本集團業務構成或可能構成直接或間接競爭之業務中擁有權益。

獲准許彌償

根據本公司之公司細則，本公司各董事或其他高級人員有權就履行其職務或在其他有關方面而可能蒙受或產生或相關之所有損失或負債自本公司之資產中獲得彌償。此外，本公司已為本集團董事及高級人員投保適當的董事及高級人員責任保險。

董事於股份、相關股份及債權證之權益及淡倉

於二零二三年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有登記於本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須另行知會本公司及聯交所之權益及淡倉如下：

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事於股份、相關股份及債權證 之權益及淡倉(續)

Long positions in the ordinary shares of the Company

於本公司普通股之好倉

Name of director 董事姓名	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held/entitled 所持/有權持有 之普通股數目	Approximate percentage of interests held 所持權益之 概約百分比
Xie Yi 謝毅	(a)	Through controlled corporations 透過受控制公司	900,000,000	37.66%
Cheng Yong 程勇	(b)	Directly beneficially owned 直接實益擁有	830,000	0.04%
		Through controlled corporations 透過受控制公司	140,760,000	5.89%
		Held by spouse 由配偶持有	5,090,000	0.21%
			<u>146,680,000</u>	<u>6.14%</u>

Notes:

- (a) These 900,000,000 shares represent conversion shares to be allotted and issued to the bondholder, United Gene International Holdings Group Limited ("UG International") upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. The entire issued share capital of UG International is owned by JNJ Investments Ltd which is wholly owned by Biowindow Gene Development (Hong Kong) Limited ("HK Biowindow"), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by Ease Gold Investments Limited, which is wholly owned by Dr. Xie Yi.

At 31 March 2023, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, UG International will hold approximately 27.36% of the enlarged share capital of the Company.

- (b) 1,060,000 shares and 139,700,000 shares of the Company's shares in issue are respectively held by Merchandise Holdings Limited and United Gene Industry Group Limited, both are companies incorporated in the British Virgin Islands and are wholly owned by Mr. Cheng Yong.

Save as disclosed above, as at 31 March 2023, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (a) 該等900,000,000股股份指債券持有人United Gene International Holdings Group Limited (「UG International」) 根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)按換股價每股0.6413港元悉數行使換股權後將獲配發及發行之換股股份。UG International之全部已發行股本由JNJ Investments Ltd擁有，JNJ Investments Ltd由香港博德基因開發有限公司(「香港博德」)全資擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由Ease Gold Investments Limited擁有33%權益，而Ease Gold Investments Limited由謝毅博士全資擁有。

於二零二三年三月三十一日，本公司已發行股份合共為2,390,000,000股。假設本公司可換股債券附帶之換股權獲悉數行使，UG International將持有本公司經擴大股本約27.36%。

- (b) 本公司1,060,000股及139,700,000股已發行股份分別由Merchandise Holdings Limited及United Gene Industry Group Limited持有，兩家公司均於英屬處女群島註冊成立並由程勇先生全資擁有。

除上文所披露者外，於二零二三年三月三十一日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予登記之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate granted to any directors or their respective spouses 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, their respective spouses or minor children to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2023, the following other persons' interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Long positions in the ordinary shares of the Company

Name of shareholder	Notes	Capacity and nature of interest	Number of ordinary shares held/entitled	Approximate percentage of interests held
股東姓名	附註	身份及權益性質	所持／有權持有之普通股數目	所持權益之概約百分比
Mao Yumin 毛裕民		Directly beneficially owned 直接實益擁有	189,920,000	7.94%
	(a)	Through controlled corporations 透過受控制公司	900,000,000	37.66%
			1,089,920,000	45.60%
Huang Zhenping 黃振平		Directly beneficially owned 直接實益擁有	150,000,000	6.28%

董事購入股份及債權證之權利

於年度內任何時間，任何董事或彼等各自之配偶或未成年子女概無獲授可藉購入本公司或任何其他法團股份或債權證而獲益之權利，或彼等並無行使任何該等權利，或本公司或其任何附屬公司亦無訂立任何安排，致使董事、彼等各自之配偶或未成年子女可於任何其他法團獲得該等權利。

主要股東及其他人士於股份、相關股份及債權證之權益及淡倉

於二零二三年三月三十一日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所記錄，於本公司股份及相關股份中擁有5%或以上權益及淡倉之其他人士如下。

於本公司普通股之好倉

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

主要股東及其他人士於股份、相關股份及債權證之權益及淡倉(續)

Note:

- (a) These 900,000,000 shares represent conversion shares to be allotted and issued to the bondholder, United Gene International Holdings Group Limited ("UG International") upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. The entire issued share capital of UG International is owned by JNJ Investments Ltd which is wholly owned by Biowindow Gene Development (Hong Kong) Limited ("HK Biowindow"), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by United Gene Holdings Limited, which is wholly owned by Dr. Mao Yumin.

At 31 March 2023, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, UG International will hold approximately 27.36% of the enlarged share capital of the Company.

Save as disclosed above, as at 31 March 2023, no person, other than certain directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

附註：

- (a) 該等900,000,000股股份指債券持有人United Gene International Holdings Group Limited (「UG International」)根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)按換股價每股0.6413港元悉數行使換股權後將獲配發及發行之換股股份。UG International之全部已發行股本由JNJ Investments Ltd擁有，JNJ Investments Ltd由香港博德基因開發有限公司(「香港博德」)全資擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由United Gene Holdings Limited擁有33%權益，而United Gene Holdings Limited由毛裕民博士全資擁有。

於二零二三年三月三十一日，本公司已發行合共2,390,000,000股股份，假設本公司悉數行使可換股債券所附之轉換權，UG International將持有本公司經擴大股本約27.36%。

除上文所披露者外，於二零二三年三月三十一日，概無任何人士(不包括本公司若干董事，彼等之權益載於上文「董事於股份、相關股份及債權證之權益及淡倉」一節)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

CONNECTED AND RELATED PARTY TRANSACTIONS

During the year, the Group had not entered into any transactions which constitute connected transactions under Chapter 14A of the Listing Rules.

The following related party transactions had been entered into by the Group during the year and up to the date of this report:

(a) Discloseable Transaction in relation to a Share Buy-Back Transaction of a Non-Wholly Owned Subsidiary

On 31 March 2023, Changchun Extrawell Pharmaceutical Co., Ltd. ("Changchun Extrawell"), a 73.11% indirect non-wholly owned subsidiary of the Company, entered into the share buy-back agreement ("Share Buy-Back Agreement") with 吉林省澤遠實業有限公司, a 9.14% shareholder of Changchun Extrawell ("Vendor") to buy back from the Vendor the shares ("Share Buy-Back") representing 9.14% of the total issued share capital of Changchun Extrawell, for cancellation ("Share Cancellation"), at the consideration of RMB4,400,000 (equivalent to approximately HK\$4,972,000). Upon the completion of the Share Buy-Back and Share Cancellation, the Group's shareholding in Changchun Extrawell will be increased by 7.35% to 80.46%. Changchun Extrawell will continue to be an indirect non-wholly owned subsidiary of the Group and the financial results (including earnings, assets and liabilities) of Changchun Extrawell will continue to be consolidated into the financial statements of the Group. The consideration shall be funded by internal cash resources of Changchun Extrawell.

As one or more applicable percentage ratios exceed 5% but all relevant percentage ratios are less than 25%, the entering into of the Share Buy-Back Agreement, the Share Buy-Back, the Share Cancellation and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements. Details regarding the transaction are disclosed in the Company's announcement dated 31 March 2023.

關連及關聯方交易

於年度內，本集團並無訂立任何構成上市規則第14A章項下關連交易之交易。

於年度內及截至本報告日期，本集團已訂立以下關聯方交易：

(a) 有關非全資附屬公司股份回購交易之須予披露交易

於二零二三年三月三十一日，長春精優藥業股份有限公司(本公司擁有73.11%權益之間接非全資附屬公司)與吉林省澤遠實業有限公司(「賣方」，持有長春精優9.14%權益之股東)訂立股份回購協議(「股份回購協議」)，涉及向賣方回購相當於長春精優已發行股本總額9.14%之股份(「股份回購」)以供註銷(「股份註銷」)，代價為人民幣4,400,000元(相當於約4,972,000港元)。於股份回購及股份註銷完成後，本集團於長春精優之持股量將由7.35%增加至80.46%。長春精優將繼續為本集團之間接非全資附屬公司，而長春精優之財務業績(包括收益、資產及負債)將繼續合併至本集團之財務報表。代價將以長春精優內部資金資源撥付。

由於一項或多項適用百分比率超過5%但所有相關百分比率均低於25%，根據上市規則第14章，訂立股份回購協議、股份回購、股份註銷及其項下擬進行交易構成本公司之須予披露交易，故須遵守申報及公告規定。有關該交易之詳情已於本公司日期為二零二三年三月三十一日之公告中披露。

CONNECTED AND RELATED PARTY
TRANSACTIONS (Continued)

關連及關聯方交易(續)

- (b) Third amendments to the terms and conditions of the HK\$715,000,000 convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) for further extension of maturity date and interest payment dates

On 28 April 2023, the Company as the bondholder and Innovative Pharm as the issuer of the HK\$715,000,000 convertible bonds due on 28 July 2023 (“Innovative Pharm Bonds”), entered into, the third deed of amendment (“Third Amendment Deed”) to further amend certain terms and conditions of the Innovative Pharm Bonds in respect of the two-year further extension of the maturity date from 28 July 2023 to 28 July 2025 (“Maturity Date”) and the extension of payment dates of the outstanding interests of the Innovative Pharm Bonds to the Maturity Date (“Third Amendments”).

Pursuant to the Third Amendment Deed, the Innovative Pharm Bonds will be due on the Maturity Date, the Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm during the period ending on the Maturity Date at an initial conversion price of HK\$2.5 per share, and any outstanding principal amount of the Innovative Pharm Bonds shall be redeemed and the interests shall be paid, on the Maturity Date. The payment of interests on the Maturity Date in aggregate of HK\$285,029,388 relates to (i) the total outstanding annual interests and additional interests due from Innovative Pharm to the Company on 28 July 2023 totaling HK\$166,040,875 under the Second Amendments; and (ii) a total sum of HK\$118,988,513 comprising (a) the annual interest at 4.5% per annum for the two-year extension period from 28 July 2023 to 27 July 2025 in the aggregate amount of HK\$64,350,000; (b) the additional interest in the amount of HK\$4,826,250 representing 15% per annum for one-year extension of payment of interest to the Maturity Date for the interest period from 28 July 2023 to 27 July 2024; and (c) additional interest in the amount of HK\$49,812,263 representing 15% per annum on HK\$166,040,875 as stated in (i) above for two-year extension of payment to the Maturity Date.

- (b) 領航醫藥及生物科技有限公司(「領航醫藥」)所發行715,000,000港元可換股債券條款及條件之第三次修訂，涉及進一步延長到期日及利息支付日期

於二零二三年四月二十八日，本公司(作為債券持有人)與領航醫藥(作為於二零二三年七月二十八日到期之715,000,000港元可換股債券(「領航醫藥債券」)之發行人)訂立第三份修訂契據(「第三份修訂契據」)以進一步修訂領航醫藥債券之若干條款及條件，涉及將領航醫藥債券之到期日由二零二三年七月二十八日進一步延長兩年，至二零二五年七月二十八日(「該到期日」)以及將支付領航醫藥債券未償還利息之日期延遲至到期日(「第三次修訂」)。

根據第三份修訂契據，領航醫藥債券將於該到期日到期，本集團有權於截至該到期日止期間按每股2.5港元的初始換股價將領航醫藥債券轉換為領航醫藥的股份，而任何尚未支付的領航醫藥債券本金將於該到期日被贖回並於當日獲支付利息。於該到期日支付的利息總額為285,029,388港元，涉及(i)根據第二次修訂，領航醫藥於二零二三年七月二十八日應向本公司支付的尚未支付年息及額外利息總額166,040,875港元；及(ii)總額為118,988,513港元的款項，包括(a)於二零二三年七月二十八日至二零二五年七月二十七日止兩年延長期按年利率4.5%計息的總金額64,350,000港元；(b)就將利息付款延遲一年至到該期日而於二零二三年七月二十八日至二零二四年七月二十七日止利息期按年利率15%計算的額外利息4,826,250港元；及(c)就將利息付款延遲兩年，至該到期日而就上文(i)所述166,040,875港元按年利率15%計算的額外利息49,812,263港元。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

- (b) Third amendments to the terms and conditions of the HK\$715,000,000 convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) for further extension of maturity date and interest payment dates (Continued)

The transaction contemplated under the Third Amendment Deed in respect of the Third Amendments constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, which was approved by the Company’s shareholders at its special general meeting held on 28 June 2023.

Details regarding the Third Amendments are disclosed in the Company’s announcements dated 28 April 2023 and 28 June 2023, and the circular dated 12 June 2023.

Details of other material related party transactions entered into by the Group which do not constitute connected transactions under the Listing Rules for the year are set out in note 38 to the consolidated financial statements.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in “Connected and Related Party Transactions” above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

關連及關聯方交易(續)

- (b) 領航醫藥及生物科技有限公司(「領航醫藥」)所發行715,000,000港元可換股債券條款及條件之第三次修訂，涉及進一步延長到期日及利息支付日期(續)

根據上市規則第14章，有關第三次修訂之第三份修訂契據項下擬進行交易構成本公司之主要交易，已由本公司股東於二零二三年六月二十八日舉行之股東特別大會上批准。

有關第三次修訂之詳情已於本公司日期為二零二三年四月二十八日及二零二三年六月二十八日之公告以及日期為二零二三年六月十二日之通函中披露。

有關本集團於本年度訂立而根據上市規則並不構成關連交易之其他重大關聯方交易詳情載於綜合財務報表附註38。

重大合約

除上文「關連及關聯方交易」所披露者外，於本年度末或年度內任何時間並不存在本公司或其任何附屬公司參與訂立而本公司董事於當中直接或間接擁有重大利益之任何重大合約。

EVENTS AFTER THE REPORTING PERIOD

Please refer to the details disclosed under the section “Management Discussion and Analysis”.

報告期後事項

請參閱「管理層討論及分析」一節所披露詳情。

SUFFICIENCY OF PUBLIC FLOAT

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

充足公眾持股量

根據本公司於公開可得之資料及就董事所知，於年度內及截至本報告日期，公眾人士最少持有本公司已發行股本總數25%。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2023.

董事進行證券交易的標準守則

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(「標準守則」)作為董事買賣本公司證券之本公司操守守則。經向董事作出特定查詢後，董事於截至二零二三年三月三十一日止年度內均一直遵照標準守則所載之規定準則。

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.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年度內概無購買、出售或贖回本公司任何上市證券。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

優先購股權

本公司之公司細則或百慕達(即本公司註冊成立所在之司法權區)法例概無規定本公司須按比例向現有股東發售新股份之優先購股權之條文。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

AUDIT COMMITTEE

The Company has established an Audit Committee, with written terms of reference, in accordance with prevailing provisions of the Corporate Governance Code, for the purpose of reviewing and providing supervision over the financial reporting process and risk management and internal control systems of the Group. The Audit Committee comprises three INEDs. The Group's financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that such financial statements comply with the applicable accounting standards, and Stock Exchange's and legal requirements, and that adequate disclosures have been made.

AUDITOR

The Company's consolidated financial statements for the year were audited by Elite Partners CPA Limited, who will retire and, being eligible, offer themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting.

On behalf of the Board

Dr. Xie Yi
Chairman

Hong Kong, 29 June 2023

審核委員會

為檢討及監察本集團之財務匯報程序及風險管理及內部監控制度，本公司已根據企業管治守則之現行規定成立審核委員會，並以書面列出其職權範圍。審核委員會由三名獨立非執董組成。本集團截至二零二三年三月三十一日止年度之財務報表已由審核委員會審閱。審核委員會認為該等財務報表已符合適用之會計準則及聯交所及法例規定，並已提供足夠披露。

核數師

本公司於本年度之綜合財務報表已由開元信德會計師事務所有限公司審核，該行將退休，並符合資格及願意於應屆股東週年大會上接受續聘為本公司之核數師。

代表董事會

主席
謝毅博士

香港，二零二三年六月二十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To The Shareholders of
Extrawell Pharmaceutical Holdings Limited
(Incorporated in Bermuda with limited liability)

致精優藥業控股有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) set out on pages 98 to 207, which comprise the consolidated statement of financial position as at 31 March 2023, 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 2023, 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.

意見

吾等已審核第98至第207頁所載精優藥業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零二三年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已遵照香港會計師公會(「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」)真實公平地反映 貴集團於二零二三年三月三十一日的綜合財務狀況以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例披露要求妥為編製。

意見之基準

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等在該等準則下之責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，吾等獨立於 貴集團，且已根據守則履行其他道德責任。吾等相信所獲取之審核憑證為充足，且適當地為吾等之意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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 for the year ended 31 March 2023. 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.

(1) Impairment assessment of an associate

Key audit matters

關鍵審核事項

As at 31 March 2023, the Group has interest in an associate of approximately HK\$316,516,000 representing 49% equity interests in Smart Ascent Limited.

於二零二三年三月三十一日，貴集團於一間聯營公司之權益約為316,516,000港元，乃指於進生有限公司之49%權益。

For the purpose of impairment assessment, the Group appointed an independent external valuer to assess the recoverable amount of the interest in an associate.

就評估減值而言，貴集團已委任獨立外部估值師評估於一間聯營公司權益之可收回金額。

We had identified the impairment assessment of interest in an associate as a key audit matter because significant management judgement was required to determine the recoverable amount for the interest in an associate.

吾等已識別於一間聯營公司之權益之減值評估為關鍵審核事項，原因為管理層須作出重大判斷以釐定於一間聯營公司之權益之可收回金額。

關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，認為對截至二零二三年三月三十一日止年度綜合財務報表之審核最為重要的事項。該等事項為在吾等審核整體綜合財務報表及出具吾等之意見時進行處理，且吾等不會對該等事項提供單獨意見。

(1) 於一間聯營公司之減值評估

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程序包括如下：

- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 吾等已與管理層討論是否存在任何減值跡象及確認減值的基準；
- We discussed with management and relevant professionals about the In-process R&D (as defined in note 22 to the consolidated financial statements) of oral insulin product;
- 吾等已與管理層及相關專業人士討論有關口服胰島素產品進行之研發(定義見綜合財務報表附註22)；
- We obtained and assessed the fair value calculations methodology provided by the management including but not limited to the reasonableness of key assumptions applied (e.g. operating margins, terminal growth rates and discount rates), the accuracy and reliance of the input data used; and
- 吾等已獲取並評估管理層所提供之公平值計算方法，包括但不限於所應用主要假設(例如營運溢利、永久增長率及貼現率)之合理性、所使用輸入數據之準確性及可靠性；及
- We evaluated the competency, capabilities and objectivity of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之資歷、能力及客觀性，並考慮其經驗及資格。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

(2) Valuation of convertible bonds under financial assets at fair value through profit or loss

(2) 按公平值計入損益之金融資產項下之可換股債券估值

Key audit matters

關鍵審核事項

As at 31 March 2023, the Group's investment in convertible bonds classified as financial assets at fair value through profit or loss amounted to approximately HK\$793,530,000.

於二零二三年三月三十一日，貴集團有分類為按公平值計入損益之金融資產之可換股債券投資約793,530,000港元。

For the valuation, the Group appointed an independent external valuer to assess the valuation amount of convertible bonds under financial assets at fair value through profit or loss.

就估值而言，貴集團已委任獨立外部估值師評估按公平值計入損益之金融資產項下之可換股債券的估值金額。

The Group has applied valuation techniques to determine the fair value of financial instruments that are not quoted in active markets. These valuation techniques, in particular those that include significant unobservable inputs, involve management using subjective judgements and assumptions. With different valuation techniques and inputs applied, the valuation results can vary significantly.

對於沒有活躍市場報價的金融工具，貴集團已採用估值技術來確定其公平值。該等估值技術涉及管理層之主觀判斷與假設，尤其包含重大不可觀察輸入數據之估值技術為甚。採用不同的估值技術及輸入數據，可得出截然不同之估值結果。

We had identified the valuation of convertible bonds as a key audit matter because the valuation requires the exercise of significant management estimation.

吾等已將可換股債券之估值識別為關鍵審核事項，原因為有關估值需要管理層作出重大估計。

Our major audit procedures to address this matter included the following:

吾等處理該事項之主要審核程序包括如下：

- We obtained and understood the Group's valuation and accounting treatment for convertible bonds under financial assets at fair value through profit or loss;
- 吾等已取得及了解 貴集團對按公平值計入損益之金融資產項下之可換股債券估值及會計處理；
- We evaluated the appropriateness of the methodologies used by management for the valuation of the convertible bonds;
- 吾等已評估管理層就可換股債券估值所使用之方法之合適性；
- We evaluated the reasonableness and appropriateness of the unobservable and observable inputs used for the convertible bonds; and
- 吾等已評估就可換股債券所使用之不可觀察及可觀察輸入數據合理性及合適性；及
- We evaluated the competency, capabilities and objectivity of the independent external valuer taking account its experience and qualifications.
- 吾等已評估獨立外部估值師之資歷、能力及客觀性，並考慮其經驗及資格。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

其他資料

董事須對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及核數師報告。吾等對綜合財務報表之意見並不涵蓋其他資料，且吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等之責任為閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行之工作，倘吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等毋須報告任何事項。

董事及治理層就綜合財務報表須承擔之責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實且公平意見之綜合財務報表，以及維持董事認為必要之有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

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

治理層負責監督貴集團的財務報告流程。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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 skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承 擔之責任

吾等之目標為對綜合財務報表整體是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。吾等根據百慕達《一九八一年公司法》第90條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負責或承擔任何責任。合理保證為高水準保證，但不能保證按香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，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核的過程中，吾等運用了專業判斷，並於審核過程中保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險、設計及執行審核程序以應對該等風險以及取得充足及適當的審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程序，但並非旨在對貴集團內部控制之有效性發表意見。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審核綜合財務報表須承擔之責任(續)

- 評估董事所採用會計政策之合適性以及作出會計估計及相關披露資料之合理性。
- 對董事採用持續經營會計基礎之合適性作出結論，並根據所得之審核憑證決定是否存在與事件或情況有關之重大不確定性，而可能對貴集團持續經營之能力構成重大疑慮。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請注意綜合財務報表中之相關披露資料，或倘有關披露資料不足，則修訂吾等之意見。吾等之結論乃基於截至核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估綜合財務報表(包括披露資料)之整體呈報方式、結構及內容，以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動之財務資料獲取充足、適當之審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行集團審核工作。吾等對審核意見承擔全部責任。

吾等就(其中包括)審核之計劃範圍及時間以及重大審核發現(包括吾等在審核過程中識別出內部監控之任何重大缺陷)與治理層進行溝通。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for 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 the independent auditor's report is Mr. Yip Kai Yin with Practising Certificate number P07854.

