



Beijing Tong Ren Tang  
Chinese Medicine Company Limited

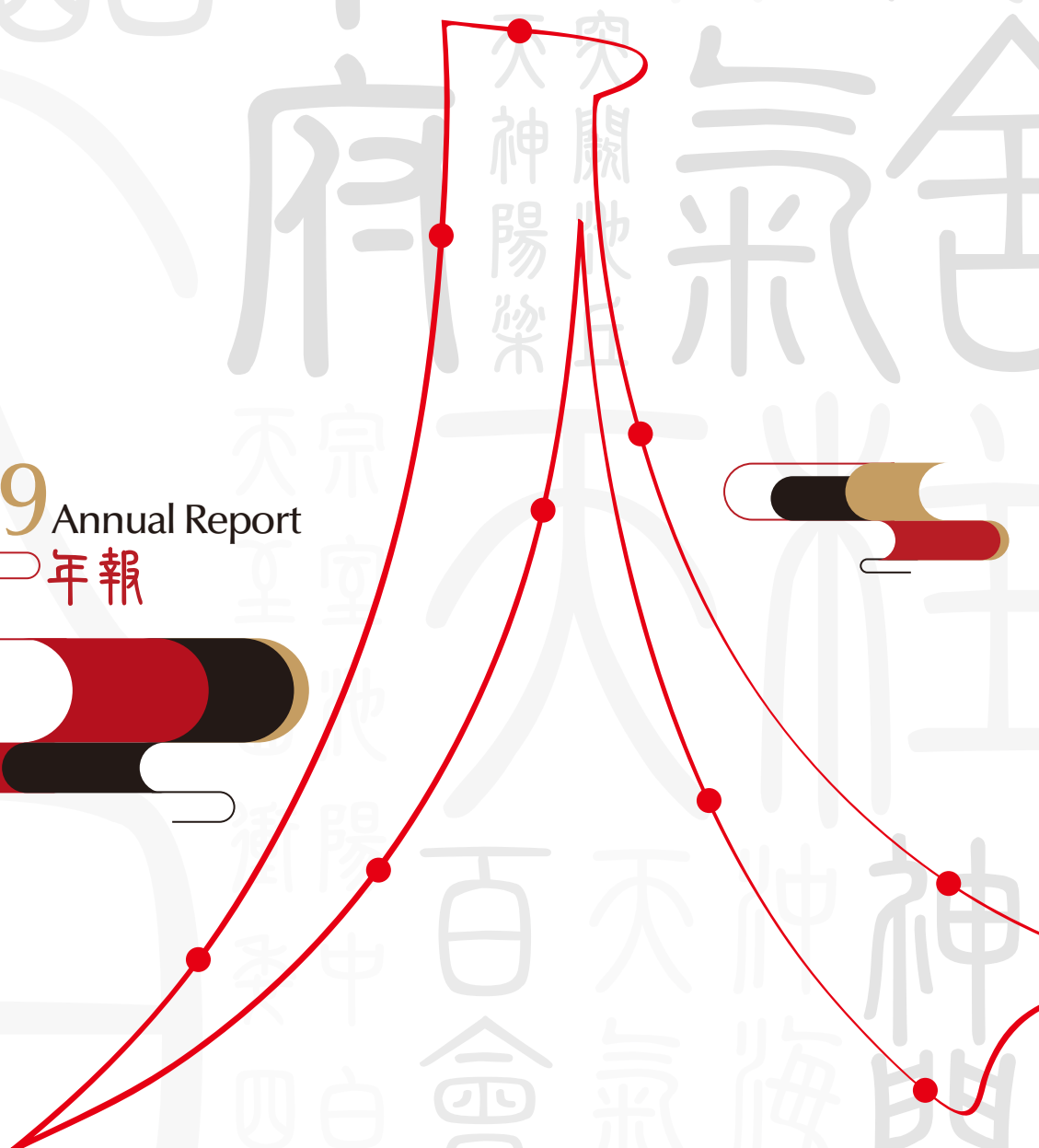
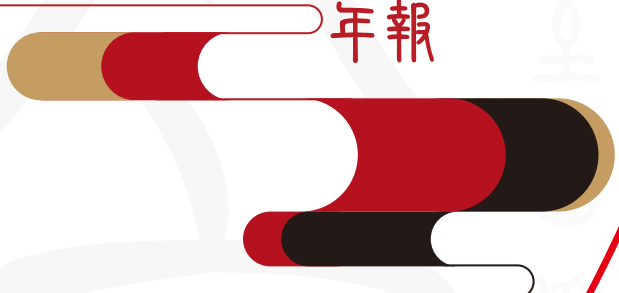
北京同仁堂國藥有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

Stock code 股份代號 : 3613

2019 Annual Report  
年報





三里  
合谷

湧泉  
香星  
迎上

中白  
入四

中府

骨堂弓突關池丘  
完印橋天神陽榮

宗室池陽中白  
天至曲衝委四

天  
百會

命門  
腰眼  
關元

氣

神門  
神海  
天氣

金  
主

# CORPORATE PROFILE

## 公司簡介

In 1669, Beijing Tong Ren Tang was founded during the eighth year of Emperor Kangxi's reign during the Qing Dynasty. Starting in 1723, Beijing Tong Ren Tang exclusively provided Chinese medicine to the royal family for 188 years, spanning the reigns of eight emperors. Throughout history, Beijing Tong Ren Tang has always been nationally renowned in the Chinese medicinal industry. Over 350 years of dedication to quality medicinal products, we have continuously upheld our longstanding commitment to "Never cut corners on labour and quality, no matter how complex the process or how costly the materials". Our self-discipline is also seen from our motto: "Dedication comes from the heart in the steps that no one else can see". We are meticulous in our manufacturing process and strive for excellence, using superior crude materials and meticulous technical skill. Only the most effective, unique formulas are passed down and refined into our famed products.

*"Established as the sole Chinese medicine provider to royal families, Tong Ren Tang is an enduring national brand that has overcome various vicissitudes — from recessions to enemy invasions to the establishment of the People's Republic of China. Tong Ren Tang is a truly a historical symbol of quality and credibility."*

*Quote from "Tong Ren Tang: Inheritance and Development" by Bian Dong Zi*

北京同仁堂是全國中藥行業著名的老字號。創建於 1669 年（清朝康熙八年），自 1723 年開始供奉御藥，歷經八代皇帝 188 年。在 350 年的風雨歷程中，歷代同仁堂人始終恪守「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，樹立「修合無人見，存心有天知」的自律意識，造就了製藥過程中兢兢業業、精益求精的嚴謹精神，其產品以「配方獨特、選料上乘、工藝精湛、療效顯著」而享譽海內外，並得以世代弘揚。

從創立之初的