Elite Partners CPA Limited

Certified Public Accountants

10th Floor,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

29 June 2023

核數師就審核綜合財務報表須承 擔之責任(續)

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性之所有關係及其他事項，以及(倘適用)為消除威脅而採取的相關行動或所應用的防範措施。

從與治理層溝通之事項中，吾等釐定對本期間綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。除非法律或法規禁止公開披露該等事項，否則吾等會於核數師報告中描述該等事項，或在極端罕見之情況下，倘合理預期在吾等之報告中溝通某事項造成之不利後果超過所產生之公眾利益，吾等會釐定不應在報告中描述該事項。

出具本獨立核數師報告之審核項目合夥人為葉啓賢先生，其執業證書編號為P07854。

開元信德會計師事務所有限公司

執業會計師

香港九龍
尖沙咀
天文臺道8號
10樓

二零二三年六月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		Notes 附註		
Revenue	收益	6	72,577	73,925
Cost of sales	銷售成本		(41,434)	(36,369)
Gross profit	毛利		31,143	37,556
Other income	其他收入	7	3,707	1,536
Other gains and losses, net	其他收益及虧損淨額	8	157,957	160,618
Selling and distribution expenses	銷售及分銷費用		(16,683)	(26,292)
Administrative expenses	行政費用		(25,738)	(24,206)
Share of results of an associate	應佔一間聯營公司業績		(3,849)	(3,653)
Finance costs	財務成本	10	(15,636)	(13,229)
Profit before income tax	除所得稅前溢利	9	130,901	132,330
Income tax expense	所得稅開支	13	(1,128)	(1,239)
Profit for the year	本年度溢利		129,773	131,091
Other comprehensive (expense)/income	其他全面(開支)/收益			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(13,127)	4,539
Other comprehensive (expense)/income for the year	本年度其他全面(開支)/收益		(13,127)	4,539
Total comprehensive income for the year	本年度全面收益總額		116,646	135,630

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

綜合損益及其他全面收益表(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Profit for the year attributable to:	以下人士應佔本年度溢利：			
Owners of the Company	本公司擁有人		129,265	130,588
Non-controlling interests	非控股權益		508	503
			129,773	131,091
Total comprehensive income for the year attributable to:	以下人士應佔本年度全面收益總額：			
Owners of the Company	本公司擁有人		116,069	135,148
Non-controlling interests	非控股權益		577	482
			116,646	135,630
			HK cents 港仙	HK cents 港仙
Earnings per share for profit attributable to owners of the Company:	本公司擁有人應佔溢利之每股盈利：			
— Basic	— 基本	14	5.41	5.46
— Diluted	— 攤薄	14	4.40	4.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2023 於二零二三年三月三十一日

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Investment properties	16	投資物業	2,549	2,681
Property, plant and equipment	17	物業、廠房及設備	124,785	138,250
Right-of-use assets	18	使用權資產	11,759	10,140
Intangible assets	19	無形資產	1,807	1,807
Financial assets at fair value through profit or loss	20	按公平值計入損益之金融資產	793,530	634,907
Financial assets at fair value through other comprehensive income	21	按公平值計入其他全面收益之金融資產	—	—
Interest in an associate	22	於一間聯營公司之權益	316,516	320,365
Loan to an associate	23	貸款予一間聯營公司	15,196	14,500
Deferred tax assets	32	遞延稅項資產	69	69
			1,266,211	1,122,719
CURRENT ASSETS		流動資產		
Inventories	24	存貨	3,018	8,465
Trade and bills receivables	25	貿易應收賬款及應收票據	5,797	7,813
Deposits, prepayments and other receivables	26	按金、預付款項及其他應收款項	4,455	6,491
Amount due from an associate	23	應收一間聯營公司款項	36,245	36,089
Loan to an associate	23	貸款予一間聯營公司	5,190	—
Financial assets at fair value through profit or loss	20	按公平值計入損益之金融資產	1,754	1,905
Pledged bank deposits	27	已抵押銀行存款	19,803	21,738
Cash and bank balances	28	現金及銀行結餘	102,401	111,881
			178,663	194,382
CURRENT LIABILITIES		流動負債		
Trade and bills payables	29	貿易應付賬款及應付票據	6,634	6,456
Accruals, other payables and contract liabilities	30	預提費用、其他應付款項及合約負債	32,517	38,078
Lease liabilities	31	租賃負債	1,316	2,194
Deferred income on government grants	34	政府補助之遞延收入	118	131
Tax payable		應付稅項	16,429	17,204
			57,014	64,063
NET CURRENT ASSETS		流動資產淨值	121,649	130,319
TOTAL ASSETS LESS CURRENT LIABILITIES		總資產減流動負債	1,387,860	1,253,038

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表 (續)

As at 31 March 2023 於二零二三年三月三十一日

		Notes	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		附註		
NON-CURRENT LIABILITIES				
	非流動負債			
Convertible bonds	可換股債券	33	98,617	83,074
Lease liabilities	租賃負債	31	3,291	39
Deferred income on government grants	政府補助之遞延收入	34	4,382	5,001
			106,290	88,114
NET ASSETS			1,281,570	1,164,924
EQUITY				
	權益			
Share capital	股本	35	23,900	23,900
Reserves	儲備	37	1,257,822	1,141,753
Equity attributable to owners of the Company			1,281,722	1,165,653
Non-controlling interests	本公司擁有人應佔權益 非控股權益	39	(152)	(729)
TOTAL EQUITY			1,281,570	1,164,924

On behalf of the Board on 29 June 2023

代表董事會於二零二三年六月二十九日

Xie Yi
謝毅
Director
董事

Wong Sau Kuen
王秀娟
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

Attributable to owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Capital reserve	Contributed surplus	Foreign currency translation reserve	Convertible equity bonds reserve	FVTOCI reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2021	於二零二一年四月一日	23,900	191,738	6,542	4,839	29,616	512,359	(83,086)	344,597	1,030,505	(1,211)	1,029,294
Profit for the year	本年度溢利	—	—	—	—	—	—	—	130,588	130,588	503	131,091
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	4,560	—	—	—	4,560	(21)	4,539
Total comprehensive income	全面收益總額	—	—	—	—	4,560	—	—	130,588	135,148	482	135,630
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及二零二二年四月一日	23,900	191,738	6,542	4,839	34,176	512,359	(83,086)	475,185	1,165,653	(729)	1,164,924
Profit for the year	本年度溢利	—	—	—	—	—	—	—	129,265	129,265	508	129,773
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(13,196)	—	—	—	(13,196)	69	(13,127)
Total comprehensive income	全面收益總額	—	—	—	—	(13,196)	—	—	129,265	116,069	577	116,646
At 31 March 2023	於二零二三年三月三十一日	23,900	191,738	6,542	4,839	20,980	512,359	(83,086)	604,450	1,281,722	(152)	1,281,570

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Profit before income tax	除所得稅前溢利	130,901	132,330
Adjustments for:	調整以下項目：		
Depreciation of right-of-use assets	使用權資產之折舊	2,151	2,188
Depreciation of investment properties	投資物業之折舊	132	95
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	6,514	6,444
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	55
Allowance for obsolete inventories, net	陳舊存貨撥備淨額	115	—
Provision for/(reversal of) impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備／(撥回)淨額	795	(272)
Provision for impairment on loan to an associate	貸款予一間聯營公司減值撥備	854	2,353
(Reversal of)/provision for impairment on amount due from an associate	應收一間聯營公司款項減值(撥回)／撥備	(155)	5,858
Change in fair value on financial assets at FVTPL — investments in convertible bonds	按公平值計入損益之金融資產公平值變動—可換股債券投資	(158,623)	(168,585)
Change in fair value on financial assets at FVTPL — Short term investment	按公平值計入損益之金融資產公平值變動—短期投資	(41)	(52)
Share of results of an associate	應佔一間聯營公司業績	3,849	3,653
Effective interest expense on convertible bonds	可換股債券之實際利息開支	15,543	13,094
Bank interest income	銀行利息收入	(2,126)	(343)
Amortisation of deferred income on government grants	政府補助之遞延收入攤銷	(123)	(128)
Loan interest income from an associate	來自一間聯營公司之貸款利息收入	(860)	(735)
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備	—	25
Reversal of written off on other receivables	其他應收款項撇銷撥回	(787)	—
Interest expenses on lease liabilities	租賃負債之利息開支	92	135
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(1,769)	(3,885)
Decrease/(increase) in inventories	存貨減少／(增加)	4,885	(630)
Decrease in trade and bills receivables	貿易應收賬款及應收票據減少	1,003	3,186
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少／(增加)	2,823	(4,212)
Increase/(decrease) in trade and bills payables	貿易應付賬款及應付票據增加／(減少)	178	(236)
(Decrease)/increase in accruals, other payables and contract liabilities	預提費用、其他應付款項及合約負債(減少)／增加	(5,561)	4,073
Cash generated from/(used in) operations	營運所得／(所用)之現金	1,559	(1,704)
Income tax paid	已付所得稅	(379)	(62)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Net cash generated from/(used in) operating activities	經營活動所得/(所用)之現金淨額	1,180	(1,766)
Cash flows from investing activities	投資活動所產生之現金流量		
Bank interest income received	已收銀行利息收入	2,126	302
Purchase of property, plant and equipment	購置物業、廠房及設備	(6,617)	(9,628)
Advance to an associate	予一間聯營公司的墊款	(5,880)	—
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	1,935	(50)
Net cash used in investing activities	投資活動所用之現金淨額	(8,436)	(9,376)
Cash flows from financing activities	融資活動所產生之現金流量		
Repayment for lease liabilities	償還租賃負債	(2,295)	(1,800)
Repayment on interest expenses on lease liabilities	償還租賃負債利息開支	(92)	(135)
Net cash used in financing activities	融資活動所用之現金淨額	(2,387)	(1,935)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(9,643)	(13,077)
Effect of foreign exchange rate change	外幣匯率變動之影響	163	(1,752)
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	111,881	126,710
Cash and cash equivalents at end of year	年終之現金及現金等值項目	102,401	111,881
Analysis of the balances of cash and cash equivalents	現金及現金等值項目之結餘分析		
Cash and bank balances	現金及銀行結餘	102,401	111,881

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(1) GENERAL

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Suites 2206-08, 22/F, Devon House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The Company is an investment holding company (together with the subsidiaries referred to as the “Group”). The principal activities of its subsidiaries and an associate are set out in notes to the consolidated financial statements.

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

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2022 for the preparation of the consolidated financial statements:

Amendment to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts-Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(1) 一般資料

本公司乃於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。其註冊辦事處地址位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206-08室。

本公司為一間投資控股公司（連同其附屬公司統稱為「本集團」）。本公司旗下附屬公司及一間聯營公司之主要業務載於綜合財務報表附註。

(2) 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

(a) 於本年度強制生效之香港財務報告準則修訂本

本集團已就編製綜合財務報表，於本年度首次應用下列香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則修訂本，該等修訂本於二零二二年四月一日或之後開始之年度期間強制生效：

香港財務報告準則第3號（修訂本）	對概念框架的引述
香港財務報告準則第16號（修訂本）	二零二一年六月三十日後新型冠狀病毒肺炎有關租金優惠
香港會計準則第16號（修訂本）	物業、廠房及設備—作擬定用途前之所得款項
香港會計準則第37號（修訂本）	虧損性合約—履行合約之成本
香港財務報告準則（修訂本）	香港財務報告準則二零一八年至二零二零年週期之年度改進

本年度應用香港財務報告準則修訂本對本集團本年度及過往年度之財務狀況及表現及／或該等綜合財務報表所載披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

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

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

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

(2) 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並未提早採納下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

		Effective for annual periods beginning on or after
		於以下日期或之後開始之年度期間生效
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts	1 January 2023
香港財務報告準則第17號(包括香港財務報告準則第17號二零二零年十月及二零二二年二月修訂本)	保險合約及相關修訂	二零二三年一月一日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間銷售或注入資產	待定期限
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
香港會計準則第1號(修訂本)	負債分類為流動或非流動及香港詮釋第5號的相關修訂(二零二零年)	二零二四年一月一日
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)	會計政策披露	二零二三年一月一日
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
香港會計準則第8號(修訂本)	會計估計之定義	二零二三年一月一日
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023
香港會計準則第12號(修訂本)	與單一交易所產生資產及負債有關之遞延稅項	二零二三年一月一日
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
香港財務報告準則第16號(修訂本)	售後回租的租賃負債	二零二四年一月一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

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

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

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs, will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

(2) 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則及其修訂本(續)

除下文所述新訂香港財務報告準則及其修訂本外，本公司董事預期應用所有其他新訂香港財務報告準則及其修訂本於可見將來將不會對綜合財務報表產生重大影響。

香港會計準則第1號(修訂本)「負債分類為流動或非流動及香港詮釋第5號的相關修訂(二零二零年)」

該等修訂為延期結算權利評估提供澄清及額外指引，由報告日期起至少十二個月內將負債分類為流動負債或非流動負債，其中：

- 訂明將負債分類為流動負債或非流動負債應基於報告期末已存在之權利。具體而言，該等修訂澄清：
 - (i) 分類不應受到管理層意向或期望於12個月內清償債務所影響；及
 - (ii) 倘該權利以遵守契諾為條件，即使貸款人在較後日期方測試是否符合條件，則該權利在報告期末符合條件之情況下存在；及
- 闡明倘負債之條款可以由交易對手方選擇，則可以通過轉讓實體自身之權益工具來結算，僅當該實體應用香港會計準則第32號「金融工具：呈列」將選擇權單獨確認為權益工具時，此等條款方不會影響其分類為流動或非流動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

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

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

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (Continued)

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 31 March 2023, the application of the amendments will not result in reclassification of the Group’s liabilities.

(2) 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則及其修訂本(續)

香港會計準則第1號(修訂本)「負債分類為流動或非流動及香港詮釋第5號的相關修訂(二零二零年)」(續)

此外，香港詮釋第5號因香港會計準則第1號(修訂本)而進行了修訂，以使相應之措詞保持一致且結論不變。

基於本集團於二零二三年三月三十一日之未償還債務，應用該等修訂不會導致本集團之負債重新分類。

(3) BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

(3) 編製基準

3.1 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港公司條例有關編製財務報表之條文而編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則規定之適用披露。

3.2 計量基準

如下文會計政策所述，除若干金融工具按公平值計量外，綜合財務報表乃根據歷史成本基準編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(3) BASIS OF PREPARATION (Continued)

3.2 Basis of measurement (Continued)

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

(3) 編製基準(續)

3.2 計量基準(續)

歷史成本一般根據就換取貨品或服務所付出的代價的公平值計算。

公平值乃於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否可使用其他估值方法直接觀察或估計。在估計資產或負債的公平值時，本集團考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟香港財務報告準則第2號「股份付款」範圍內的股份付款交易、根據香港財務報告準則第16號入賬的租賃交易以及與公平值部分類似但並非公平值（如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值）的計量則除外。

對於按公平值進行交易的金融工具以及在隨後期間將採用不可觀察的輸入數據計量公平值的估值方式，估值方式將予校準，致使初步確認時估值方式的結果等於交易價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(3) BASIS OF PREPARATION (Continued)

3.2 Basis of measurement (Continued)

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

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

3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

(3) 編製基準(續)

3.2 計量基準(續)

此外，就財務報告而言，公平值計量按照公平值計量輸入數據可觀察程度及輸入數據對公平值整體的重要性劃分為第一、二或三級，詳情載列如下：

- 第一級輸入數據為實體於計量日期能夠取得的活躍市場上相同資產或負債的報價(未經調整)；
- 第二級輸入數據為資產或負債的直接或間接可觀察輸入數據(計入第一級範圍內的報價以外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

3.3 功能及呈列貨幣

綜合財務報表乃以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有所指外，所示金額約整至最接近千港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(4) 重大會計政策

4.1 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團各成員公司間之公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。未變現虧損亦可對銷，惟於有關交易可提供所轉讓資產之減值證明則除外，在此情況下，虧損可於損益中確認。

於年度內收購或出售之附屬公司業績乃自收購日期起或截至出售日期止(如適用)計入綜合損益及其他全面收益表。為使附屬公司之會計政策與本集團其他成員公司採用之會計政策一致，必要時會對附屬公司之財務報表作出調整。

倘本集團喪失對附屬公司之控制權，則出售產生之損益乃根據(i)已收代價公平值與任何保留權益公平值之總額及(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之過往賬面值兩者間之差額計算。先前於其他全面收益內確認與該附屬公司有關之任何金額按猶如本集團已出售相關資產或負債之方式入賬。

收購後，代表目前於附屬公司擁有權益之非控股權益之賬面值為該等權益於初步確認時之金額另加有關非控股權益應佔之其後權益變動。即使會導致非控股權益出現虧絀結餘，全面收益總額仍歸屬於有關非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or has rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for the Company on the basis of dividend received and receivable.

4.3 Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associates are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

(4) 重大會計政策(續)

4.2 附屬公司

附屬公司指本公司有能力對其行使控制權之被投資公司。倘具備以下全部三項元素，本公司即對被投資公司擁有控制權：對被投資公司擁有權力、就被投資方可變回報承受風險或享有權利，及其行使權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司財務狀況表內，於附屬公司之投資按成本扣除減值虧損(如有)列值。本公司按已收及應收股息基準將附屬公司業績入賬。

4.3 聯營公司

聯營公司指本集團對其擁有重大影響力而非屬於附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及營運決策，而非對該等政策擁有控制或共同控制權。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，此後其賬面值會因應本集團所佔之聯營公司資產淨值收購後變動調整，惟超出本集團於聯營公司之權益之虧損不會被確認，除非有責任妥善處理該等虧損。

本集團與其聯營公司進行交易所產生之溢利及虧損，僅會就聯營公司之不相關投資者權益確認。該等交易產生之投資者所佔聯營公司之溢利及虧損，與聯營公司之賬面值對銷。如未變現虧損提供所轉讓資產減值證據，其即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Associate (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4.4 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired.

(4) 重大會計政策(續)

4.3 聯營公司(續)

就聯營公司已付之任何溢價超出本集團所佔已收購可識別資產、負債及或然負債之公平值之金額會撥充資本，並計入聯營公司之賬面值。如於聯營公司之投資出現已減值之客觀證據，投資之賬面值按其他非金融資產之相同方式測試減值。

4.4 商譽

倘可識別資產及負債公平值超出已付代價之公平值、於被收購方之任何非控股權益金額及收購方過往於被收購方所持股權於收購日期之公平值之總額，則有關差額在重估後於收購日期於損益賬確認。

商譽以成本扣除減值虧損計量。就減值測試而言，收購產生之商譽會分配至預期受惠於收購所帶來協同效益之相關各現金產生單位。現金產生單位是最小可識別之資產組別，其產生之現金流入大致上獨立於其他資產或資產組別之現金流入。獲分配商譽之現金產生單位每年進行減值檢測，凡有跡象顯示單位可能出現減值，則檢測減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Goodwill

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

(4) 重大會計政策(續)

4.4 商譽

就於財政年度收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前測試減值。當現金產生單位之可收回金額少於其賬面值，則減值虧損首先分配以減少分配至單位之商譽賬面值，然後再根據有關單位各項資產之賬面值按比例分配至單位之其他資產。然而，分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本(倘可計量)或其使用價值(倘可釐定)(以較高者為準)。商譽之任何減值虧損於損益賬確認且不會於其後期間撥回。

4.5 物業、廠房及設備

物業、廠房及設備乃以成本減累計折舊及任何減值虧損呈列。物業、廠房及設備成本包括其購買價及收購該項目之直接應佔成本。

其後成本計入資產賬面值或於適當時確認為獨立資產，惟以有關該項目之日後經濟利益很可能流入本集團及該項目之成本能可靠計量為限。已取代部分之賬面值乃終止確認。所有其他維修及保養均於產生之財政期間於損益賬內確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The estimated useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period with the effect of any changes in estimate encountered for a prospective basis. The annual rates/estimated useful lives are as follows:

Buildings	Over the lease terms of the relevant leasehold land and 50 years if shorter
Plant and equipment	6.67%–20%
Furniture, fixtures and equipment	10%–30%
Motor vehicles	20%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

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

(4) 重大會計政策(續)

4.5 物業、廠房及設備(續)

物業、廠房及設備予以折舊，以按物業、廠房及設備之估計可使用年期以直線法撇銷其成本值扣除預期剩餘價值。於各報告期末，會審閱估計可使用年期、剩餘價值及折舊方法，並在適當時作出調整，而任何估計變動的影響按前瞻基準入賬。年率／估計可使用年期如下：

樓宇	有關租賃土地之租期及50年 (以較短者為準)
廠房及設備	6.67%至20%
傢俬、固定裝置及設備	10%至30%
汽車	20%

倘資產之賬面值高於其估計可收回金額，資產即時撇減至其可收回金額。

出售物業、廠房及設備項目之收益或虧損，為銷售所得款項淨額與其賬面值兩者間之差額，於出售時在損益賬中予以確認。

在建工程指在建物業，其價值按成本扣除任何減值虧損列賬，並不計算折舊。成本包括建築直接成本及於建築期間有關借入資金之資本化借貸成本(倘有)。在建工程於工程完成後及物業準備投入作擬定用途時被重新分類為適當的物業、廠房及設備類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The land component of leasehold investment property is accounted for as right-of-use assets and included in the investment properties.

The building component of investment property is measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and accumulated impairment (if any). Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30.25 years to 50 years or over the lease terms of the relevant leasehold land.

The residual values and estimated useful lives of investment property are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are included in the statement of profit or loss when the changes arise.

4.7 Leases

Definition of a lease

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

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

(4) 重大會計政策(續)

4.6 投資物業

投資物業為持有作賺取租金或資本升值或作該兩種用途而非在日常業務過程中持作出售、用作生產或供應貨品或服務或作行政用途之物業。

租賃投資物業之土地部分按使用權資產入賬並計入投資物業。

投資物業之樓宇部分初始確認按成本計量，其後按成本減累計折舊及累計減值(如有)列賬。折舊使用直線法計算，於估計可使用年期30.25年至50年或有關租賃土地之租期內將可折舊金額分攤。

於各財政年度結算日就投資物業之剩餘價值及估計可使用年期檢討，並作出適當調整。任何修訂之影響於發生變動時計入損益表內。

4.7 租賃

租賃定義

倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為租賃或包含租賃。

就首次應用香港財務報告準則第16號日期或之後訂立或修改之合約而言，本集團會於初始修訂日期或收購日期根據香港財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。有關合約將不會被重新評估，除非合約中的條款與條件隨後發生變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leases (Continued)

As a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Short-term leases and leases of low-value assets

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

Right-of-use assets

The right-of-use assets are recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liabilities); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Except for right-of-use assets that meet the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

(4) 重大會計政策(續)

4.7 租賃(續)

作為承租人

所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債,惟實體可作出會計政策選擇,選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租期低於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租期內按直線法支銷。

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於自開始日期起租期為12個月或更短且不包含購買選擇權的辦公室設備租賃,同時對低價值資產的租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租賃期內以直線法或其他系統法確認為開支。

使用權資產

使用權資產按成本確認並將包括:(i)租賃負債的初始計量金額(見下文有關租賃負債入賬的會計政策);(ii)於開始日期或之前作出的任何租賃付款減收到的任何租賃優惠;(iii)承租人發生的任何初始直接費用;及(iv)承租人於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時估計產生的成本。除了符合投資物業定義的使用權資產或本集團應用重估模型的物業、廠房及設備類別外,本集團採用成本模型計量使用權資產。根據成本模型,本集團按成本減任何累計折舊及任何減值虧損計量使用權資產,並就租賃負債的任何重新計量作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leases (Continued)

Right-of-use assets (Continued)

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within “investment properties”.

Lease liabilities

The lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

The following payments for the right of use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(4) 重大會計政策(續)

4.7 租賃(續)

使用權資產(續)

本集團在綜合財務狀況表中將不符合投資物業定義的使用權資產作為單獨的項目列報。符合投資性房地產定義的使用權資產在「投資物業」中列示。

租賃負債

租賃負債以於租賃開始日期尚未支付的租賃付款的現值確認。如果可直接確定租賃內含利率，租賃付款使用該利率折現。如果無法直接確定該利率，本集團採用其增量借款利率。

下列於租期內就相關資產的使用權作出的付款而於租賃開始日期尚未支付者被視為租賃付款：(i) 固定付款額，扣除任何應收的租賃優惠；(ii) 視乎一項指數或利率之可變租賃付款，初步使用開始日期之指數或利率計量；(iii) 剩餘價值擔保項下預期承租人應付之金額；(iv) 購買選擇權之行使價（如承租人合理確定行使有關選擇權）；及(v) 終止有關租賃之罰款付款（如租賃期反映承租人行使選擇權終止租賃）。

在開始日期之後，本集團按以下方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重新評估或租賃修改，例如指數或利率發生變動導致未來租賃付款發生變動、租期變動、實質固定租賃付款變動或對購買相關資產的評估結果發生變化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leases (Continued)

Lease liabilities (Continued)

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4.8 Financial Instruments

(i) *Financial assets*

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 market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(4) 重大會計政策(續)

4.7 租賃(續)

租賃負債(續)

經營租賃項下之應付租賃總額於租期內以直線法於損益內確認。已收到之租賃優惠於租期內確認為租金支出總額之組成部分。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

4.8 金融工具

(i) *金融資產*

正常買賣之所有金融資產均於交易日確認，即本集團承諾收購或出售資產當日。正常買賣指一般由市場法規或慣例設定要求於指定期間內交付買賣金融資產。

於釐定具有嵌入衍生工具之金融資產之現金流量是否純粹為支付本金及利息時，應整體考慮該等金融資產。

債務工具

債務工具之其後計量取決於本集團管理資產之業務模式及資產之現金流量特點。本集團將其債務工具分為三種計量類別：

攤銷成本：就持作收取合約現金流量之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認之任何收益於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(i) *Financial assets (Continued)*
Debt instruments (Continued)

Fair value through other comprehensive income (“FVTOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Fair value through profit or loss (“FVTPL”): Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

(4) 重大會計政策(續)

4.8 金融工具(續)

(i) *金融資產(續)*
債務工具(續)

按公平值計入其他全面收益(「按公平值計入其他全面收益」):就持作收取合約現金流量及出售金融資產之資產而言,倘有關資產之現金流量純粹為支付本金及利息,則按公平值計入其他全面收益計量。按公平值計入其他全面收益之債務投資其後按公平值計量。採用實際利率法計算之利息收入、匯兌收益及虧損以及減值於損益確認。其他收益及虧損淨額於其他全面收益確認。於其他全面收益累計之收益及虧損在終止確認時重新分類至損益。

按公平值計入損益(「按公平值計入損益」):按公平值計入損益之金融資產包括持作買賣金融資產、於初步確認時指定為按公平值計入損益之金融資產,或強制要求按公平值計量之金融資產。倘收購金融資產之目的為作短期出售或購回用途,則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣,惟被指定為有效對沖工具則除外。現金流量並非純粹為支付本金及利息之金融資產均按公平值計入損益分類及計量(不論其業務模式)。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類,惟債務工具可於初步確認時指定為按公平值計入損益(倘此舉可消除或大幅減少會計錯配)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss of financial assets, subject to impairment assessment under HKFRS 9

The Group recognises loss allowances for expected credit loss ("ECL") on trade and bills receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(4) 重大會計政策(續)

4.8 金融工具(續)

(i) 金融資產(續)

股本工具

於初步確認並非持作買賣股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值之其後變動。該選擇按每項投資基準作出。按公平值計入其他全面收益之股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確列為收回部分投資成本。其他收益及虧損淨額於其他全面收益確認，而非重新分類至損益。所有其他股本工具乃分類為按公平值計入損益，其中公平值變動、股息及利息收入均於損益中確認。

(ii) 金融資產之減值虧損(根據香港財務報告準則第9號須受減值評估)

本集團就貿易應收賬款及應收票據以及按攤銷成本計量之金融資產之預期信貸損失(「預期信貸損失」)確認虧損撥備。預期信貸損失將採用以下基準計量：(1)12個月預期信貸損失：其為於報告日期後12個月內發生之可能違約事件導致之預期信貸損失；及(2)全期預期信貸損失：其為於金融工具之預計年期內所有可能發生之違約事件產生之預期信貸損失。於估計預期信貸損失時考慮之最長期間為本集團面臨信貸風險之最長合約期間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(ii) *Impairment loss of financial assets, subject to impairment assessment under HKFRS 9 (Continued)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

(4) 重大會計政策(續)

4.8 金融工具(續)

(ii) *金融資產之減值虧損(根據香港財務報告準則第9號須受減值評估)(續)*

預期信貸損失為按概率加權估計之信貸損失。信貸損失以本集團按合約應收之所有合約現金流量與本集團預期收取之所有現金流量之間之差額計量。該差額其後按資產原有實際利率相近之利率貼現。

本集團已選擇採用香港財務報告準則第9號之簡化法計量貿易應收賬款及應收票據之虧損撥備，並已根據全期預期信貸損失計算預期信貸損失。本集團已根據其過往信貸損失經驗制定撥備矩陣，並按債務人特定之前瞻性因素及經濟環境予以調整。

就其他債務金融資產而言，預期信貸損失以12個月預期信貸損失為基準。然而，當信貸風險自產生起顯著增加時，撥備將以全期預期信貸損失為基準。

當釐定金融資產之信貸風險自初步確認以來是否顯著增加及於估計預期信貸損失時，本集團會考慮相關及毋須付出過多成本或精力即可獲得之合理及有理據之資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料以及前瞻性資料分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(ii) *Impairment loss of financial assets, subject to impairment assessment under HKFRS 9 (Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

(4) 重大會計政策(續)

4.8 金融工具(續)

(ii) *金融資產之減值虧損(根據香港財務報告準則第9號須受減值評估)(續)*

尤其是，於評估信貸風險是否顯著增加時已考慮下列資料：

- 金融工具之外部(如有)或內部信貸評級實際或預期顯著惡化；
- 外部市場信貸風險指標之顯著惡化，如信貸利差及債務人之信貸違約掉期價格大幅增加；
- 業務、財務或經濟狀況現時或預測出現不利變動，且預期將導致債務人履行其債務責任之能力大幅下降；
- 債務人經營業績實際或預期顯著惡化；及
- 導致債務人履行債務責任之能力大幅下降之債務人監管、經濟或技術環境之實際或預期重大不利變動。

本集團假設，倘金融資產逾期超過30日，其信貸風險會顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(ii) *Impairment loss of financial assets, subject to impairment assessment under HKFRS 9 (Continued)*

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) *Write-off policy*

The gross carrying amount of financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(4) 重大會計政策(續)

4.8 金融工具(續)

(ii) *金融資產之減值虧損(根據香港財務報告準則第9號須受減值評估)(續)*

本集團定期監控用於識別信貸風險是否顯著增加之標準之成效及適時修訂該等標準，以確保有關標準能於款項逾期前識別信貸風險之顯著增加。

本集團認為金融資產於下列情況出現信貸減值：(1) 借款人不太可能在本集團無採取行動追索(例如：變現抵押品(如持有))之情況下向本集團悉數履行其信貸義務；或(2) 該金融資產逾期超過90日。

信貸減值金融資產之利息收入乃根據金融資產之攤銷成本(即賬面總值減虧損撥備)計算。非信貸減值金融資產之利息收入乃根據賬面總值計算。

(iii) *撇銷政策*

若無實際收回可能，則本集團會撇銷(部分或全部)金融資產的賬面總值。該情況通常出現在本集團確定債務人並無資產或可產生足夠現金流量的收入來源償還須撇銷的金額之時。

隨後收回先前撇銷之資產於回收期間在損益中確認為減值撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(iv) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and the liability component of convertible bonds issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(v) *Convertible bonds*

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

(4) 重大會計政策(續)

4.8 金融工具(續)

(iv) 金融負債

本集團視乎負債產生之目的將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

按攤銷成本列賬之金融負債

按攤銷成本列賬之金融負債包括貿易應付賬款及其他應付款項以及本公司發行之可換股債券負債部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

收益或虧損於終止確認負債時透過攤銷於損益確認。

(v) 可換股債券

本集團所發行包含負債及換股權部分之可換股債券，乃於初步確認時獨立分類為其相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目之股本工具方式結清之換股權乃分類為股本工具。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(指讓持有人將債券轉換為權益之轉換權)列入權益(可換股債券權益儲備)內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(v) *Convertible bonds (Continued)*

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

(vi) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vii) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(viii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

(4) 重大會計政策(續)

4.8 金融工具(續)

(v) *可換股債券(續)*

於隨後期間，可換股債券負債部分乃按實際利率法以攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備之結餘將轉撥至股本及股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備之結餘將解除至保留盈利。換股權獲轉換或到期後不會確認任何收益或虧損。

發行可換股債券有關之交易成本，按所得款項分配比例撥往負債及權益部分。與權益部分有關之交易成本於權益中直接扣除。與負債部分有關之交易成本計入負債部分之賬面值，並按實際利率法於已發行可換股債券期限內攤銷。

(vi) *實際利率法*

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預計年期或(如適用)較短期間準確貼現估計未來現金收款或付款之利率。

(vii) *股本工具*

本公司發行之股本工具按收取之所得款項扣除直接發行成本入賬。

(viii) *終止確認*

本集團在與金融資產有關之未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial Instruments (Continued)

(viii) Derecognition (Continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4.9 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

(4) 重大會計政策(續)

4.8 金融工具(續)

(viii) 終止確認(續)

金融負債於有關合約所訂明責任解除、註銷或屆滿時終止確認。

倘由於重新磋商金融負債條款，本集團向債權人發行自有股本工具，以全部或部分結清的金融負債，則已發行股本工具為已付代價，並於該金融負債或其一部分終止之日按公平值初步確認及計量。倘已發行股本工具的公平值無法可靠計量，則股本工具的計量應反映已終止金融負債的公平值。所終止金融負債或其中一部分的賬面值與已付代價之間的差額於年度內損益中確認。

4.9 存貨

存貨初始按成本確認，其後按成本及可變現淨值之較低者確認。成本包括所有採購成本、轉換成本及將存貨達致其目前地點及狀況所產生之其他成本。成本按加權平均法計算。可變現淨值相當於一般業務過程中之估計售價減去達致完成之估計成本及作出銷售所需之估計成本。進行銷售所需的成本包括直接歸屬於銷售的增量成本及本集團為進行銷售而必須產生的非增量成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Revenue

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, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

(4) 重大會計政策(續)

4.10 收益

客戶合約收益於貨品或服務之控制權轉移至客戶時確認，有關金額反映本集團預期就交換該等貨品或服務而有權獲得之代價，不包括代表第三方收取之金額。收益不包括增值稅或其他銷售稅項，並扣除任何貿易折扣。

視乎合約條款及合約適用之法律，貨品或服務之控制權可在一段時間內或某一時間點轉移。倘本集團之履約符合下列條件，則貨品或服務之控制權會在一段時間內轉移：

- 提供了由客戶同步收取及消耗之所有利益；
- 隨著本集團履約，創建或改良客戶所控制之資產；或
- 並無創建對本集團而言具有其他用途之資產，而本集團有權強制收取迄今已完成之履約部分之款項。

倘貨品或服務之控制權在一段時間內轉移，收益將參考在完全履行該履約責任上之進度而於合約期間確認。否則，收益於客戶取得貨品或服務之控制權時於某一時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Revenue (Continued)

Sales of pharmaceutical products

Customers obtain control of the pharmaceutical products when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the pharmaceutical products. There is generally only one performance obligation. Invoices are issued when goods is delivered. The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The customers are generally given a credit period for 120 to 180 days, extending up to one year for some major customers.

Other income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract liabilities

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4.11 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

(4) 重大會計政策(續)

4.10 收益(續)

銷售藥品

當貨品交付及獲接收時，客戶方可獲得藥品的控制權。因此，收益於客戶接收藥品時確認。一般只有一項履約責任。發票於交付貨品時開具。本集團與其客戶之交易條款以信貸交易為主，惟新客户除外，通常會要求彼等預付款項。客戶一般獲給予120至180日之信貸期，部分主要客戶可延長至最多一年。

其他收入

利息收入根據未償還本金及適用利率按時間累計。

合約負債

合約負債指本集團將本集團已向客戶收取代價(或應收代價金額)的服務轉移予客戶的責任。

4.11 所得稅

本年度之所得稅包括即期稅項及遞延稅項。

即期稅項乃日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)，按於報告期末已頒佈或實質上已頒佈之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(4) 重大會計政策(續)

4.11 所得稅(續)

遞延稅項乃因就財務報告而言資產及負債之賬面值與就稅務而言之相關金額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債之外，所有應課稅暫時差額均被確認為遞延稅項負債。倘可動用可扣稅之暫時差額抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期於有關資產之賬面值變現或有關負債之賬面值結算之期間適用之稅率，根據報告期末時已頒佈或實際已頒佈之稅率計算。

遞延稅項負債乃按於附屬公司、聯營公司及共同控制實體之投資而產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回而該暫時差額有可能將不會在可見將來撥回者則除外。

遞延稅項資產賬面值於各報告期末予以檢討，並作出扣減，以不再可能有足夠應課稅溢利供容許收回全部或部分資產為限。

所得稅乃於損益確認，除非該等稅項與其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益內確認，或該等稅項與於權益直接確認之項目相關，在此情況下該等稅項亦於權益內直接確認。遞延稅項資產之賬面值於各報告期末均作檢討，並在不大有可能再有足夠應課稅溢利以收回全部或部分資產時減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(4) 重大會計政策(續)

4.12 外幣

本公司／集團實體以其經營業務所在主要經濟環境貨幣(「功能貨幣」)以外之貨幣進行之交易，按交易發生時之適用匯率入賬。外幣貨幣資產及負債則以報告期末之適用匯率換算。按公平值入賬並以外幣計值之非貨幣項目重新按公平值釐定當日之現行匯率換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算與換算貨幣項目產生之匯兌差額於其產生期間於損益內確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

(4) 重大會計政策(續)

4.12 外幣(續)

綜合賬目時，海外業務之收支項目以年度內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期末之匯率換算。所產生之匯兌差額(如有)，於其他全面收益確認，並累計至權益入賬為匯兌儲備(歸屬於非控股權益(如適用))。於換算構成本集團所涉海外業務之部分投資淨額之長期貨幣項目時，在集團實體之獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並累計至權益入賬為匯兌儲備。

出售海外業務時，匯兌儲備內確認該業務截至出售日期止之累計匯兌差額將重新分類至損益，作為出售溢利或虧損之一部分。

於二零零五年一月一日或以後，收購海外業務產生之有關所收購可識別資產之商譽及公平價值調整乃視為該海外業務之資產及負債，並按於報告期末之現行匯率進行換算。產生之匯兌差額乃於匯兌儲備內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Employee benefits

- (i) **Short term employee benefits**
Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.
- (ii) **Retirement benefit costs**
Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.
- (iii) **Termination benefits**
Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

4.14 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment/investment property under cost model;
- right-of-use assets; and
- investments in subsidiaries and an associate.

(4) 重大會計政策(續)

4.13 僱員福利

- (i) **短期僱員福利**
短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月之前悉數結清之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。
- (ii) **退休福利成本**
於僱員提供服務且有權獲得供款時，向國家管理之退休福利計劃及強制性公積金計劃之供款被確認為開支。
- (iii) **終止福利**
終止福利於本集團不能取消提供該等福利時及本集團確認重組成本(涉及支付終止福利)時(以較早日期為準)確認。

4.14 資產減值(金融資產除外)

於各報告期末，本集團檢討下列資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損或過往確認之減值虧損不再存在或可能已經減少：

- 成本模式項下的物業、廠房及設備／投資物業；
- 使用權資產；及
- 於附屬公司及一間聯營公司之投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4.15 Borrowing cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.16 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

(4) 重大會計政策(續)

4.14 資產減值(金融資產除外)(續)

倘資產之可收回金額(即公平值減出售成本與使用價值之較大者)估計少於其賬面值,該資產之賬面值將減至其可收回金額。減值虧損即時確認為開支,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損則根據該條香港財務報告準則被視為重估減值。

倘其後撥回減值虧損,則該項資產之賬面值回升至經修訂後之估計可收回金額,惟增加後之賬面值不能超過倘該資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入,除非相關資產根據另一條香港財務報告準則按重估金額入賬,在此情況下,減值虧損撥回則根據該條香港財務報告準則被視為重估增值。

使用價值乃根據預期自資產產生之估計日後現金流量,並使用反映當前市場對金錢時間價值之評估及該資產或現金產生單位獨有之風險之稅前折現率將其折現至現值。

4.15 借款成本

所有借款成本於其產生期間於損益內確認。

4.16 撥備及或然負債

當本集團因過往事件須負上法律或推定責任而可能導致流出經濟利益,且該經濟利益能夠合理估計時,則會就未能確定時間或金額之負債確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

4.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(4) 重大會計政策(續)

4.16撥備及或然負債(續)

倘不太可能需要流出經濟利益，或該金額未能可靠估計，則該責任將披露為或然負債，惟流出經濟利益之機會極微則除外。僅以發生或無發生一項或多項日後事件方可確定是否存在之可能責任，亦會披露為或然負債，惟流出經濟利益之機會極微則除外。

或然負債指因過去事件而產生之現有責任，但由於不可能需要流出帶有經濟利益之資源以承擔責任或有關責任金額未能足夠可靠計量而未有確認。

倘本集團須共同及個別承擔責任，則預期由其他方承擔之部分責任則會視作或然負債，並不會於綜合財務報表內確認。

本集團會持續評估以斷定有否可能流出帶有經濟利益之資源。倘有可能需要就一項先前視作或然負債處理之項目流出未來經濟利益，則會於出現可能性變動之呈報期內在綜合財務報表確認撥備，除非出現無法作出可靠估計之極端罕見情況則作別論。

4.17政府補助

當能合理確定將收到政府之補助，而本集團將遵守所有附帶條件時，補助按其公平值確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Government grants (Continued)

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

4.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

4.19 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Group's parent.

(4) 重大會計政策(續)

4.17 政府補助(續)

有關成本之政府補助將被遞延，並於將有關補助與其擬定補償之成本配對所需之期間內在綜合損益及其他全面收益表予以確認。

有關物業、廠房及設備之政府補助被納入非流動負債列為有關政府補助之遞延收入，並於有關資產之預期年限內按直線基準計入綜合損益及其他全面收益表。

4.18 股息分派

本公司股東之股息分派於本集團及本公司之年度內財務報表中被確認為負債，其中股息由本公司股東或董事(倘合適)批准。

4.19 關聯方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of 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 key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

(4) 重大會計政策(續)

4.19 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關)。
 - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (v) 實體為本集團或與本集團有關之實體就僱員利益設立之離職福利計劃。
 - (vi) 實體受(a)內識別人士控制或共同控制。
 - (vii) (a)(i)內識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
 - (viii) 向本集團或向本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Related parties (Continued)

- (b) (Continued)
- Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
- (i) that person's children and spouse or domestic partner;
 - (ii) children of that person's spouse or domestic partner; and
 - (iii) dependents of that person or that person's spouse or domestic partner.

(4) 重大會計政策(續)

4.19 關聯方(續)

- (b) (續)
- 任何人士之近親是指與該實體交易時預期可影響該名人士或受該人士影響之家庭成員，包括：
- (i) 該人士之子女及配偶或同住伴侶；
 - (ii) 該人士之配偶或同住伴侶之子女；及
 - (iii) 該人士或該人士之配偶或同住伴侶之受養人。

(5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are 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.

(5) 重大會計判斷及估計不明朗因素之主要來源

在應用本集團會計政策時，董事須對未能輕易地從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關之其他因素而作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續地檢討。若估計修訂只影響作出修訂的期間，則會計估計之修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計之修訂會於修訂期內及未來期間確認。

下文載列於報告期末所作出有關未來之主要假設及估計不確定因素之其他主要來源，該等假設及來源有相當風險導致須於下個財政年度內就資產及負債之賬面值作出重大調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of interest in an associate

The Group's interest in an associate represents interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"). The major asset held by the Smart Ascent Group is an intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product"). As at 31 March 2023, the Group's interest in an associate is amounted to HK\$316,516,000 (2022: HK\$320,365,000). The directors of the Company have performed an impairment assessment on the Group's interest in an associate as at 31 March 2023 and 2022, with reference to a valuation report prepared by an independent qualified valuer and are of the view that no impairment is required for both years.

In making the assessment, key assumptions adopted by the management include that Smart Ascent Group would be successful in completing the clinical trials, obtaining the regulatory approvals from the relevant government bodies and launching the Product.

Impairment losses on trade receivables, loan to an associate and amount due from an associate

The impairment losses on trade receivables, loan to an associate and amount due from an associate of the Group are estimated based on the evaluation of collectability and ageing analysis performed by the management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each counterparty. If the financial conditions of customers or an associate of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(5) 重大會計判斷及估計不明朗 因素之主要來源(續)

於一間聯營公司之權益減值

本集團於一間聯營公司之權益指於進生有限公司及其附屬公司(「進生集團」)之權益。進生集團所持之主要資產為有關進行之研究及開發項目(「進行之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二三年三月三十一日，本集團於一間聯營公司之權益為316,516,000港元(二零二二年：320,365,000港元)。本公司董事已經參考獨立合資格估值師編製之估值報告，就本集團於二零二三年及二零二二年三月三十一日於一間聯營公司之權益進行減值評估，並認為毋須就兩個年度作出減值。

在進行評估時，管理層所應用之主要假設包括進生集團將成功完成臨床試驗、取得有關政府監管部門批准並推出產品。

貿易應收賬款、貸款予一間聯 營公司及應收一間聯營公司款 項之減值虧損

本集團之貿易應收賬款、貸款予一間聯營公司及應收一間聯營公司款項之減值虧損乃基於管理層作出之可收回性評估及賬齡分析而估計。於評估該等應收款項最終變現價值時，須作出大量判斷，包括各交易對手方現時之信譽及過往還款記錄。倘本集團客戶或聯營公司之財務狀況惡化，導致其還款能力下降，則或須作出額外撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Fair value of investments in convertible bonds

The fair value of convertible bonds invested by the Group is calculated using valuation techniques. Valuation techniques are certified by independent qualified valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by valuers make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price, volatility, discount rate and others. As at 31 March 2023, the carrying amount of the convertible bonds as a whole invested by the Group is HK\$793,530,000 (2022: HK\$634,907,000).

(6) REVENUE AND SEGMENT INFORMATION

Revenue for the year represents the fair value of amounts received and receivable for goods sold to external customers, less discounts and sales-related taxes for the year, and is analysed as follows:

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Manufacturing of pharmaceutical products, at a point in time 製造藥品，於某一時間點	72,573	73,925
Trading of pharmaceutical products, at a point in time 藥品貿易，於某一時間點	4	—
	72,577	73,925

(5) 重大會計判斷及估計不明朗因素之主要來源(續)

可換股債券投資之公平值

本集團投資之可換股債券之公平值乃採用估值法計算。估值法經獨立合資格估值師於估值前核實並予以調整，以確保得出之數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價、波動、貼現率及其他因素之估計。於二零二三年三月三十一日，本集團投資之可換股債券之整體賬面值為793,530,000港元(二零二二年：634,907,000港元)。

(6) 收益及分類資料

年度內收益指向外間客戶出售貨品而已收及應收款項之公平值扣除年度內之折扣及銷售相關稅項，分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(6) REVENUE AND SEGMENT INFORMATION (Continued)

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date:

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 and therefore the information about the remaining performance obligation is not disclosed for contracts that have an original expected duration of one year or less and also for those performance obligation which are regarded as satisfied as invoiced.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products ("Manufacturing");
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products ("Trading"); and
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology ("Gene Development").

(6) 收益及分類資料(續)

於報告日期存續的現有客戶合約所產生預期於日後確認之收益：

本集團已應用香港財務報告準則第15號第121段的實際可行權宜情況，故並無就原先預期期限為一年或以內及其履約責任被視為已按發票達成之合約披露有關餘下履約責任之資料。

營運分類按照與向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分類表現的首席營運決策者已被識別為作出戰略決策的董事會。

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各業務分類之風險及回報不盡相同。可呈報及經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售藥品(「製造」)；
- (b) 貿易分類從事推廣及分銷進口藥品(「貿易」)；及
- (c) 基因開發分類從事基因相關技術之商業開發及發展(「基因開發」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(6) REVENUE AND SEGMENT INFORMATION (Continued)

(6) 收益及分類資料(續)

Segment revenue and results

The following is the Group's revenue and results from operation by reportable and operating segments.

分類收益及業績

以下為本集團按可呈報及經營分類劃分之經營收益及業績。

		Manufacturing		Trading		Gene Development		Total	
		製造	貿易	基因開發	總計				
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		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
Revenue	收益								
Sales to external customers	向外間客戶銷售	72,573	73,925	4	—	—	—	72,577	73,925
Segment results	分類業績	2,143	2,132	(3,354)	(4,168)	(91)	(90)	(1,302)	(2,126)
Unallocated other income	未分配之其他收入							3,707	1,536
Unallocated other gains and losses, net	未分配之其他收益及虧損淨額							157,957	160,374
Administrative expenses	行政費用							(10,069)	(10,708)
Interest expenses on convertible bonds	可換股債券利息開支							(15,543)	(13,094)
Share of results of an associate	應佔一間聯營公司業績							(3,849)	(3,652)
Profit before income tax	除所得稅前溢利							130,901	132,330
Income tax expense	所得稅開支							(1,128)	(1,239)
Profit for the year	本年度溢利							129,773	131,091

Segment profit represents the profit earned by each segment without allocation of other income, other gains and losses, net, certain administrative expenses, effective interest expense on convertible bonds and share of results of an associate. This is the measure reported to the chief operating decision maker, being the board of directors, for the purposes of resource allocation and performance assessment.

分類溢利指在並無分配其他收入、其他收益及虧損淨額、若干行政費用、可換股債券之實際利息開支及應佔一間聯營公司業績之情況下，各分類賺取之溢利。此乃就資源分配及表現評估呈報予首席營運決策者(即董事會)的計量方式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(6) REVENUE AND SEGMENT INFORMATION (Continued)

(6) 收益及分類資料(續)

Segment assets and liabilities

The following is the Group's assets and liabilities by reportable and operating segment.

分類資產及負債

以下為本集團按可呈報及經營分類劃分之資產及負債。

		Manufacturing		Trading		Gene Development		Total	
		製造	2022	貿易	2022	基因開發	2022	總計	2022
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		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
Segment assets	分類資產								
Segment assets	分類資產	176,617	194,340	45,827	66,063	15	15	222,459	260,418
Financial assets at fair value through profit or loss – investments in convertible bonds	按公平值計入損益之金融資產—可換股債券投資							793,530	634,907
Interest in an associate	於一間聯營公司之權益							316,516	320,365
Corporate and other assets	企業及其他資產							112,369	101,411
Total assets	資產總額							1,444,874	1,317,101
Segment liabilities	分類負債								
Segment liabilities	分類負債	57,917	64,376	709	1,211	64	64	58,690	65,651
Convertible bonds	可換股債券							98,617	83,074
Corporate and other liabilities	企業及其他負債							5,997	3,452
Total liabilities	負債總額							163,304	152,177

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than financial assets at fair value through profit or loss – investments in convertible bonds, short term investment, interest in an associate and corporate and other assets; and
- all liabilities are allocated to operating segments other than convertible bonds and corporate and other liabilities.

就監察分類表現及於分類間分配資源而言：

- 除按公平值計入損益之金融資產—可換股債券投資、短期投資、於一間聯營公司之權益以及企業及其他資產外，所有資產均分配至經營分類；及
- 除可換股債券以及企業及其他負債外，所有負債均分配至經營分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(6) REVENUE AND SEGMENT INFORMATION (Continued)

(6) 收益及分類資料(續)

Other segment information

其他分類資料

		Manufacturing		Trading		Gene Development		Total	
		製造		貿易		基因開發		總計	
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		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	
Amounts included in the measure of segment profit or loss:	計入分類溢利或虧損計量之數額：								
Depreciation and amortisation	折舊及攤銷	6,660	6,557	1,507	133	—	—	8,167	6,690
Unallocated depreciation and amortisation	未分配折舊及攤銷							630	2,037
								8,797	8,727
Provision for/(reversal of) impairment loss on trade receivables, net	貿易應收賬款減值虧損撥備/(撥回)淨額	795	(272)	—	—	—	—	795	(272)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	—	—	55	—	—	—	55
Reversal of written off on other receivables	其他應收款項撤銷撥回	(787)	—	—	—	—	—	(787)	—
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備	—	25	—	—	—	—	—	25
Allowance for obsolete inventories, net	陳舊存貨撥備淨額	115	—	—	—	—	—	115	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(6) REVENUE AND SEGMENT INFORMATION (Continued)

(6) 收益及分類資料(續)

Geographical information

The Group's operations are located in the People's Republic of China (the "PRC") (Country of domicile) and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers and distributors. Information about the Group's non-current assets is presented based on the geographical location of the assets.

地理資料

本集團之業務位於中華人民共和國(「中國」)(所在國)及香港。

有關來自外間客戶之本集團收益之資料乃按客戶及經銷商所在地呈列。有關本集團非流動資產之資料乃按資產所在地理位置呈列。

		Revenue from external customers 來自外間客戶之收益		Non-current assets 非流動資產	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Hong Kong	香港	4	—	4,507	3,612
The PRC	中國	72,573	73,925	470,158	484,131
		72,577	73,925	474,665	487,743

Note: Non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets.

附註：非流動資產不包括按公平值計入損益之金融資產及遞延稅項資產。

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue for both years.

主要客戶資料

於該兩個年度內，概無個別客戶之收益佔本集團總收益超過10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(7) OTHER INCOME

(7) 其他收入

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bank interest income	銀行利息收入	2,126	343
Rental income	租賃收入	437	209
Government grants (note)	政府補助(附註)	284	249
Loan interest income from an associate	來自一間聯營公司之貸款 利息收入	860	735
		3,707	1,536

Note: Government grants of approximately HK\$123,000 (2022: HK\$121,000) recognised as other income are awarded to the Group by the PRC government as incentives primarily to encourage the development of the Group and the contribution to the local economic development. The remaining balances are related to the acquisition of property, plant and equipment (see details in note 34). The government grants are one-off with no specific condition attached for both years.

附註：確認為其他收入之政府補助金約123,000港元(二零二二年：121,000港元)乃中國政府給予本集團之撥款作為激勵，主要用於鼓勵本集團發展及對當地經濟發展作出貢獻。餘下結餘乃與收購物業、廠房及設備有關(詳情見附註34)。兩個年度之政府補助金均為一次性撥款，並無附帶特別條件。

(8) OTHER GAINS AND LOSSES, NET

(8) 其他收益及虧損淨額

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	(55)
Change in fair value on financial assets at fair value through profit or loss — investments in convertible bonds	按公平值計入損益之金融資產公平值變動 — 可換股債券投資	158,623	168,585
Change in fair value on financial assets at fair value through profit or loss — short term investment	按公平值計入損益之金融資產公平值變動 — 短期投資	41	52
Provision for impairment loss on loan to an associate	貸款予一間聯營公司之減值虧損撥備	(854)	(2,353)
Reversal of/(provision for) impairment loss on amount due from an associate	應收一間聯營公司款項之減值虧損撥回/(撥備)	155	(5,858)
Reversal of written off on other receivables	其他應收款項撇銷撥回	787	
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備	—	(25)
(Provision for)/reversal of impairment loss on trade receivables, net	貿易應收賬款減值虧損(撥備)/撥回淨額	(795)	272
		157,957	160,618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(9) PROFIT BEFORE INCOME TAX

(9) 除所得稅前溢利

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax is arrived at after charging:	除所得稅前溢利已扣除下列各項：		
Auditor's remuneration	核數師酬金	800	780
Depreciation of right-of-use assets	使用權資產折舊	2,151	2,188
Depreciation of investment properties	投資物業折舊	132	95
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,514	6,444
Cost of inventories recognised as expenses (note)	確認為費用之存貨成本(附註)	20,646	24,021
Research and development cost	研發成本	881	444
Allowance for obsolete inventories, net	陳舊存貨撥備淨額	115	—
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries and allowances	薪金及津貼	18,874	19,886
Retirement benefit scheme contributions	退休福利計劃供款	2,224	2,555

Note: The amount represents the cost of materials that used to produce the goods, excluding the direct labour costs and the manufacturing overheads.

附註：該金額指用於生產貨品的材料成本，不包括直接人工成本及間接製造成本。

(10) FINANCE COSTS

(10) 財務成本

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Interest expenses on convertible bonds	可換股債券利息開支	15,544	13,094
Interest expenses on lease liabilities	租賃負債利息開支	92	135
		15,636	13,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(11) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance is as follows:

(11) 董事及最高行政人員酬金

本年度根據適用上市規則及香港公司條例披露的董事及最高行政人員薪酬如下：

Name of director	董事姓名	Notes	Fees		Salaries and allowance		Contributions to retirement benefit scheme		Total	
			袍金	薪金及津貼	退休福利計劃供款	總計				
			2023	2022	2023	2022	2023	2022	2023	2022
			二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
			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
Xie Yi	謝毅	(a)	70	70	1,316	1,316	—	—	1,386	1,386
Lou Yi	樓屹	(a)	70	70	487	487	—	—	557	557
Cheng Yong	程勇	(a)	70	70	643	643	—	—	713	713
Wong Sau Kuen	王秀娟	(a)	70	70	852	852	18	18	940	940
Liu Kwok Wah	廖國華	(a), (c)	105	70	728	995	9	18	842	1,083
Fang Lin Hu	方林虎	(b)	70	70	—	—	—	—	70	70
Xue Jing Lun	薛京倫	(b), (d)	118	70	—	—	—	—	118	70
Jin Song	金松	(b)	70	70	—	—	—	—	70	70
			643	560	4,026	4,293	27	36	4,696	4,889

Notes:

- (a) Executive directors
 (b) Independent non-executive directors
 (c) Liu Kwok Wah has resigned on 30 September 2022

The amount of fees included payable for the period from 1 April 2022 to 30 September 2022.

- (d) Xue Jing Lun passed away on 4 December 2022

The amount of fees included payable for the period from 1 April 2022 to 4 December 2022.

附註：

- (a) 執行董事
 (b) 獨立非執行董事
 (c) 廖國華於二零二二年九月三十日辭任

袍金金額包括由二零二二年四月一日至二零二二年九月三十日期間的應付款項。

- (d) 薛京倫於二零二二年十二月四日辭世

袍金金額包括由二零二二年四月一日至二零二二年十二月四日期間的應付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(11) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Xie Yi is also the chief executive officer of the Company ("CEO") and his emoluments disclosed above include those for services rendered by him as the CEO.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs.

The independent non-executive directors' emoluments shown above are for their services as the directors of the Company.

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors has waived or agreed to waive any emoluments for both years.

(11) 董事及最高行政人員 酬金(續)

謝毅亦為本公司行政總裁(「行政總裁」)，其上述披露酬金包括其作為行政總裁所提供服務之酬金。

上述執行董事酬金乃就彼等提供有關管理事宜的服務發出。

上述獨立非執行董事酬金乃就彼等擔任本公司董事的服務發出。

於該兩個年度內，本集團並無向任何董事支付酬金，作為加入本集團或入職時之獎勵或作為離職補償。於該兩個年度內，概無任何董事放棄或同意放棄收取任何酬金。

(12) FIVE HIGHEST PAID INDIVIDUALS

(a) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, five (2022: five) were directors of the Company whose emoluments are included in the disclosures in note 11 above.

During both years, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no highest paid individual has waived or, agreed to waive any emoluments.

(12) 五位最高薪酬人士

(a) 五位最高薪酬人士

本集團五位最高薪酬人士中五名(二零二二年：五名)為本公司董事，彼等之酬金載列於上文附註11內。

於該兩個年度內，本集團並無向五位最高薪酬人士支付酬金，作為加入本集團或入職時之獎勵或離職補償，及概無最高薪酬人士放棄或同意放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(12) FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Share option scheme

On 24 August 2012, the shareholders of the Company approved the adoption of a share option scheme, which had a term of 10 years commencing on the effective adoption date of 29 August 2012, and expired on 28 August 2022 (the “Old Scheme”). No share options had been granted, exercised, cancelled or lapsed under the Old Scheme.

On 30 August 2022, the shareholders of the Company approved the adoption of a new share option scheme (the “New Scheme”) which became effective on 2 September 2022 upon obtaining listing approval from the Stock Exchange, and unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The New Scheme provides the Company with a flexible means of giving incentives or rewards to the eligible participants, for their contribution and/or potential contribution to the long-term growth of the Group. Eligible participants of the New Scheme mainly comprise the Company’s directors (including independent non-executive directors), other employees of the Group, suppliers of goods or services to the Group, customers of the Group; any person or entity that provides research, development or other technological support to the Group; and professional adviser or consultant to any area of business or business development of any member of the Group.

The total number of shares available for issue under the New Scheme is 239,000,000 shares, representing 10% of the Company’s shares in issue as at the date of passing the relevant resolution approving the New Scheme.

(12) 五位最高薪酬人士(續)

(b) 購股權計劃

於二零一二年八月二十四日，本公司股東批准採納一項購股權計劃(「舊計劃」)，該計劃的有效期為10年，自二零一二年八月二十九日起生效，並於二零二二年八月二十八日到期。概無任何購股權根據舊計劃授出、行使、註銷或失效。

於二零二二年八月三十日，本公司股東批准採納一項新購股權計劃(「新計劃」)，經聯交所作出上市批准後，該計劃於二零二二年九月二日生效，且有效期為自該日起10年，除非另行註銷或修訂則另當別論。

新計劃令本公司更為靈活，可向曾為及／或可能為本集團長期發展作出貢獻的合資格參與者給予激勵或獎勵。新計劃的合資格參與者主要包括本公司董事(包括獨立非執行董事)、本集團的其他僱員、本集團的貨物或服務供應商、本集團的客戶、為本集團提供研究、開發或其他技術支援的任何個人或實體，以及本集團任何成員公司於任何業務領域或業務發展方面的專業顧問或諮詢人。

新計劃項下可供發行的股份總數為239,000,000股，相當於批准新計劃的相關決議案通過當日本公司已發行股份的10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(12) FIVE HIGHEST PAID INDIVIDUALS (Continued) (12) 五位最高薪酬人士(續)

(b) Share option scheme (Continued)

Unless approved by the Company's shareholders, the total number of shares issued and which may fall to be issued upon exercise of the options granted under the New Scheme and any other share option schemes of the Group to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Company's shares in issue. Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the Company's shares in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted shall be determined by the directors at their absolute discretion, but in any event shall not be more than 10 years from the date of the offer of the share options. The directors of the Company may at their absolute discretion impose any vesting period at the date of grant.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's 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 the Company's shares on the date of grant.

(b) 購股權計劃(續)

除非獲本公司股東批准，否則在任何12個月期間，根據新計劃及本集團任何其他購股權計劃授予每位合資格參與者的購股權(包括已行使及尚未行使的購股權)獲行使後已發行及可能須予發行的股份總數不得超過本公司已發行股份的1%。向本公司董事、最高行政人員或主要股東或彼等之任何聯繫人授出購股權，須事先取得獨立非執行董事批准。此外，倘於任何12個月期間向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出之任何購股權，涉及超過本公司於任何時間已發行股份之0.1%，或總值(按照本公司股份於授出日期之收市價計算)超過5,000,000港元，則須事先於股東大會上獲股東批准。

承授人可於建議日期起計21日內，於支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。所授出購股權之行使期由董事全權酌情決定，惟無論如何不得遲於購股權建議日期起計10年。本公司董事可於授出日期全權酌情規定任何歸屬期。

購股權之行使價可由董事釐定，惟不得低於以下三者中之最高者：(i)本公司股份於授出日期在聯交所每日報價表所報之收市價；(ii)本公司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報之平均收市價；及(iii)本公司股份於授出日期之面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(12) FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Share option scheme (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

From the effective date of the Scheme to 31 March 2023, no share options have been granted, exercised, cancelled or lapsed under the Scheme.

(c) Retirement benefit schemes

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

(12) 五位最高薪酬人士(續)

(b) 購股權計劃(續)

購股權並不賦予持有人獲分派股息或於股東大會投票之權利。

自該計劃生效日期至二零二三年三月三十一日止期間，概無購股權根據該計劃獲授出、行使、註銷或失效。

(c) 退休福利計劃

本集團已參加為所有香港合資格僱員而設之強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產與本集團之資產分開持有，於基金之資產由獨立受託人控制。根據強積金計劃之規則，僱主及其僱員分別須向計劃作出按規則指定之比率計算之供款。本集團有關強積金計劃之唯一責任為根據計劃作出規定供款。根據強積金計劃，僱主及其僱員均須按僱員相關收入的5%向強積金計劃作出供款，每月相關收入上限為港幣30,000元。強積金計劃的供款即時歸屬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(12) FIVE HIGHEST PAID INDIVIDUALS (Continued) (12) 五位最高薪酬人士(續)

(c) Retirement benefit schemes (Continued)

The retirement benefits cost of the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the salaries of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The Group's employer contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions). As at 31 March 2023, no forfeited contribution under the pension scheme of the Group is available for deduction of contribution payable in coming years.

(c) 退休福利計劃(續)

於綜合損益及其他全面收益表中扣除之強積金計劃退休福利成本指本集團按計劃規則指定比率應付基金之供款。

本集團之中國附屬公司僱員為由中國有關地方政府機關組織之國家管理退休福利計劃成員。附屬公司須按其僱員薪金之若干百分比向退休福利計劃供款，除每年供款外，並無任何實際支付退休金或退休後福利之進一步責任。於中央退休金計劃供款時，本集團的僱主供款悉數歸屬於僱員。本集團並無沒收退休金計劃供款(即在該供款歸屬前由僱主代表已退出該計劃的僱員處理的供款)。於二零二三年三月三十一日，本集團並無退休金計劃下的已沒收供款可用於扣除未來年度應付供款。

(13) INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

(13) 所得稅開支

綜合損益及其他全面收益表中之所得稅開支款項指：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current tax	即期稅項		
— Hong Kong	— 香港	—	—
— PRC Enterprise Income Tax	— 中國企業所得稅	1,128	1,239
Income tax expense	所得稅開支	1,128	1,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(13) INCOME TAX EXPENSE (Continued)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of assessable profits of a qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will continue to be taxed at 16.5%. For the years ended 31 March 2023 and 2022, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision for taxation in Hong Kong has been made as the Group has no assessable profit arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2022: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(13) 所得稅(續)

根據香港利得稅兩級利得稅稅率制度，合資格企業的應課稅溢利首2,000,000港元將按8.25%的稅率納稅，而超過2,000,000港元的應課稅溢利將繼續按16.5%的稅率納稅。截至二零二三年及二零二二年三月三十一日止年度，本集團合資格實體公司的香港利得稅乃根據兩級利得稅稅率制度計算。不符合兩級制利得稅率制度的集團實體利潤將繼續按16.5%的統一稅率徵稅。由於本集團並無於香港產生應課稅溢利，故並無計提香港利得稅撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%(二零二二年：25%)。

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Profit before income tax expense	除所得稅支出前溢利	130,901	132,330
Tax at domestic income tax rate (2023: 25%; 2022: 25%)	按本地所得稅稅率計算之稅項 (二零二三年：25%； 二零二二年：25%)	32,726	33,083
Tax effect of expenses not deductible	不可扣稅之開支之稅務影響	1,474	3,420
Tax effect of income not taxable	不應課稅之收入之稅務影響	(26,732)	(28,033)
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(863)	(666)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	4,809	4,652
Tax effect of share of results of the associate	應佔一間聯營公司業績之稅務影響	635	602
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營之附屬公司不同稅率之影響	(10,921)	(11,819)
Income tax expense	所得稅開支	1,128	1,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(14) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

(14) 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之盈利 (本公司擁有人應佔本年度溢利)	129,265	130,588
Effect of potential ordinary shares: Interest on convertible bonds	潛在普通股之影響： 可換股債券利息	15,543	13,094
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	144,808	143,682
		2023 二零二三年 '000 千股	2022 二零二二年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	2,390,000	2,390,000
Effect of potential ordinary shares: Convertible bonds	潛在普通股之影響： 可換股債券	900,000	900,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	3,290,000	3,290,000

(15) DIVIDENDS

No dividend was paid or declared by the board of directors during the year ended 31 March 2023 (2022: nil), nor has any dividend been proposed since the end of reporting period.

(15) 股息

截至二零二三年三月三十一日止年度，董事會並未派付或宣派任何股息（二零二二年：無），而自報告期末以來並無建議派付任何股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(16) INVESTMENT PROPERTIES

The Group leases out various offices under operating leases with fixed rentals payable monthly. The leases typically run for an initial period of five years (2022: five).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

For the year ended 31 March 2023, the total cash inflow for leases is HK\$437,000 (2022: HK\$209,000).

(16) 投資物業

本集團根據經營租賃出租若干辦公室，須按月支付固定租金。租賃的初始期限一般為五年(二零二二年：五年)。

本集團因租賃安排未面臨外幣風險，原因為所有租賃均以集團實體各自的功能貨幣計值。租賃合約並無載列剩餘價值擔保及／或承租人於租期結束時購買物業的權利。

截至二零二三年三月三十一日止年度，租賃之現金流入總額為437,000港元(二零二二年：209,000港元)。

		HK\$'000 千港元
COST	成本	
At 1 April 2021	於二零二一年四月一日	8,057
Transfer from property, plant and equipment and right-of-use assets	轉撥自物業、廠房及設備及使用權資產	9,943
At 31 March 2022, 1 April 2022 and 31 March 2023	於二零二二年三月三十一日、二零二二年四月一日及二零二三年三月三十一日	18,000
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值	
At 1 April 2021	於二零二一年四月一日	6,797
Charge for the year	本年度列支	95
Transfer from property, plant and equipment and right-of-use assets	轉撥自物業、廠房及設備及使用權資產	8,427
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及二零二二年四月一日	15,319
Charge for the year	本年度列支	132
At 31 March 2023	於二零二三年三月三十一日	15,451
NET CARRYING AMOUNT	賬面淨值	
At 31 March 2023	於二零二三年三月三十一日	2,549
At 31 March 2022	於二零二二年三月三十一日	2,681

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(16) INVESTMENT PROPERTIES (Continued)

The above investment properties are depreciated using the straight-line method, after taking into account their estimated residual value, over the lease terms of the leasehold land.

The Group's investment properties are located on land in the PRC with medium lease term.

The fair value of the Group's investment properties at 31 March 2023 amounting to RMB7,210,000 (2022: RMB7,700,000) has been arrived at on the basis of valuation carried out for that date by Roma Appraisals Limited, an independent qualified valuer not connected with the Group. The valuation was arrived at by direct comparison approach with reference to market evidence of comparable transaction prices for similar properties as available in the relevant market.

The fair value of the Group's investment properties as at 31 March 2023 is a Level 3 recurring fair value measurement and based on the properties highest and best use, which does not differ from their actual use. The valuation takes into account of the condition and location of the properties. There has been no change from the valuation technique used in the prior years.

(16) 投資物業(續)

上述投資物業經考慮其估計剩餘價值後，於租賃土地之租期內以直線法折舊。

本集團之投資物業位於中國，且為中期租賃。

於二零二三年三月三十一日，本集團之投資物業公平值為人民幣7,210,000元(二零二二年：人民幣7,700,000元)，金額乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司於該日進行之估值基準達致。估值乃經參考相關市場中可得之類似物業可資比較交易價格之市場憑證後按直接比較法達致。

於二零二三年三月三十一日，本集團之投資物業之公平值按第三級經常性公平值計量並基於物業得到完全充分使用(與其實際用途相同)。在對物業進行估值時，該估值會計及物業之狀況及位置。所用估值技術與過往年度相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(17) PROPERTY, PLANT AND EQUIPMENT

(17) 物業、廠房及設備

		Buildings	Plant and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及設備	傢俬、固定裝置及設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
COST							
	成本						
At 1 April 2021	於二零二一年四月一日	137,581	38,063	7,294	4,038	—	186,976
Additions	添置	—	1,968	74	—	7,698	9,740
Disposal	出售	—	—	(307)	—	—	(307)
Transfer to investment properties	轉撥至投資物業	(5,966)	—	—	—	—	(5,966)
Exchange realignment	匯兌調整	4,876	1,410	105	128	190	6,709
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	136,491	41,441	7,166	4,166	7,888	197,152
Additions	添置	—	40	71	—	6,506	6,617
Disposal	出售	—	—	(25)	—	—	(25)
Transfer	轉撥	—	7,553	—	—	(7,553)	—
Exchange realignment	匯兌調整	(13,650)	(4,144)	(302)	(360)	(831)	(19,287)
At 31 March 2023	於二零二三年三月三十一日	122,841	44,890	6,910	3,806	6,010	184,457
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
	累計折舊及減值						
At 1 April 2021	於二零二一年四月一日	25,323	19,871	6,763	3,944	—	55,901
Charge for the year	本年度列支	2,858	3,381	158	47	—	6,444
Elimination on disposal	出售時取消	—	—	(252)	—	—	(252)
Transfer to investment properties	轉撥至投資物業	(5,056)	—	—	—	—	(5,056)
Exchange realignment	匯兌調整	822	820	96	127	—	1,865
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	23,947	24,072	6,765	4,118	—	58,902
Charge for the year	本年度列支	2,734	3,601	142	37	—	6,514
Elimination on disposal	出售對銷	—	—	(25)	—	—	(25)
Exchange realignment	匯兌調整	(2,517)	(2,567)	(277)	(358)	—	(5,719)
At 31 March 2023	於二零二三年三月三十一日	24,164	25,106	6,605	3,797	—	59,672
NET CARRYING AMOUNT							
	賬面淨值						
At 31 March 2023	於二零二三年三月三十一日	98,677	19,784	305	9	6,010	124,785
At 31 March 2022	於二零二二年三月三十一日	112,544	17,369	401	48	7,888	138,250

The Group estimates the recoverable amounts of the property, plant and equipment and right-of-use assets based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on fair value less costs of disposal/value in use and no impairment have been recognised for both years.

本集團按公平值減出售成本及使用價值之較高者估計物業、廠房及設備與使用權資產之可收回金額。以公平值減出售成本/使用價值為基準，有關資產之賬面值並無超過可收回金額，故於兩個年度並無確認減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(18) RIGHT-OF-USE ASSETS

(18) 使用權資產

		Lease land	Lease properties	Total
		租賃土地	租賃物業	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Cost	成本			
At 1 April 2021	於二零二一年四月一日	14,283	5,793	20,076
Addition	添置	—	139	139
Transfer to investment properties	轉撥至投資物業	(3,977)	—	(3,977)
Exchange realignment	匯兌調整	382	—	382
At 31 March 2022	於二零二二年三月三十一日	10,688	5,932	16,620
Addition	添置	—	4,597	4,597
Write-back	回撥	—	(5,793)	(5,793)
Exchange realignment	匯兌調整	(1,064)	—	(1,064)
At 31 March 2023	於二零二三年三月三十一日	9,624	4,736	14,360
Accumulated depreciation and impairment	累計折舊及減值			
At 1 April 2021	於二零二一年四月一日	5,415	2,173	7,588
Charge for the year	本年度列支	224	1,964	2,188
Transfer to investment properties	轉撥至投資物業	(3,371)	—	(3,371)
Exchange realignment	匯兌調整	75	—	75
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日 及二零二二年四月一日	2,343	4,137	6,480
Charge for the year	本年度列支	201	1,950	2,151
Write back	回撥	—	(5,793)	(5,793)
Exchange realignment	匯兌調整	(237)	—	(237)
At 31 March 2023	於二零二三年三月三十一日	2,307	294	2,601
NET CARRYING AMOUNT	賬面淨值			
At 31 March 2023	於二零二三年三月三十一日	7,317	4,442	11,759
At 31 March 2022	於二零二二年三月三十一日	8,345	1,795	10,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(18) RIGHT-OF-USE ASSETS (Continued)

Total cash outflow for the lease was approximately HK\$2,387,000 (2022: approximately HK\$1,935,000).

For both years, the Group leases office premises for its operations. Lease contracts are entered into for fixed term of two years to three years (2022: 2-3 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

(18) 使用權資產(續)

租賃之現金流出總額約為2,387,000港元(二零二二年：約1,935,000港元)。

於兩個年度，本集團就其營運租賃辦公室處所。租賃合約乃按固定年期兩年至三年(二零二二年：2-3年)訂立。租賃條款乃按逐項基準磋商並包含不同條款及條件。釐定租賃條款及評估不可撤銷期間時間時，本集團應用合約之定義並決定合約可行使之期間。

(19) INTANGIBLE ASSETS

(19) 無形資產

		Gene invention rights 基因發明權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本			
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	於二零二一年四月一日、 二零二二年三月三十一日、 二零二二年四月一日及 二零二三年三月三十一日	95,000	1,807	96,807
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值			
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	於二零二一年四月一日、 二零二二年三月三十一日、 二零二二年四月一日及 二零二三年三月三十一日	95,000	—	95,000
NET CARRYING AMOUNT	賬面淨值			
At 31 March 2023	於二零二三年三月三十一日	—	1,807	1,807
At 31 March 2022	於二零二二年三月三十一日	—	1,807	1,807

For the purposes of impairment testing, goodwill with indefinite useful lives has been allocated to one individual cash-generating units, comprising one subsidiary in the manufacturing segment.

就減值測試而言，具無限使用年期之商譽已分配至一個單一現金產生單位，當中包括製造分類的一間附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(19) INTANGIBLE ASSETS (Continued)

The recoverable amount of this unit has been determined based on value-in-use calculation. In assessing the valuation of the cash generating unit (“CGU”), the management adopted the income approach. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 15.78%. This unit’s cash flows beyond the five-year period are extrapolated using a pretax 2% growth rate, which represents the long-term inflation rate in the PRC. No impairment loss has been recognised during the years ended 31 March 2023 and 2022 as directors of the Company are of the opinion that the recoverable amount was higher than the carrying amount.

For the years ended 31 March 2023 and 2022, management of the Group determines that there is no impairment on this segment.

(19) 無形資產(續)

該單位之可收回金額乃根據使用價值計算而釐定。於評估該現金產生單位(「現金產生單位」)估值時，管理層採用收入法。該計算法使用的現金流預測乃基於經管理層批准的五年期財務預算，貼現率為15.78%。該單位五年期後的現金流使用2%稅前增長率推斷，其代表中國的長期通脹率。由於本公司董事認為可收回金額高於賬面金額，故截至二零二三年及二零二二年三月三十一日止年度並無確認減值虧損。

截至二零二三年及二零二二年三月三十一日止年度，本集團管理層釐定此分類並無減值。

(20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Investments in convertible bonds

On 28 July 2014, the Group completed the disposal of 51% equity interest in Smart Ascent Limited and received consideration with fair value of HK\$435,193,000 comprising (i) cash payment of HK\$65,000,000; and (ii) convertible bonds issued by Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) on 28 July 2014 with principal amount of HK\$715,000,000 (the “Innovative Pharm Bonds”) and fair value of HK\$370,193,000.

The Innovative Pharm Bonds bear interest at 3.5% per annum payable in arrears annually with maturity on the 28 July 2021 (the “Original Maturity Date”). The Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm at any time from the date of issue to the maturity date at an initial conversion price of HK\$2.5 per share.

(20) 按公平值計入損益之金融資產

(a) 可換股債券投資

於二零一四年七月二十八日，本集團完成出售進生有限公司之51%股權，並收取公平值為435,193,000港元之代價，當中包括(i)現金付款65,000,000港元；及(ii)於二零一四年七月二十八日由領航醫藥及生物科技有限公司(「領航醫藥」)發行本金額為715,000,000港元之可換股債券(「領航醫藥債券」)，而公平值為370,193,000港元。

領航醫藥債券按年利率3.5%計息，須於每年到期支付，領航醫藥債券到期日為二零二一年七月二十八日(「原到期日」)。本集團有權於發行日期至到期日之任何時候將領航醫藥債券按初步換股價每股2.5港元轉換為領航醫藥股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Investments in convertible bonds (Continued)

On 26 July 2019, the Company and Innovative Pharm entered into a deed of amendments to amend the terms and conditions of the Innovative Pharm Bonds (the “First Amendment Deed”). Pursuant to the First Amendment Deed, (i) the interest payment dates for the interest of 3.5% originally due on 28 July 2019 and 2020 were extended to 28 July 2021 (the “Original Maturity Date”); and (ii) the additional interest of HK\$11,261,250, representing 15% per annum on the annual interest multiply by three, was charged for the extension for payment of interests stated in (i) and shall be paid on 28 July 2021. The First Amendment Deed was effective on 28 October 2019. Details of the amendments of the terms and conditions of Innovative Pharm Bonds were set out in the Company’s announcements dated 26 July 2019 and 28 October 2019 and the circular dated 16 September 2019.

On 12 May 2021, the Company and Innovative Pharm entered into, amongst others, the deed of amendment to amend and vary terms and conditions in the Innovative Pharm Bonds (the “Second Amendment Deed”), as follows: the Original Maturity Date is extended for 2 years to 28 July 2023 (“First Extended Maturity Date”). The Second Amendment Deed was effective on 16 August 2021. Details of the amendments under the Second Amendment Deed are set out in the Company’s announcements dated 12 May 2021, 30 July 2021 and 16 August 2021 and the circular dated 14 July 2021.

(20) 按公平值計入損益之金融 資產(續)

(a) 可換股債券投資(續)

於二零一九年七月二十六日，本公司與領航醫藥簽立修訂契據以修訂領航醫藥債券的條款及條件(「第一份修訂契據」)。根據第一份修訂契據，(i)利率為3.5%且原定於二零一九年及二零二零年七月二十八日到期的利息支付日期延期至二零二一年七月二十八日(「原到期日」)；及(ii)就(i)項所述利息支付延期額外收取利息11,261,250港元(即按年利率15%計息的利息乘以三)並須於二零二一年七月二十八日支付利息。第一份修訂契據於二零一九年十月二十八日生效。領航醫藥債券的條款及條件之修訂詳情載於本公司日期為二零一九年七月二十六日及二零一九年十月二十八日之公告及日期為二零一九年九月十六日之通函。

於二零二一年五月十二日，本公司與領航醫藥訂立(其中包括)修訂契據，以修訂及更改領航醫藥債券若干條款及條件(「第二份修訂契據」)，內容如下：原到期日將延期兩年至二零二三年七月二十八日(「第一次經延長之到期日」)。第二份修訂契據於二零二一年八月十六日生效。第二份修訂契據項下的修訂詳情載於本公司日期為二零二一年五月十二日、二零二一年七月三十日及二零二一年八月十六日的公告以及日期為二零二一年七月十四日的通函。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Investments in convertible bonds (Continued)

The Innovative Pharm Bonds were classified as non-current assets because, in the opinion of the directors of the Company, the Company expected the Innovative Pharm Bonds to be recovered or settled more than twelve months after the reporting period. In assessing the presentation of the Innovative Pharm Bonds as current and non-current, the directors of the Company have taken into account the financial position of Innovative Pharm and the reasonable timing of the settlement of the Innovative Pharm Bonds, which is generally in line with expected timeline for commercialisation of the Product, and Innovative Pharm is expected to improve its financial position through obtaining of loans from banks, and equity financing as the capital market is expected to be less volatile following the uplifting of the pandemic containment measures against COVID-19, including the borders reopening of Hong Kong and the PRC, at the beginning of 2023.

The movements of the Innovative Pharm Bonds are set out as below:

(20) 按公平值計入損益之金融 資產(續)

(a) 可換股債券投資(續)

領航醫藥債券被分類為非流動資產，此乃由於本公司董事認為，本公司預期領航醫藥債券將於報告期後十二個月之後收回或結算。在評估領航醫藥債券呈列為流動及非流動時，本公司董事已考慮領航醫藥的財務狀況及結算領航醫藥債券的合理時間，而此與產品商品化之預期時間表基本一致，而由於預期資本市場之波動程度將會隨著二零二三年初針對新冠病毒肺炎的疫情控制措施解除(包括香港及中國重新通關)而下降，預期領航醫藥將會透過從銀行獲得貸款及進行股本融資以改善其財務狀況。

領航醫藥債券之變動載列如下：

		HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	466,322
Change in fair value	公平值變動	168,585
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	634,907
Change in fair value	公平值變動	158,623
At 31 March 2023	於二零二三年三月三十一日	793,530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Investments in convertible bonds (Continued)

At 31 March 2023 and 2022, the fair value of the Innovative Pharm Bonds as a whole is determined by the directors with reference to the valuation conducted by the independent qualified valuer and is calculated using the Binomial Model.

The inputs into the model at the respective dates are as follows:

		2023 二零二三年	2022 二零二二年
Stock price (HK\$)	股份價格(港元)	0.208	0.149
Conversion price (HK\$)	換股價(港元)	2.50%	2.50
Discount rate	貼現率	32.087%	24.707%
Risk free rate (note a)	無風險利率(附註a)	2.783%	1.117%
Expected volatility (note b)	預期波幅(附註b)	22.062%	27.261%
Expected dividend yield (note c)	預期股息率(附註c)	0%	0%
Option life (Years)	期權期限(年期)	0.326	1.326

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Innovative Pharm for the period from 11 December 2020 up to the end of the reporting date.
- (c) Estimated with reference to the historical dividend payout of Innovative Pharm.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於領航醫藥於二零二零年十二月十一日直至報告日期結束止期間之過往價格波幅得出。
- (c) 參考領航醫藥之過往股息派付估計。

(20) 按公平值計入損益之金融資產(續)

(a) 可換股債券投資(續)

於二零二三年及二零二二年三月三十一日，領航醫藥債券之整體公平值由董事參考獨立合資格估值師作出的估值釐定，並以二項式模式計算。

該模式於各日期所用輸入數據如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(20) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(20) 按公平值計入損益之金融 資產(續)

(b) Short-term investment

(b) 短期投資

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bank structured product, at fair value (note)	銀行結構性產品，按公平值 (附註)	1,754	1,905

Note: The amount represents short-term highly liquid investments placed in a PRC state-owned financial institution, which are readily convertible to cash. These investments are all denominated in Renminbi with non-determinable return rate. The fair value of these investments is based on estimated return of 2.2% (2022: 2.3%), and the credit quality of these investments can be assessed by reference to historical information or external credit ratings, if any. As at 31 March 2023, none of these investments is either past due or impaired and the Group's maximum exposure to credit risk as at that date is the carrying value of these investments.

附註：該款項指存放於一間中國國有金融機構並可即時轉換為現金之短期高流通量投資。該等投資全部均以人民幣計值，而其回報率乃屬不可釐定。該等投資之公平值乃按2.2%（二零二二年：2.3%）之估計回報率得出，而該等投資之信貸質素可經參考過往資料或外部信貸評級（如有）予以評估。於二零二三年三月三十一日，該等投資未逾期亦未減值，而本集團於該日所面臨之最高信貸風險為該等投資之賬面值。

The fair value of these investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

該等投資並非在活躍市場買賣，而其公平值乃使用估值方法釐定。於存在可觀察市場數據時，該等估值方法盡量運用有關數據，並盡可能減少依賴實體之特定估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(21) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(21) 按公平值計入其他全面收益之金融資產

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Unlisted investment fund (note)	非上市投資基金(附註)	—	—

Unlisted investment fund was measured at fair value through other comprehensive income ("FVTOCI"). Under HKFRS 9, these investments are all classified as financial assets measured at FVTOCI. Subsequent changes in fair value of these investments are recognised in FVTOCI reserve and the cumulative gains or loss on disposals are recognised in retained earnings.

The unlisted investment fund was denominated in HK\$ while the unlisted shares were denominated at Renminbi ("RMB").

Note:

On 11 May and 2 June 2017, Extrawell Enterprises Limited (the "Subscriber"), an indirect wholly-owned subsidiary of the Company, entered into subscription agreements with KKC Capital SPC, a segregated portfolio company incorporated in the Cayman Islands (the "Fund"), and pursuant to which the Subscriber agreed to subscribe for 50,000 and 30,000 participating shares in the Fund attributable to the segregated portfolio at aggregate consideration of HK\$50,000,000 and HK\$30,000,000 respectively on the respective dates (the "Investments"). The total cost of the Investments of HK\$80,000,000 was funded by the internal resources of the Group.

Since the financial year ended 31 March 2019 up to present, the Fund had net liabilities. Therefore, the fair value of the Fund remains zero.

非上市投資基金按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量。根據香港財務報告準則第9號，該等投資均被分類為按公平值計入其他全面收益之金融資產。該等投資之公平值其後變動於按公平值計入其他全面收益儲備中確認，而出售產生之累計收益或虧損於保留盈利中確認。

非上市投資基金以港元計值，而非上市股份以人民幣(「人民幣」)計值。

附註：

於二零一七年五月十一日及六月二日，精優企業有限公司(「認購方」)(本公司之間接全資附屬公司)與KKC Capital SPC(一間於開曼群島註冊成立之獨立投資組合公司)(「該基金」)訂立認購協議，據此，認購方已同意於各日期分別認購該基金之獨立投資組合之50,000股及30,000股參與股份，總代價分別為50,000,000港元及30,000,000港元(「該等投資」)。該等投資成本合共80,000,000港元，由本集團內部資源撥付。

自截至二零一九年三月三十一日止財政年度至今，該基金錄得負債淨額。因此，該基金的公平值維持為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(22) INTEREST IN AN ASSOCIATE

(22) 於一間聯營公司之權益

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of investment in an unlisted associate (note)	於一間非上市聯營公司之投資成本(附註)	337,000	337,000
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(20,484)	(16,635)
		316,516	320,365

Note: The amount represents the fair value as at 28 July 2014 of the 49% equity interest in Smart Ascent Limited as retained by the Group upon completion of the disposal of 51% equity interest in Smart Ascent Limited on 28 July 2014.

附註：此金額指於二零一四年七月二十八日出售進生有限公司51%股權完成後，本集團所保留進生有限公司49%股權於二零一四年七月二十八日之公平值。

The Group's associate, Smart Ascent Limited ("Smart Ascent") is a private company with no quoted market price available for its shares. The major asset held by Smart Ascent and its subsidiaries (the "Smart Ascent Group") is the intangible asset in relation to an in-process research and development project ("In-process R&D") involving an oral insulin product ("Product"). As at 31 March 2023 and 2022, the Group has engaged an independent qualified valuer, Roma Appraisals Limited to conduct a valuation of the fair value of the interest in the associate for impairment assessment.

本集團之聯營公司進生有限公司(「進生」)為一間私營公司，其股份並無市場報價。進生及其附屬公司(「進生集團」)所持之主要資產為有關進行中之研發項目(「進行中之研發」)之無形資產，當中涉及口服胰島素產品(「產品」)。於二零二三年及二零二二年三月三十一日，本集團已委聘一名獨立合資格估值師羅馬國際評估有限公司就於聯營公司之權益之公平值進行估值，以評估是否減值。

The asset-based approach was adopted in the valuation of the fair value of the Group's interest in the associate. In doing so, various assumptions about the cash flow projections of the In-process R&D and the Product were adopted. These assumptions include the successful completion of the clinical trials, obtaining of the regulatory approvals from the relevant government bodies (in particular, the granting of the certificate of new medicine and pharmaceutical manufacturing permit for the Product by China Food and Drug Administration, now known as National Medical Products Administration of the PRC), and launching of the Product by the first quarter of 2025. The recoverable amount of the interest in the associate is determined based on the Group's share of the estimated fair value of the In-process R&D after taking into account the lack of control discount. Since the recoverable amount is higher than carrying amount, no impairment loss was made for both years.

就本集團於聯營公司之權益之公平值進行估值時採納資產法。在此過程中，應用進行中之研發及產品之現金流量預測相關之各種假設。該等假設包括成功完成臨床試驗、取得有關政府監管部門批准(尤其是中國食品藥品監督管理總局(現稱國家藥品監督管理局)就產品授出新藥證書及藥品生產許可證)及於二零二五年第一季度前推出產品。於聯營公司之權益之可收回金額乃經計及並無控制權之折讓後根據本集團應佔進行中之研發之估計公平值釐定。由於可收回金額高於賬面值，故兩個年度均無作出減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(22) INTEREST IN AN ASSOCIATE (Continued)

Particulars of the Smart Ascent Group at the end of the reporting periods are as follows:

(22) 於一間聯營公司之權益(續)

進生集團於報告期末之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/ 營運地點	Class of shares held 所持股份 類別	Effective interest held by the Group/ Smart Ascent 本集團/進生 所持實際權益	Principal activities 主要業務	Measurement method 計量方式
Smart Ascent 進生	Hong Kong 香港	Ordinary 普通	49%	Investment holding 投資控股	Equity 股權
Subsidiaries of Smart Ascent 進生之附屬公司					
Fosse Bio-Engineering Development Limited 福仕生物工程(上海)有限公司	Hong Kong/China 香港/中國	Ordinary 普通	51%	Development and commercialisation of oral insulin products 開發及商品化口服 胰島素產品	Equity 股權
福仕生物工程(上海)有限公司	China 中國	Registered capital 註冊資本	51%	Inactive 暫無業務	Equity 股權
Welly Surplus Development Limited 瑞盈發展有限公司	Hong Kong 香港	Ordinary 普通	51%	Inactive 暫無業務	Equity 股權
Nation Joy Industries Limited 國悅實業有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	Ordinary 普通	100%	Inactive 暫無業務	Equity 股權

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(22) INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the associate, adjusted for any differences in accounting policies and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

(22) 於一間聯營公司之權益(續)

聯營公司之財務資料概要(已就任何會計政策差異作出調整)及於綜合財務報表內與賬面值之對賬如下:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current assets	非流動資產	284,260	284,260
Current assets	流動資產	1,884	5,769
Current liabilities	流動負債	(52,426)	(58,051)
Non-current liabilities	非流動負債	(64,333)	(49,583)
Non-controlling interests	非控股權益	(93,469)	(98,624)
Non-current assets include the following: Intangible assets — In-process R&D	非流動資產包括以下項目: 無形資產 — 進行中之研發	284,260	284,260
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收益	—	—
Loss and total comprehensive expense	虧損及全面開支總額	(12,979)	(13,174)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(22) INTEREST IN AN ASSOCIATE (Continued)

(22) 於一間聯營公司之權益(續)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Net assets of the Smart Ascent Group attributable to owners of Smart Ascent	進生擁有人應佔進生集團資產淨值	75,916	83,771
Proportion of the Group's ownership interest in Smart Ascent	本集團於進生之所有權權益比例	49%	49%
Carrying amount of the Group's interest in Smart Ascent as an associate	本集團於進生(作為一間聯營公司)之權益之賬面值	37,199	41,048
Adjustment for remeasurement to fair value of the assets of the Smart Ascent Group on initial recognition	進生集團資產公平值於初始確認時之重新計量調整	279,317	279,317
		316,516	320,365

(23) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE

(23) 應收一間聯營公司款項/貸 款予一間聯營公司

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Amount due from an associate — Smart Ascent (note a)	應收一間聯營公司款項 — 進生(附註a)	36,245	36,089
Loan to an associate — Smart Ascent (note b & c)	貸款予一間聯營公司 — 進生(附註b及c)	20,386	14,500
Analysed as:	按以下項分析:		
Current liabilities	流動負債	41,435	36,089
Non-current liabilities	非流動負債	15,196	14,500
		56,631	50,589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(23) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE (Continued)

Notes:

(a) As at 31 March 2023 and 2022, amount due from an associate is unsecured and interest-free and without fixed repayment term with a principal amount of HK\$41,947,000. The balance was netted off with the allowance of impairment amounting to HK\$5,703,000 (2022: 5,858,000) as at 31 March 2023. Details of the impairment are set out in note 41(d).

(b) On 27 July 2018, the Company and Innovative Pharm through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$30 million in total (the "First Loan"), to be contributed as to 49% i.e. HK\$14.7 million by the Group and as to 51% i.e. HK\$15.3 million by the wholly-owned subsidiary of Innovative Pharm, which would be used to finance the working capital requirements of Smart Ascent Group for the oral insulin project. The First Loan is unsecured, interest bearing at fixed rate of 5% per annum and has a repayment term fixed at 60 months after each drawdown of the First Loan.

As the provision of the First Loan was a connected transaction under Chapter 14A of the Listing Rules but was made in proportion to the equity interest of the shareholders in Smart Ascent and on normal commercial terms, this connected transaction is fully exempted from the reporting, announcement and shareholders' approval requirements under Rule 14A.89 of the Listing Rules. Also, the applicable percentage ratios in respect of this connected transaction are less than 5%, it therefore does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

(c) On 8 March 2022, the Company and Innovative Pharm, through their respective wholly-owned subsidiaries as lenders and Smart Ascent as borrower entered into a shareholders' loan agreement for a loan to Smart Ascent amounting to HK\$12 million in total (the "Second Loan"), to be contributed as to 49% i.e. HK\$5.88 million by the Group and as to i.e. HK\$6.12 million by the wholly-owned subsidiary of Innovative Pharm, which would be used to finance to working capital requirements of Smart Ascent Group for the oral insulin project. The Second Loan is unsecured, interest bearing at fixed rate of 5% per annum and has a repayment term fixed at 60 months after each drawdown of the Second Loan. The provision of the Second Loan constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

As at 31 March 2023, Smart Ascent had drawn down HK\$42 million (2022: HK\$30 million) of the First Loan and Second Loan, and the balance as at 31 March 2023 represented the Group's 49% (2022: 49%) contribution to the First Loan and Second Loan and the interest receivables.

(23) 應收一間聯營公司款項／貸 款予一間聯營公司(續)

附註：

(a) 於二零二三及二零二二年三月三十一日，應收一間聯營公司款項為無抵押、免息及無固定還款期，本金額為41,947,000港元。於二零二三年三月三十一日，有關結餘與減值撥備5,703,000港元(二零二二年：5,858,000港元)對銷。減值詳情載於附註41(d)。

(b) 於二零一八年七月二十七日，本公司及領航醫藥透過彼等各自之全資附屬公司(作為貸款方)與進生(作為借款方)訂立一份股東貸款協議，內容有關向進生提供總額為30,000,000港元之貸款(「第一次貸款」)，其中49%(即14,700,000港元)由本集團出資，51%(即15,300,000港元)由領航醫藥之全資附屬公司出資，將用於為進生集團之口服胰島素項目提供所需營運資金。第一次貸款為無抵押，按固定利率年利率5%計息及須於每次提取第一次貸款後60個月內償還。

第一次貸款條文雖構成上市規則第14A章項下之關聯交易，惟按股東於進生所持有之權益比例提供並按一般商業條款訂立，故此項關連交易獲全面豁免遵守上市規則第14A.89條項下申報、公告及股東批准之規定。另外，由於有關此項關連交易之適用百分比率低於5%，故不構成上市規則第14章項下之本公司須予披露交易。

(c) 於二零二二年三月八日，本公司及領航醫藥透過彼等各自之全資附屬公司(作為貸款方)與進生(作為借款方)訂立股東貸款協議，內容有關向進生提供總額為12,000,000港元之貸款(「第二次貸款」)，其中49%(即5,880,000港元)由本集團出資，6,120,000港元由領航醫藥之全資附屬公司出資，將用於為進生集團之口服胰島素項目提供所需營運資金。第二次貸款為無抵押，按固定年利率5%計息及還款期固定為每次提取第二次貸款後60個月內償還。第二次貸款的條文構成根據上市規則第14章項下之須予的披露交易。

於二零二三年三月三十一日，進生已提取第一次貸款及第二次貸款之42,000,000港元(二零二二年：30,000,000港元)之款項，而於二零二三年三月三十一日之結餘指本集團就該第一次貸款及第二次貸款所提供之49%(二零二二年：49%)出資及應收利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(23) AMOUNT DUE FROM AN ASSOCIATE/ LOAN TO AN ASSOCIATE (Continued)

Notes: (Continued)

(c) (Continued)

As at 31 March 2023, loan to an associate is unsecured, carried interest at 5% per annum, and repayable in 60 months after each drawdown. During the reporting period, interest income of HK\$860,000 (2022: HK\$735,000) is credited to profit or loss. The balance was netted off with the allowance of impairment amounting to HK\$3,207,000 (2022: HK\$2,353,000) as at 31 March 2023. Details of the impairment are set out in note 41(d).

(23) 應收一間聯營公司款項/貸款予一間聯營公司(續)

附註：(續)

(c) (續)

於二零二三年三月三十一日，貸款予一間聯營公司為無抵押、按年利率5%計息，並須於每次提取後60個月內償還。於報告期內，利息收入860,000港元(二零二二年：735,000港元)已計入損益。於二零二三年三月三十一日，有關結餘與減值撥備3,207,000港元(二零二二年：2,353,000港元)對銷。減值詳情載於附註41(d)。

(24) INVENTORIES

(24) 存貨

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw material	原材料	1,571	2,317
Work-in-progress	在製品	820	979
Finished goods	製成品	627	5,169
		3,018	8,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(25) TRADE AND BILLS RECEIVABLES

(25) 貿易應收賬款及應收票據

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bills receivables	應收票據	304	635
Trade receivables	貿易應收賬款	45,701	51,009
Less: Provision for impairment loss on trade receivables	減：貿易應收賬款減值虧損撥備	(40,208)	(43,831)
		5,797	7,813

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The customers are generally given a credit period for 120 to 180 days, extending up to one year for some major customers.

本集團與其客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120日至180日之信貸期，而若干主要客戶可延期至最多一年。

The ageing analysis of trade and bills receivables (net of provision of impairment loss on trade receivables), based on invoice dates are as follows:

貿易應收賬款及應收票據(扣除貿易應收賬款減值虧損撥備)基於發票日期之賬齡分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 90 days	90日內	2,987	4,161
91 to 180 days	91至180日	1,048	1,980
181 to 365 days	181至365日	1,762	1,672
		5,797	7,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(25) TRADE AND BILLS RECEIVABLES (Continued)

Trade receivables are assessed for impairment on collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$1,762,000 (2022: HK\$1,672,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

Details of the impairment are set out in note 41(d).

(25) 貿易應收賬款及應收票據(續)

貿易應收賬款按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款記錄、組合內延遲還款至超逾平均信貸期120至180日之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

本集團貿易應收賬款結餘中賬面值合共1,762,000港元(二零二二年: 1,672,000港元)之應收賬款於報告日期已逾期，而本集團尚未就此作出減值虧損撥備。

減值詳情載於附註41(d)。

(26) DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(26) 按金、預付款項及其他應收款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Deposits	按金	751	737
Other receivables	其他應收款項	260	190
Prepayments	預付款項	2,538	1,397
Trade deposit	貿易按金	906	4,167
		4,455	6,491

(27) PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry variable interest rates ranging from 1.1% to 4.7% (2022: 0.1% to 0.4%) per annum.

(27) 已抵押銀行存款

已抵押銀行存款指抵押予銀行以作為本集團獲授之短期銀行授信額度之擔保之存款，故分類為流動資產。已抵押銀行存款按浮動利率介乎每年1.1%至4.7%(二零二二年: 0.1%至0.4%)計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(28) CASH AND BANK BALANCES

Bank balances carry variable interest rates of 0.001% to 4.95% (2022: 0.001% to 2.1%) per annum. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

(28) 現金及銀行結餘

銀行結餘按浮動利率每年0.001%至4.95% (二零二二年: 0.001%至2.1%) 計息。人民幣兌換為外幣須遵守中國之外匯管理條例以及結匯、售匯及付匯管理規定。

現金及現金等值項目之賬面值乃按以下貨幣計值:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Euros ("Euro")	歐元(「歐元」)	2,488	2,776
Hong Kong dollars ("HK\$")	港元(「港元」)	11,187	21,430
RMB	人民幣	31,020	24,591
United States dollars ("US\$")	美元(「美元」)	57,706	63,084
		102,401	111,881

(29) TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from two to three months from the date of invoice.

The ageing analysis of trade and bills payables, based on invoice dates are as follows:

(29) 貿易應付賬款及應付票據

貿易應付賬款為不計息，而本集團獲授之一般貿易信貸期介乎發票日期起計兩至三個月。

根據發票日期之貿易應付賬款及應付票據之賬齡分析如下:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 90 days	90日內	4,568	3,239
91 to 180 days	91至180日	653	2,341
181 to 365 days	181至365日	432	58
1 to 2 years	1至2年	494	276
Over 2 years	2年以上	487	542
		6,634	6,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(30) ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES

(30) 預提費用、其他應付款項及合約負債

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Accruals (note a)	預提費用(附註a)	10,083	12,638
Other payables (note b)	其他應付款項(附註b)	15,938	18,703
Contract liabilities	合約負債	6,496	6,737
		32,517	38,078

Notes:

- (a) Mainly included marketing and promotion expenses of about HK\$7,792,000 (2022: HK\$9,044,000).
- (b) Mainly included payables for acquisition of property, plant and equipment of about HK\$2,830,000 (2022: HK\$3,145,000), payables for marketing and promotion expenses of about HK\$4,255,000 (2022: HK\$6,601,000) and other tax payables of about HK\$7,149,000 (2022: HK\$4,844,000).

附註：

- (a) 主要包括營銷及推廣費用約7,792,000港元(二零二二年：9,044,000港元)。
- (b) 主要包括收購物業、廠房及設備的應付款項約2,830,000港元(二零二二年：3,145,000港元)、應付營銷及推廣費用約4,255,000港元(二零二二年：6,601,000港元)及其他應付稅款約7,149,000港元(二零二二年：4,844,000港元)。

The following table shows the amount of the revenue recognised for the years ended 31 March 2023 and 2022 relates to carried-forward contract liabilities.

下表列示截至二零二三年及二零二二年三月三十一日止年度確認且與結轉合約負債有關的收益金額。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at 1 April — Sales of pharmaceutical products	於四月一日納入合約負債結餘之已確認收益 — 銷售藥品	3,446	5,033

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(31) LEASE LIABILITIES

(31) 租賃負債

		2023 二零二三年		2022 二零二二年	
		Minimum lease payments 最低租賃付款 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 HK\$'000 千港元	Minimum lease payments 最低租賃付款 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 HK\$'000 千港元
Not later than one year	不遲於一年	1,610	1,316	2,244	2,194
Later than one year and not later than two years	遲於一年及不遲於兩年	1,567	1,375	44	39
Later than two years and not later than five years	遲於兩年但不遲於五年	1,995	1,916	—	—
Future financial charges	未來財務開支	5,172 (565)	4,607	2,288 (55)	2,233
Present value of lease liability	租賃負債現值	4,607		2,233	
Amount due for settlement within one year (shown under current liabilities)	於一年內到期結算之款項(於流動負債項下呈列)		(1,316)		(2,194)
Amount due for settlement after one year	於一年後到期結算之款項		3,291		39

For both years, the Group leases office premises for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices for both years.

Lease liabilities of the Company are denominated in functional currencies of the Group entities.

The weighted average incremental borrowing rate applied to lease liabilities ranged from 4.35% to 7.949% (2022: 4.35% to 6.25%)

於兩個年度，本集團租賃辦公場地進行營運，該等租賃負債按尚未支付的租賃付款現值計量。兩個年度所有租約乃按固定價格訂立。

本公司租賃負債以本集團實體的功能貨幣計值。

應用於租賃負債的加權平均增量借款率介乎4.35%至7.949%(二零二二年：4.35%至6.25%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(32) DEFERRED TAX ASSETS

Details of the deferred tax assets recognised and movements during the current and prior years are as follows:

At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023 於二零二一年四月一日、二零二二年三月三十一日、二零二二年四月一日及二零二三年三月三十一日

As at 31 March 2023, the Group had unused tax losses arising in Hong Kong of approximately HK\$46,277,000 (2022: HK\$46,277,000) available to offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses arising in Hong Kong may be carried forward indefinitely.

(32) 遞延稅項資產

本年度及過往年度確認之遞延稅項資產及變動詳情如下：

Decelerated tax depreciation
減速稅項折舊
HK\$'000
千港元

69

於二零二三年三月三十一日，本集團於香港產生並可供抵銷未來應課稅溢利之未動用稅務虧損為約46,277,000港元(二零二二年：46,277,000港元)。由於未來溢利流不可預測並無確認遞延稅項資產。於香港產生之稅務虧損可無限期結轉。

(33) CONVERTIBLE BONDS

On 16 July 2013, the Company issued zero-coupon convertible bonds (the "Convertible Bonds") with principal amount in aggregate of HK\$641,300,000 at the conversion price of HK\$0.6413 for each new share of the Company, which, if fully converted, is equivalent to 1,000,000,000 new shares of the Company to Mr. Ong Cheng Heang ("Mr. Ong") and Dr. Mao Yumin ("Dr. Mao"), each of principal amount of HK\$320,650,000. Mr. Ong was the non-controlling shareholder and director of Smart Ascent prior to the completion of acquisition of the remaining 49% interest in Smart Ascent by the Group and Dr. Mao was a director of the Company until 5 December 2013, and is a shareholder of the Company.

The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company at a conversion price of HK\$0.6413 per ordinary share on or before the seventh business day prior to the maturity date of 16 July 2033, subject to anti-dilutive clauses.

(33) 可換股債券

於二零一三年七月十六日，本公司發行本金總額641,300,000港元之零息可換股債券(「可換股債券」)，換股價為每股本公司新股份0.6413港元，於悉數兌換後相當於1,000,000,000股本公司新股份，可換股債券乃分別發行予Ong Cheng Heang先生(「Ong先生」)及毛裕民博士(「毛博士」)，各人分別獲發行本金額320,650,000港元。於本集團完成收購進生之剩餘49%權益前，Ong先生為進生之非控股股東及董事，而毛博士曾擔任本公司董事直至二零一三年十二月五日為止，並為本公司股東。

債券持有人可選擇於到期日二零三三年七月十六日前第七個營業日或之前按換股價每股普通股0.6413港元將可換股債券兌換為本公司之普通股，惟須受反攤薄條款規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(33) CONVERTIBLE BONDS (Continued)

The Convertible Bonds are issued in HK\$. The fair value of the liability component of the Convertible Bonds was HK\$20,712,000, which had been determined by the discounted cashflow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The effective interest rate is 18.72%. The fair value of the conversion option of HK\$569,288,000 classified as equity component for the Convertible Bonds was calculated using the Binomial Model. The inputs into the model were as follows:

(33) 可換股債券(續)

可換股債券乃以港元發行。可換股債券負債部分之公平值為20,712,000港元，其乃採用類似非可換股債券之現行市場利率並經考慮本公司之信貸風險以貼現現金流量法釐定。實際利率為18.72%。分類為可換股債券權益部分之換股權之公平值569,288,000港元乃採用二項式模式計算。該模式之輸入數據如下：

		Date of issuance
		16 July 2013
		發行日期
		二零一三年七月十六日
Stock price (HK\$)	股價(港元)	0.59
Exercise price (HK\$)	行使價(港元)	0.6413
Discount rate	貼現率	18.72%
Risk free rate (note a)	無風險利率(附註a)	2.63%
Expected volatility (note b)	預期波幅(附註b)	66.55%
Expected dividend yield (note c)	預期股息收益率(附註c)	0%
Option life (Years)	期權期限(年期)	20

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company for the period from 24 December 2009 up to the date of issuance of the Convertible Bonds.
- (c) Estimated with reference to the historical dividend payout of the Company.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期之孳息率釐定。
- (b) 基於本公司於二零零九年十二月二十四日至可換股債券發行日期期間之過往價格波幅得出。
- (c) 參考本公司的過往股息派付而估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(33) CONVERTIBLE BONDS (Continued)

Movements of the liability component of the Convertible Bonds are set out below:

		Principal amount (note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	577,170	69,980
Interest charge	利息支出	—	13,094
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	577,170	83,074
Interest charge	利息支出	—	15,543
At 31 March 2023	於二零二三年三月三十一日	577,170	98,617

Note: At the date of issuance, the principal amount of the Convertible Bonds was HK\$641,300,000, and thereafter the following events have taken place:

On 5 August 2013, the Convertible Bonds with principal amount of HK\$64,130,000 was converted into 100,000,000 ordinary shares of the Company at the conversion price of HK\$0.6413 per ordinary share.

On 25 October 2013, 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, the Convertible Bonds with principal amount of HK\$320,650,000, HK\$64,130,000, HK\$64,130,000, HK\$64,130,000 and HK\$64,130,000 were acquired by Innovative Pharm from Dr. Mao (as defined in note 38) respectively.

On 8 October 2019, Innovative Pharm disposed of the Convertible Bonds to Dr. Mao.

On 23 December 2019, Dr. Mao disposed of the Convertible Bonds to United Gene International Holdings Group Limited, in which each Dr. Mao and Dr. Xie Yi indirectly holds 33% of interests.

(33) 可換股債券(續)

可換股債券負債部分之變動載列如下：

		Principal amount (note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	577,170	69,980
Interest charge	利息支出	—	13,094
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	577,170	83,074
Interest charge	利息支出	—	15,543
At 31 March 2023	於二零二三年三月三十一日	577,170	98,617

附註：於發行日期，可換股債券之本金額為641,300,000港元，而其後發生下列事項：

於二零一三年八月五日，本金額為64,130,000港元之可換股債券轉換為100,000,000股本公司普通股，換股價為每股普通股0.6413港元。

於二零一三年十月二十五日、二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日，本金額分別為320,650,000港元、64,130,000港元、64,130,000港元、64,130,000港元及64,130,000港元之可換股債券已由領航醫藥向毛博士購買(定義見附註38)。

於二零一九年十月八日，領航醫藥向毛博士出售可換股債券。

於二零一九年十二月二十三日，毛博士向United Gene International Holdings Group Limited出售可換股債券，而毛博士及謝毅博士分別間接擁有該公司33%股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(34) DEFERRED INCOME ON GOVERNMENT GRANTS

The amount represented receipt of grants by a subsidiary from local government authority in the PRC. The movements in deferred income on government grants are as follows:

(34) 政府補助之遞延收入

有關款項指一間附屬公司自中國當地政府部門獲取之補助。政府補助之遞延收入變動如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 April	於四月一日	5,132	5,076
Recognised in profit or loss (note)	於損益確認(附註)	(123)	(128)
Exchange realignment	匯兌調整	(509)	184
At 31 March	於三月三十一日	4,500	5,132
Analysed as:	分析為：		
Current liabilities	流動負債	118	131
Non-current liabilities	非流動負債	4,382	5,001
		4,500	5,132

Note: Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

附註：有關物業、廠房及設備之政府補助計入非流動負債列作政府補助之遞延收入並於有關資產之預期年期內按直線法計入綜合損益及其他全面收益表。

(35) SHARE CAPITAL

(35) 股本

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Authorised: 20,000,000,000 ordinary shares of HK\$0.01 each	法定： 20,000,000,000股 每股面值0.01港元之普通股	200,000	200,000
Issued and fully paid: 2,390,000,000 ordinary shares of HK\$0.01 each	已發行及繳足： 2,390,000,000股 每股面值0.01港元之普通股	23,900	23,900

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(36) HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

(36) 控股公司財務狀況表

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current assets	非流動資產			
Interests in subsidiaries — unlisted	於附屬公司之權益 — 非上市	39	629,927	629,927
Amounts due from subsidiaries	應收附屬公司款項		329,740	369,345
			959,667	999,272
Current assets	流動資產			
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		560	324
Cash and bank balances	現金及銀行結餘		49,664	43,573
			50,224	43,897
Total assets	總資產		1,009,891	1,043,169
Current liabilities	流動負債			
Accruals and other payables	預提費用及其他應付款項		1,022	910
Amounts due to subsidiaries	應付附屬公司款項		107,539	135,684
			108,561	136,594
Non-current liability	非流動負債			
Convertible bonds	可換股債券	33	98,617	83,074
Total liabilities	總負債		207,178	219,668
Equity	權益			
Share capital	股本	35	23,900	23,900
Reserves	儲備	37	778,813	799,601
			802,713	823,501
Total liabilities and equity	總負債及權益		1,009,891	1,043,169

On behalf of the Board on 29 June 2023

代表董事會於二零二三年六月二十九日

Xie Yi
謝毅
Director
董事

Wong Sau Kuen
王秀娟
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(37) RESERVES

The Group

Details of the movements in the Group's reserves are as set out in the consolidated statement of changes in equity in these consolidated financial statements. The natures and purposes of reserves within equity are as follows:

- (a) The share premium account represents the amount subscribed for share capital in excess of nominal value.
- (b) In accordance with the relevant regulations in the PRC, all of the Company's subsidiaries registered in the PRC are required to transfer part of their profit after tax to the capital reserve. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of these PRC subsidiaries, the capital reserve may be used to offset losses or for capitalisation as paid-up capital.
- (c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1999, over the nominal value of the share capital of the Company issued in exchange thereof.
- (d) Foreign currency translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (e) Convertible bonds equity reserve represents the amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4 to the consolidated financial statements.
- (f) FVTOCI reserve represents fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

(37) 儲備

本集團

本集團儲備之變動詳情載列於該等綜合財務報表之綜合權益變動表內。權益內儲備之性質及目的如下：

- (a) 股份溢價賬指認購股本金額超出面值之款項。
- (b) 根據中國有關法例，本公司旗下所有於中國註冊之附屬公司須將其部分除稅後溢利轉撥至資本儲備。資本儲備可用作抵銷虧損或用作資本化為繳足股本，惟須受中國有關法例所載若干限制及該等中國附屬公司組織章程細則之規限。
- (c) 本集團之繳入盈餘為根據本集團於一九九九年進行重組而收購附屬公司股本之面值超過本公司作交換用途之已發行股本面值之差額。
- (d) 匯兌儲備指因海外業務之資產／負債淨值重新換算為呈列貨幣而產生之收益／虧損。
- (e) 可換股債券權益儲備指根據綜合財務報表附註4內就可換股債券所採納之會計政策確認之本公司發行可換股債券權益部分所獲分配之款項。
- (f) 按公平值計入其他全面收益儲備指包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益之股本投資公平值之累計變動淨額的公平值儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(37) RESERVES (Continued)

The Company

		Share premium	Contributed surplus	Convertible bonds equity reserve	Retained earnings	Total
		股份溢價	繳入盈餘	可換股債券權益儲備	保留盈利	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
At 1 April 2021	於二零二一年四月一日	191,738	64,636	512,359	50,397	819,130
Loss for the year	本年度虧損	—	—	—	(19,529)	(19,529)
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及二零二二年四月一日	191,738	64,636	512,359	30,868	799,601
Loss for the year	本年度虧損	—	—	—	(20,788)	(20,788)
At 31 March 2023	於二零二三年三月三十一日	191,738	64,636	512,359	10,080	778,813

(37) 儲備(續)

本公司

(38) RELATED PARTY TRANSACTIONS

(a) Save as the transactions and balances detailed elsewhere in the consolidated financial statements, the Group has entered into the following transactions with related parties during the year:

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
(i) Consultancy fee expense paid to Dr. Mao, a shareholder of the Company	(i) 已付毛博士(本公司股東)顧問費開支	663	663
(ii) Loan interest income receivable from loan to an associate	(ii) 應收來自一間聯營公司貸款之貸款利息收入	860	735

(b) Compensation of key management

The remuneration of key management for the year are set out in note 11.

(38) 關聯方交易

(a) 除綜合財務報表其他部分所詳述之交易及結餘外，本集團已於年度內訂立以下關聯方交易：

(b) 主要管理層之報酬

本年度主要管理層人員之酬金載於附註11。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(39) INTEREST IN SUBSIDIARIES

(39) 於附屬公司之權益

Name 名稱	Place of incorporation/ registration/operation 註冊成立/登記/ 經營之地點	Registered/issued and fully paid share capital 註冊/已發行及 繳足股本	Proportion of ownership interest and voting right held by the Company 本公司持有的所有權權益 及投票權比例		Principal activities 主要業務
			2023 二零二三年	2022 二零二二年	
Directly held 直接持有					
Extrawell (BVI) Limited	BVI 英屬處女群島	US\$10,000 ordinary shares 10,000美元普通股	100%	100%	Investment holding 投資控股
Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JEC") (note a) 吉林精優長白山藥業有限公司 (「吉林精優」)(附註a)	China 中國	RMB33,000,000 registered capital 人民幣33,000,000元 註冊資本	100%	100%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
Indirectly held 間接持有					
Extrawell Enterprises Limited	Hong Kong 香港	HK\$20 ordinary shares HK\$1,000,000 non-voting deferred shares 20港元普通股 1,000,000港元 無投票權遞延股份	100%	100%	Investment holding and property investment 投資控股及物業投資
Extrawell Pharmaceutical (HK) Limited 精優藥業(香港)有限公司	Hong Kong 香港	HK\$2 ordinary shares 2港元普通股	100%	100%	Provision of agency services 提供代理服務
South Asia Pharmaceutical (China) Limited	Malaysia 馬來西亞	US\$1 ordinary share 1美元普通股	100%	100%	Marketing and distribution of pharmaceutical products 推廣及分銷藥品
Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") (note b) 長春精優藥業股份有限公司 (「長春精優」)(附註b)	China 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	73%	73%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
Best-Bio Developments Limited	BVI/China 英屬處女群島/中國	US\$1 ordinary share 1美元普通股	100%	100%	Investment holding 投資控股
Right & Rise Limited	BVI/China 英屬處女群島/中國	US\$50,000 ordinary share 50,000美元普通股	100%	100%	Holding of gene invention rights and investment holding 持有基因發明權及投資控股

Notes:

(a) JEC is a wholly foreign-owned enterprise established in the PRC with an operating period of 15 years commencing from 22 April 1999. JEC has renewed its operating period up to 22 April 2024.

(b) CEP is a joint stock limited company established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or form a substantial portion of the net assets of the Group.

附註：

(a) 吉林精優乃於中國成立之外商獨資企業，其經營期為自一九九九年四月二十二日起計15年。吉林精優已重續其經營期至二零二四年四月二十二日。

(b) 長春精優乃於中國成立之股份有限公司。

上表所列之本公司附屬公司為本公司董事認為主要影響本年度財務業績或構成本集團資產淨值重大部分之附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(39) INTEREST IN SUBSIDIARIES (Continued)

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place/country of registration/ incorporation/ operations 登記/註冊成立/ 經營之地點/國家	Proportion of ownership interests/voting rights held by non-controlling interests 非控股權益所持之 所有權權益/投票權比例		Profit allocated to non-controlling interests 分配至非控股 權益之溢利		Accumulated non-controlling interests 累計非控股權益	
		2023 二零二三年	2022 二零二二年	2023 HK\$'000 千港元	2022 HK\$'000 千港元	2023 HK\$'000 千港元	2022 HK\$'000 千港元
CEP 長春精優 Individually immaterial subsidiary with non-controlling interests 持有非控股權益之個別不重大附屬公司	PRC 中國	27%	27%	508	503	(137)	(714)
				—	—	(15)	(15)
				508	503	(152)	(729)

Summarised financial information in respect of CEP is set out below. The summarised financial information below represents amounts before intragroup eliminations.

CEP

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current assets	流動資產	41,056	43,788
Non-current assets	非流動資產	132,036	146,478
Current liabilities	流動負債	(162,341)	(180,226)
Non-current liabilities	非流動負債	(4,382)	(5,001)
Equity attributable to owners of the Company	本公司擁有人應佔權益	6,506	5,753
Non-controlling interests	非控股權益	(137)	(714)

(39) 於附屬公司之權益(續)

於年度末或年度內任何時間，概無附屬公司發行任何債務證券。

下表列示本集團擁有重大非控股權益之非全資附屬公司之詳情：

有關長春精優之財務資料概要載列如下。下列財務資料概要為集團內公司間對銷前之金額。

長春精優

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(39) INTEREST IN SUBSIDIARIES (Continued)

(39) 於附屬公司之權益(續)

CEP (Continued)

長春精優(續)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收益	72,573	73,925
Expenses	開支	(70,683)	(72,055)
Profit for the year	本年度溢利	1,890	1,870
Other comprehensive (expense)/income for the year	本年度其他全面(開支)/收益	(860)	158
Total comprehensive income for the year	本年度全面收益總額	1,030	2,028
Profit for the year attributable to:	以下人士應佔本年度溢利：		
— owners of the Company	— 本公司擁有人	1,382	1,367
— non-controlling interests	— 非控股權益	508	503
		1,890	1,870
Total comprehensive income for the year attributable to:	以下人士應佔本年度全面收益總額：		
— owners of the Company	— 本公司擁有人	453	1,546
— non-controlling interests	— 非控股權益	577	482
		1,030	2,028
Net cash generated from operating activities	經營活動產生之現金淨額	501	10,202
Net cash used in investing activities	投資活動所用之現金淨額	(6,048)	(9,882)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(40) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(40) 按類別劃分之金融資產及金 融負債概要

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
<i>Financial assets at FVTPL</i>	<i>按公平值計入損益之金融資產</i>		
Investments in convertible bonds as a whole	可換股債券投資之整個部分	793,530	634,907
Short term investment	短期投資	1,754	1,905
<i>Financial assets at amortised cost</i>	<i>按攤銷成本計量之金融資產</i>		
Loan to an associate	貸款予一間聯營公司	20,386	14,500
Amount due from an associate	應收一間聯營公司款項	36,245	36,089
Trade and bills receivables	貿易應收賬款及應收票據	5,797	7,813
Deposits and other receivables	按金及其他應收款項	1,917	5,094
Pledged bank deposits	已抵押銀行存款	19,803	21,738
Cash and bank balances	現金及銀行結餘	102,401	111,881
		981,833	833,927
		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Financial liabilities	金融負債		
<i>Financial liabilities measured at amortised cost</i>	<i>按攤銷成本計量之金融負債</i>		
Trade and bills payables	貿易應付賬款及應付票據	6,634	6,456
Accruals and other payables	預提費用及其他應付款項	26,021	31,341
Convertible bonds	可換股債券	98,617	83,074
		131,272	120,871

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(40) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

(a) Financial instruments not measured at fair value

Due to short term nature, the carrying values of financial assets and financial liabilities measured at amortised cost are approximate to their fair value.

(b) Financial instruments measured at fair value

Financial assets at fair value through profit or loss – short-term investment

The fair value hierarchy is Level 2.

The fair value of the short-term investment is determined based on estimated return of 2.2% (2022: 2.3%) and the credit quality of these investments which can be assessed by reference to historical information or external credit ratings, if any, provided by the bank.

Financial assets at fair value through profit or loss – Investments in convertible bonds

The fair value hierarchy is Level 3.

The fair value of investments in convertible bonds is determined based on risk-free rate for the life of the option on the Innovative Pharm Bonds, the exercise price per conversion share, share price (from observable market data), expected volatility of the share price, and expected dividend yield, of Innovative Pharm, where the estimated contractual cash flow on the liability component over the remaining term of the Innovative Pharm Bonds is discounted at the interest rate appropriate to the riskiness of the Innovative Pharm Bonds.

(40) 按類別劃分之金融資產及金融負債概要(續)

(a) 並非按公平值計量之金融工具

由於短期性質，按攤銷成本計量之金融資產及金融負債之賬面值與其公平值相若。

(b) 按公平值計量之金融工具

按公平值計入損益之金融資產 – 短期投資

公平值層級為第二級。

短期投資之公平值乃按2.2%(二零二二年：2.3%)之估計回報率釐定，而該等投資之信貸質素可經參考過往資料或銀行提供之外部信貸評級(如有)予以評估。

按公平值計入損益之金融資產 – 可換股債券投資

公平值層級為第三級。

可換股債券投資之公平值乃基於領航醫藥債券期權年期之無風險利率、領航醫藥之每股換股股份之行使價、股價(來自可觀察市場數據)、股價預期波幅及預期股息收益率釐定，而負債部分在領航醫藥債券剩餘期限內的估計合約現金流量則按切合領航醫藥債券風險水平的利率進行貼現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(40) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

(b) Financial instruments measured at fair value (Continued)

Significant unobservable inputs

Expected Volatility

Expected volatility of the share price of Innovative Pharm was determined by reference to historical share price of Innovative Pharm.

In respect of the sensitivity relationship of the fair value measurement to changes in inputs, an increase/(decrease) in the expected volatility would result in increase/(decrease) in fair value measurement that the higher the volatility of the share price of Innovative Pharm the higher the fair value.

Discount Rate

The discount rate was the rate adopted to calculate the present value of the cash flow of the Innovative Pharm Bonds and was estimated having taken into account the specific terms and structure of the Innovative Pharm Bonds including their liquidity. Increase/(decrease) in the discount rate would result in (decrease)/increase in the fair value.

Nevertheless, there would be counteracting effect among the inputs, and in certain extreme situation where the stock price of Innovative Pharm at 31 March 2023 and 2022 was significantly lower than that of the exercise price, the conversion option to convert the Innovative Pharm Bonds into shares of Innovative Pharm would be expected worthless and the expected volatility would have minimal effect on the fair value measurement.

There were no changes in valuation techniques for the years ended 31 March 2023 and 2022.

(40) 按類別劃分之金融資產及金融負債概要(續)

(b) 按公平值計量之金融工具 (續)

重大不可觀察輸入數據

預期波幅

領航醫藥之股價預期波幅乃經參考領航醫藥過往股價釐定。

就公平值計量對輸入數據變動之敏感度關係而言，預期波幅增加／(減少)將導致公平值計量增加／(減少)，即領航醫藥的股價波幅越大，公平值越高。

貼現率

貼現率乃計算領航醫藥債券現金流量之現值時所採用的比率，其乃於計及領航醫藥債券的具體條款及結構(包括其流動性)後估計得出。貼現率增加／(減少)將導致公平值(減少)／增加。

然而，輸入數據之間會有抵銷作用，在若干極端情況下(即領航醫藥於二零二三年及二零二二年三月三十一日的股價大大低於行使價)，將領航醫藥債券轉換為領航醫藥股份的換股權預期將不具價值，則預期波幅對公平值計量的影響乃微不足道。

截至二零二三年及二零二二年三月三十一日止年度，估值方法概無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(40) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(Continued)

(b) Financial instruments measured at fair value (Continued)

The following table provides an analysis of the Group's financial instruments measured at fair value, on a recurring basis, by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between different levels of the fair value hierarchy during the years ended 31 March 2023 and 2022, and there was no change in valuation techniques for the following Group's financial assets that are measured at fair value on a recurring basis at the end of the reporting period:

(40) 按類別劃分之金融資產及金融負債概要(續)

(b) 按公平值計量之金融工具(續)

下表根據經常性基準按公平值層級提供本集團按公平值計量之金融工具之分析：

第一級：	活躍市場上相同資產或負債之報價(不作調整)；
第二級：	第一級所包括報價以外，就資產或負債可直接(即價格)或間接(即源自價格)觀察之輸入數據；及
第三級：	並非基於可觀察市場數據之資產或負債之輸入數據(不可觀察輸入數據)。

截至二零二三年及二零二二年三月三十一日止年度，公平值層級內各層之間並無進行轉換，而於報告期末，下列根據經常性基準按公平值計量之本集團金融資產之估值方法並無變動：

		2023 二零二三年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,754	793,530	795,284
		2022 二零二二年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	—	1,905	634,907	636,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(40) SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

(b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

		Unlisted investments in convertible bonds 非上市可換 股債券投資 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	466,322
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動 (計入其他收益及虧損)	168,585
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	634,907
Change in fair value in profit or loss (included in other gains and losses)	損益內公平值變動 (計入其他收益及虧損)	158,623
At 31 March 2023	於二零二三年三月三十一日	793,530

(40) 按類別劃分之金融資產及金融負債概要(續)

(b) 按公平值計量之金融工具(續)

根據重大不可觀察輸入數據(第三級)按公平值計量之金融工具之對賬如下:

(41) FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include short term investment, investments in convertible bonds, trade and bills receivables, deposits and other receivables, pledged bank deposits, cash and bank balances, trade and bills payables, accruals and other payables, loan to an associate, amount due from an associate and convertible bonds. Details of these financial instruments are disclosed in respective notes.

The Group's activities expose it to a variety of financial risks such as foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management monitors and manages the financial risks through internal risk assessment which analyses exposures by degree and magnitude of risks.

(41) 財務風險管理

本集團之主要金融工具包括短期投資、可換股債券投資、貿易應收賬款及應收票據、按金及其他應收款項、已抵押銀行存款、現金及銀行結餘、貿易應付賬款及應付票據、預提費用及其他應付款項、貸款予一間聯營公司、應收一間聯營公司款項及可換股債券。該等金融工具之詳情於相關附註披露。

本集團之活動令本集團面臨多種財務風險，如外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中在金融市場之不可預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。管理層通過內部風險評估，分析風險程度及廣度，監控及管理財務風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(a) Foreign currency risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the group entities. The Group operates mainly in the PRC and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the foreign currency denominated monetary assets and liabilities in net position as at 31 March 2023 and 2022 are as follows:

(a) 外幣風險

外匯風險源於集團實體以非功能貨幣之貨幣列值之商業交易、資產或負債。本集團之業務主要於中國經營，並面臨多種外幣之外幣匯率風險。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並將於必要時考慮對沖重大外幣風險。

於二零二三年及二零二二年三月三十一日，按外幣計值之貨幣資產及負債淨值之賬面值如下：

		Euro 歐元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元
At 31 March 2023	於二零二三年三月三十一日			
Pledged bank deposits	已抵押銀行存款	—	—	19,803
Cash and bank balances	現金及銀行結餘	2,488	31,020	57,706
Overall net exposure	全面風險淨額	2,488	31,020	77,509
At 31 March 2022	於二零二二年三月三十一日			
Pledged bank deposits	已抵押銀行存款	—	—	19,362
Cash and bank balances	現金及銀行結餘	2,776	24,591	63,084
Overall net exposure	全面風險淨額	2,776	24,591	82,446

The cash and bank balances denominated in US\$ belong to the group entities in which the functional currency is HK\$. The directors are of the opinion that the HK\$ are reasonably stable with the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of US\$ with respect to HK\$ is performed.

以美元計值之現金及銀行結餘屬於功能貨幣為港元之集團實體。董事認為，由於在聯繫匯率制度下，港元與美元相當穩定，因此，並無進行美元對港元之敏感度分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

The following table illustrates the approximate change in the Group's profit before tax for the year and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each of the following years:

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Euro appreciated by 5%	歐元升值5%	124	139
RMB appreciated by 5%	人民幣升值5%	1,551	1,230

The change in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group companies would have the same magnitude on profit and retained profits but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of each of the reporting period and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

(b) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate pledged bank deposits and bank balances (see notes 27 and 28 respectively for details). The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise. The management considers the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

(41) 財務風險管理(續)

(a) 外幣風險(續)

下表說明本集團本年度除稅前溢利及保留溢利就本集團於以下各年度末面對重大風險之匯率的合理可能變動，而出現之概約變動：

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Euro appreciated by 5%	歐元升值5%	124	139
RMB appreciated by 5%	人民幣升值5%	1,551	1,230

匯率變動不會影響本集團其他權益部分。外幣兌各集團公司之功能貨幣之同一百分比貶值對溢利及保留溢利構成相同幅度但相反之影響。

敏感度分析乃假設匯率於各報告期末已發生變動而釐定，並應用於各集團實體，就金融工具所承受之貨幣風險於該日期已存在，以及所有其他變數(特別是利率)維持不變。所述變動代表管理層對匯率於直至下個報告日期前期間之合理可能變動之評估。

(b) 利率風險

本集團之現金流量利率風險主要與以浮動利率計息之已抵押銀行存款及銀行結餘(詳情分別見附註27及28)有關。本集團現時並無利率對沖政策。然而，本集團管理層將於必要時考慮對沖重大利率風險。鑒於市場利率之波動甚微，管理層認為本集團承受未來現金流量利率之風險甚微。因此，概無呈列敏感度分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理 (續)

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities.

The table below summaries the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

(c) 流動資金風險

本集團積極管理其債務到期情況、經營現金流量及可動用資金，以確保可應付所有經營、投資及融資需要。本集團採納之流動資金風險管理策略為計量及預測其現金承擔及將現金及現金等值項目維持於被視為足以撥付本集團活動之水平。

按剩餘合約到期日劃分之金融工具分析。

下表根據合約未貼現償還責任(包括使用合約利率或(倘屬浮動)根據報告日期之當前利率計算的利息付款)，概述本集團於報告期末負債之到期情況。

		Weighted average effective interest rate	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or 1 year but repayable on demand	More than		
						More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		加權平均 實際利率	賬面值 HK\$'000 千港元	合約未貼現 現金流量總額 HK\$'000 千港元	一年內或 按 要求 償還 HK\$'000 千港元	超過一年 但少於 兩年 HK\$'000 千港元	超過兩年 但少於 五年 HK\$'000 千港元	超過五年 HK\$'000 千港元
At 31 March 2023	於二零二三年三月三十一日							
Trade and bills payables	貿易應付賬款及應付票據	N/A 不適用	6,634	6,634	6,634	—	—	—
Accruals and other payables	預提費用及其他應付款項	N/A 不適用	26,021	26,021	26,021	—	—	—
Lease liabilities	租賃負債	7.92%	4,607	5,172	1,610	1,567	1,995	—
Convertible bonds	可換股債券	18.72%	98,617	577,170	—	—	—	577,170
			135,879	614,997	34,265	1,567	1,995	577,170
At 31 March 2022	於二零二二年三月三十一日							
Trade and bills payables	貿易應付賬款及應付票據	N/A 不適用	6,456	6,456	6,456	—	—	—
Accruals and other payables	預提費用及其他應付款項	N/A 不適用	31,341	31,341	31,341	—	—	—
Lease liabilities	租賃負債	4.63%	2,233	2,288	2,244	44	—	—
Convertible bonds	可換股債券	18.72%	83,074	577,170	—	—	—	577,170
			123,104	617,255	40,041	44	—	577,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk and impairment assessment

The Group's credit risk is primarily attributable to investments in convertible bonds, trade and other receivables, amount due from an associate, loan to an associate, pledged bank deposits and bank balances.

As at 31 March 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The investments in convertible bonds as at 31 March 2023 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assessed the financial position and performance of the issuer of the convertible bonds with carrying amount HK\$793,530,000 (2022: HK\$634,907,000) and in view of the net assets of the issuer and its ongoing core operating segment related to the In-process R&D of the Product, the management considers the default risk on the investments in convertible bonds is not significant.

The Group also has concentration of credit risk as 12% (2022: 13%) of the total trade receivables were due from the Group's major customers, which are privately owned PRC companies engaged in trading of pharmaceutical products. The directors of the Company considered that the credit risk of trade receivables is insignificant after considering the credit quality and financial ability of these customers. In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk of the Group is considered to be low.

(41) 財務風險管理(續)

(d) 信貸風險及減值評估

本集團之信貸風險主要來自可換股債券投資、貿易應收賬款及其他應收款項、應收一間聯營公司款項、貸款予一間聯營公司、已抵押銀行存款及銀行結餘。

於二零二三年三月三十一日，本集團所面對之最大信貸風險(會因交易對手未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認金融資產之賬面值。

於二零二三年三月三十一日之可換股債券投資令本集團面臨信貸集中風險。於報告期末，本集團評估賬面值為793,530,000港元(二零二二年：634,907,000港元)之可換股債券發行人之財務狀況及表現，鑒於發行人擁有之資產淨值以及其核心營運分類涉及有關產品之進行之研發，管理層認為可換股債券投資之違約風險並不重大。

本集團面臨信貸集中風險，乃因貿易應收賬款總額中12%(二零二二年：13%)乃應收本集團之主要客戶款項，該等客戶為從事藥品貿易之中國私人公司。經考慮該等客戶之信貸質素及財政能力後，本公司董事認為貿易應收賬款之信貸風險並不重大。就貿易應收賬款而言，對所有要求超過若干金額信貸之客戶進行獨立信貸評估。本集團訂有適當政策可確保銷售對象為信貸記錄良好之客戶。該等信貸評估著重評核客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶特定資料及有關客戶經營所在經濟環境之資料。本集團將會為該等不能收回之結餘作出特定撥備。一般而言，本集團並無向客戶收取抵押品。董事認為，本集團面對之違約風險為低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(d) Credit risk and impairment assessment (Continued)

Pledged bank deposits/bank balances

Credit risk on pledged bank deposits/bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies.

Amount due from an associate and loan to an associate

The Group has concentration of credit risk as the balances were contributed from an associate for both years.

The Group regularly monitors the business performance of the associate. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities and the power to participate the relevant activities of these entities. The Group provided impairment based on lifetime ECL. For the years ended 31 March 2023 and 2022, the Group assessed the ECL for amount due from an associate and loan to an associate. An allowance of credit losses of amount due from an associate and loan to an associate amounting to approximately HK\$5,703,000 (2022: HK\$5,858,000) and approximately HK\$3,207,000 (2022: HK\$2,353,000) respectively were provided during the year ended 31 March 2023.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL ("12m ECL"). For the years ended 31 March 2023 and 2022, the Group assessed the ECL for other receivables and deposits. An allowance of credit losses of other receivables amounting to approximately HK\$Nil (2022: HK\$25,000) was provided during the year ended 31 March 2023.

(d) 信貸風險及減值評估(續)

已抵押銀行存款／銀行結餘

已抵押銀行存款／銀行結餘之信貸風險有限，原因為交易對手為享有國際信貸機構給予高信貸評級之信譽良好銀行。

應收一間聯營公司款項及貸款予一間聯營公司

本集團面臨集中信貸風險，原因為該兩個年度之結餘均來自一間聯營公司。

本集團定期監察聯營公司之業務表現。本集團就該等結餘所面臨之信貸風險通過相關實體所持資產價值以及參與相關活動之權力而緩解。本集團按全期預期信貸損失計提減值撥備。截至二零二三年及二零二二年三月三十一日止年度，本集團已評估應收一間聯營公司款項及貸款予一間聯營公司之預期信貸損失，並於截至二零二三年三月三十一日止年度就應收一間聯營公司款項及貸款予一間聯營公司計提信貸損失撥備分別約5,703,000港元(二零二二年：5,858,000港元)及約3,207,000港元(二零二二年：2,353,000港元)。

其他應收款項及按金

就其他應收款項及按金而言，以歷史結算記錄、過往經驗以及屬合理及支持性前瞻性資料之定量及定性資料為基準，管理層定期個別評估其他應收款項及按金之可收回性。管理層認為，該等款項之信貸風險自初步確認以來並無顯著增加，故本集團按12個月預期信貸損失(「12個月預期信貸損失」)計提減值撥備。截至二零二三年及二零二二年三月三十一日止年度，本集團已評估其他應收款項及按金之預期信貸損失，並於截至二零二三年三月三十一日止年度就其他應收款項計提信貸損失撥備約零港元。(二零二二年：25,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables:

		Current	Past due over 180 days	Total
		即期	已逾期 超過180日	總計
At 31 March 2023	於二零二三年三月三十一日			
ECL (%)	預期信貸損失(%)	—	95.80	
Gross carrying amount (HK\$'000)	賬面總值(千港元)	4,035	41,970	46,005
Loss allowance (HK\$'000)	虧損撥備(千港元)	—	40,208	40,208
At 31 March 2022	於二零二二年三月三十一日			
ECL (%)	預期信貸損失(%)	—	96.32	
Gross carrying amount (HK\$'000)	賬面總值(千港元)	6,141	45,503	51,644
Loss allowance (HK\$'000)	虧損撥備(千港元)	—	43,831	43,831

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

其他應收款項及按金(續)

本集團使用撥備矩陣並按與全期預期信貸損失等額之方式計量貿易應收賬款之虧損撥備。由於本集團過往信貸損失經驗並無顯示不同客戶分類有重大不同損失模式，按逾期狀態呈列之虧損撥備不會進一步於本集團不同客戶群之間區分。

下表載列本集團就貿易應收賬款及應收票據所面臨之信貸風險及預期信貸損失之資料：

	Current	Past due over 180 days	Total
	即期	已逾期 超過180日	總計

預期虧損率乃根據過往一年之實際虧損經驗計算。該等比率乃經調整，以反映收集歷史數據期間之經濟狀況、現時狀況及本集團對應收款項之預計年期之經濟狀況看法之差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(d) Credit risk and impairment assessment (Continued)

(d) 信貸風險及減值評估(續)

The Group's internal credit risk grading assessment comprises the following categories:

本集團內部信貸風險評級評估包括下列分類：

Internal credit rating	Description	Trade and bills receivables 貿易應收賬款及 應收票據	Other financial assets 其他金融資產
內部信貸評級	描述		
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方違約風險較低及並無任何逾期金額	Lifetime ECL — not credit-impaired 全期預期信貸損失—無信貸減值	12m ECL 12個月預期信貸損失
Watch list 監察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常於到期日後償還款項，惟通常會悉數支付	Lifetime ECL — not credit-impaired 全期預期信貸損失—無信貸減值	12m ECL 12個月預期信貸損失
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部或外界資源產生的資料顯示信貸風險自初步確認以來已大幅增加	Lifetime ECL — not credit-impaired 全期預期信貸損失—無信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸損失—無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已出現信貸減值	Lifetime ECL — credit-impaired 全期預期信貸損失—信貸減值	Lifetime ECL — credit-impaired 全期預期信貸損失—信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現重大財務困難，而本集團並無收回款項的實際可能	Amount is written off 金額已撇銷	Amount is written off 金額已撇銷

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(d) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

(d) 信貸風險及減值評估(續)

下表詳列須進行預期信貸損失評估之本集團金融資產之信貸風險：

	External credit rating	Internal credit rating	12m or lifetime ECL	2023 Gross carrying amount	2022 Gross carrying amount
	外部信貸評級	內部信貸評級	12個月或全期預期信貸損失	二零二三年賬面總值	二零二二年賬面總值
				HK\$'000	HK\$'000
				千港元	千港元
Financial assets at amortised cost					
按攤銷成本計量之金融資產					
Trade and bills receivables	N/A	Low risk	Lifetime ECL (not credit-impaired)	4,035	6,141
貿易應收賬款及應收票據	不適用	低風險	全期預期信貸損失(無信貸減值)		
		Doubtful	Lifetime ECL (not credit-impaired)	41,970	45,503
		呆賬	全期預期信貸損失(無信貸減值)		
Loan to an associate	N/A	Doubtful	Lifetime ECL (not credit-impaired)	23,594	16,118
貸款予一間聯營公司	不適用	呆賬	全期預期信貸損失(無信貸減值)		
Amount due from an associate	N/A	Doubtful	Lifetime ECL (not credit-impaired)	41,947	41,947
應收一間聯營公司款項	不適用	呆賬	全期預期信貸損失(無信貸減值)		
Deposits and other receivables	N/A	(Note)	12m ECL	1,943	5,120
按金及其他應收款項	不適用	(附註)	12個月預期信貸損失		

Note: For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

附註：就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初步確認以來是否已大幅增加。

2023

二零二三年

		Past due	Not past due/No fixed repayment terms	Total
		逾期	未逾期/ 無固定 還款期	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Amount due from an associate	應收一間聯營公司款項	—	36,245	36,245
Loan to an associate	貸款予一間聯營公司	—	20,386	20,386
Trade and bills receivables	貿易應收賬款及應收票據	1,762	4,035	5,797
Deposits and other receivables	按金及其他應收款項	—	1,917	1,917

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(d) Credit risk and impairment assessment (Continued)

(d) 信貸風險及減值評估(續)

2022

二零二二年

		Not past due/No fixed repayment	Total
	Past due	terms	
	逾期	未逾期/ 無固定 還款期	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Amount due from an associate	—	36,089	36,089
Loan to an associate	—	14,500	14,500
Trade and bills receivables	1,672	6,141	7,813
Deposits and other receivables	—	5,094	5,094

The following tables show reconciliation of loss allowances that has been recognised for amount due from an associate, loan to an associate, trade and bills receivables and deposits and other receivables.

下表列示已就應收一間聯營公司款項、貸款予一間聯營公司、貿易應收賬款及應收票據以及按金及其他應收款項確認的虧損撥備對賬。

Loan to an associate

貸款予一間聯營公司

		Lifetime ECL (not credit- impaired) 全期預期 信貸損失 (無信貸減值) HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	—
Changes due to financial instruments recognised at 1 April 2021: Impairment losses recognised	於二零二一年四月一日 因確認金融工具出現變動： — 已確認減值虧損	2,353
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日 及二零二二年四月一日	2,353
Changes due to financial instruments recognised at 1 April 2022: Impairment losses recognised	二零二二年四月一日 因確認金融工具出現變動： — 已確認減值虧損	854
At 31 March 2023	於二零二三年三月三十一日	3,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk and impairment assessment (Continued)

Trade and bills receivables

		12m ECL 12個月 預期信貸 損失 HK\$'000 千港元	Lifetime ECL (not credit- impaired) 全期預期 信貸損失 (無信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸損失 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	—	42,535	—	42,535
Changes due to financial instruments recognised at 1 April 2021:	於二零二一年四月一日 因確認金融工具變動：				
— Impairment losses recognised	— 已確認減值虧損	—	1,160	—	1,160
— Impairment losses reversed	— 已撥回減值虧損	—	(1,432)	—	(1,432)
Exchange adjustments	匯兌調整	—	1,568	—	1,568
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日 及二零二二年四月一日	—	43,831	—	43,831
Changes due to financial instruments recognised at 1 April 2022:	於二零二二年四月一日 因確認金融工具變動：				
— Impairment losses recognised	— 已確認減值虧損	—	1,278	—	1,278
— Impairment losses reversed	— 已撥回減值虧損	—	(483)	—	(483)
Exchange adjustments	匯兌調整	—	(4,418)	—	(4,418)
At 31 March 2023	於二零二三年三月三十一日	—	40,208	—	40,208

(41) 財務風險管理(續)

(d) 信貸風險及減值評估(續)

貿易應收賬款及應收票據

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(41) FINANCIAL RISK MANAGEMENT (Continued)

(41) 財務風險管理(續)

(d) Credit risk and impairment assessment (Continued)

(d) 信貸風險及減值評估(續)

Amount due from an associate

應收一間聯營公司款項

		Lifetime ECL (not credit- impaired) 全期預期 信貸損失 (無信貸減值) HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	—
Changes due to financial instruments recognised at 1 April 2021: — Impairment losses recognised	於二零二一年四月一日 因確認金融工具變動： — 已確認減值虧損	5,858
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日 及二零二二年四月一日	5,858
Changes due to financial instruments recognised at 1 April 2022: — Impairment losses reversed	於二零二二年四月一日 因確認金融工具變動： 撥回減值虧損	(155)
At 31 March 2023	於二零二三年三月三十一日	5,703

Deposits and other receivables

按金及其他應收款項

		12m ECL 12個月 預期信貸損失 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	—
Changes due to financial instruments recognised at 1 April 2021: — Impairment losses recognised	於二零二一年四月一日 因確認金融工具變動： — 已確認減值虧損	25
Exchange adjustments	匯兌調整	1
At 31 March 2022, 1 April 2022 and 31 March 2023	於二零二二年三月三十一日、 二零二二年四月一日及 二零二三年三月三十一日	26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(42) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through optimisation of capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The Group regularly reviews and manages its capital structure, and makes adjustments to it taking into account the changes in economic conditions, risk characteristics of the underlying assets, the Group's investment strategy and opportunities, projected operating cash flows and capital expenditures. To maintain or adjust the capital structure, the Group may adjust the level of borrowings, dividend payment to shareholders, issue new shares, or buy back its own shares.

(42) 資本管理

本集團管理資本之目標為保證本集團能夠持續經營，以便透過優化資本結構以減少資本成本，繼續為股東提供回報及為其他利益相關者帶來利益。本集團之整體策略與上一年度維持不變。

本集團定期審閱及管理其資本結構，並於考慮經濟狀況之變動、有關資產之風險特徵、本集團之投資策略及機遇、預測經營現金流量以及資本開支後作出調整。為維持或調整資本結構，本集團可能調整借貸水平、支付予股東之股息、發行新股份或購回自身股份。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Debts	債務	98,617	83,074
Total equity	權益總額	1,281,570	1,164,924
Gearing ratio	資產負債比率	7.7%	7.1%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(43) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (43) 融資活動產生之負債對賬

		Interest payables 應付利息 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2021	於二零二一年四月一日	69,980	3,894	73,874
Changes from financing cash flows:	融資現金流量變動：			
Repayment of principal portion of lease liabilities	租賃負債本金部分還款	—	(1,800)	(1,800)
Repayment of interest portion of lease liabilities	租賃負債利息部分還款	—	(135)	(135)
Total changes from financing cash flows	融資現金流量變動總額	—	(1,935)	(1,935)
Other change:	其他變動：			
Addition of lease liabilities	租賃負債增加	—	139	139
Interest expenses	利息開支	13,094	135	13,229
Total other change	其他變動總額	13,094	274	13,368
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日 及於二零二二年四月一日	83,074	2,233	85,307
Changes from financing cash flows:	融資現金流量變動：			
Repayment of principal portion of lease liabilities	租賃負債本金部分還款	—	(2,295)	(2,295)
Repayment of interest portion of lease liabilities	租賃負債利息部分還款	—	(92)	(92)
Total changes from financing cash flows	融資現金流量變動總額	—	(2,387)	(2,387)
Other changes:	其他變動：			
Addition of lease liabilities	租賃負債增加	—	4,597	4,597
Interest expenses	利息開支	15,544	92	15,636
Exchange adjustments	匯兌調整	—	72	72
Total other changes	其他變動總額	15,544	4,761	20,305
At 31 March 2023	於二零二三年三月三十一日	98,618	4,607	103,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(44) NON-CASH TRANSACTIONS

During the year ended 31 March 2023, the Group entered into new arrangements in respects of office premises. Right-of-use assets and lease liabilities of approximately HK\$4,597,000 were recognised at the commencement date of the lease.

(44) 非現金交易

於截至二零二三年三月三十一日止年度，本集團就辦公場地訂立新安排。使用權資產及租賃負債約4,597,000港元於租賃開始日期確認。

(45) EVENTS AFTER THE REPORTING PERIOD

(a) On 31 March 2023, Changchun Extrawell Pharmaceutical Co., Ltd. (“Changchun Extrawell”), an indirect nonwholly owned subsidiary of the Company, entered into the share buy-back agreement with the vendor to buy back shares representing 9.14% of total issued share capital of Changchun Extrawell (“Share Buy-Back”) for cancellation (“Share Cancellation”) at the consideration of RMB4,400,000 (equivalent to approximately HK\$4,972,000). Upon completion of the Share Buy-Back and Share Cancellation, the Group’s shareholding in Changchun Extrawell will be increased to 80.46% and Changchun Extrawell will continue to be an indirect non-wholly owned subsidiary of the Group. The Share Buy-Back transaction was completed on 19 June 2023.

(45) 報告期後事項

(a) 於二零二三年三月三十一日，長春精優藥業股份有限公司(「長春精優」)(本公司間接非全資擁有之附屬公司)與賣方訂立股份回購協議以回購相當於長春精優已發行股本總額之9.14%之股份(「股份回購」)以供註銷(「股份註銷」)，代價為人民幣4,400,000元(相當於約4,972,000港元)。於股份回購及股份註銷完成後，本集團於長春精優之持股量將增加至80.46%，而長春精優將繼續為本集團間接非全資擁有之附屬公司。該股份回購交易已於二零二三年六月十九日完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2023 截至二零二三年三月三十一日止年度

(45) EVENTS AFTER THE REPORTING PERIOD (Continued)

- (b) On 28 April 2023, the Company as the bondholder and Innovative Pharm as the issuer of the HK\$715,000,000 convertible bonds due on 28 July 2023 (“Innovative Pharm Bonds”), entered into, the third deed of amendment (“Third Amendment Deed”) to further amend certain terms and conditions of the Innovative Pharm Bonds in respect of the further extension on the maturity date and the payment of the interest of the Innovative Pharm Bonds to 28 July 2025 (“Third Amendments”), and the deed of waiver pursuant to which the Company granted to Innovative Pharm a waiver in respect of the obligation of Innovative Pharm to the extent necessary and solely to effect the Third Amendments. The transaction contemplated under the Third Amendment Deed in respect of the Third Amendments constitutes a major transaction for the Company which is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Please refer to the Company’s announcements dated 28 April 2023 and 28 June 2023, and circular dated 12 June 2023 for further details.

At a special general meeting of the Company held on 28 June 2023, the transaction was approved by the shareholders.

Other than the abovementioned, no other material subsequent event is noted.

(46) APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 June 2023.

(45) 報告期後事項(續)

- (b) 於二零二三年四月二十八日，本公司(作為債券持有人)與領航醫藥(作為於二零二三年七月二十八日到期之715,000,000港元可換股債券(「領航醫藥債券」)之發行人)訂立第三份修訂契據(「第三份修訂契據」)以進一步修訂領航醫藥債券之若干條款及條件，其內容有關將領航醫藥債券之到期日及利息支付進一步延長至二零二五年七月二十八日(「第三次修訂」)，並訂立一份豁免契據，據此本公司就領航醫藥之責任向領航醫藥授出豁免，惟僅以使第三次修訂生效所必要者為限。有關第三次修訂之第三份修訂契據項下擬進行交易構成本公司之主要交易，故須遵守上市規則第14章的申報、公告及經股東批准之規定。

有關進一步詳情，請參考本公司日期為二零二三年四月二十八日及二零二三年六月二十八日之公告及日期為二零二三年六月十二日之通函。

於二零二三年六月二十八日舉行之本公司股東特別大會上，相關交易已獲股東批准。

除以上所述，概無其他重大期後事項。

(46) 批准綜合財務報表

董事會於二零二三年六月二十九日批准及授權刊登綜合財務報表。

FIVE YEARS' 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, is set out below:

本集團過去五個財政年度之業績，以及資產、負債及非控股權益概要如下：

		For the year ended 31 March 截至三月三十一日止年度				
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	72,577	73,925	78,802	77,584	89,218
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	130,901	132,330	(119,663)	85,491	63,374
Income tax (expense)/credit	所得稅(支出)/抵免	(1,128)	(1,239)	—	90	(50)
Profit/(Loss) for the year	本年度溢利/(虧損)	129,773	131,091	(119,663)	85,581	63,324
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司擁有人	129,265	130,588	(121,098)	83,280	64,030
— Non-controlling interests	— 非控股權益	508	503	1,435	2,301	(706)
		129,773	131,091	(119,663)	85,581	63,324

		As at 31 March 於三月三十一日				
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	總資產	1,444,874	1,317,101	1,164,239	1,265,710	1,196,086
Total liabilities	總負債	(163,304)	(152,177)	(134,945)	(125,862)	(134,515)
Total equity	權益總額	1,281,570	1,164,924	1,029,294	1,139,848	1,061,571
Less: Non-controlling interests	減：非控股權益	(152)	(729)	(1,211)	(2,647)	(5,081)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,281,722	1,165,653	1,030,505	1,142,495	1,066,652



Extrawell Pharmaceutical Holdings Limited
精優藥業控股有限公司

(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 : 858

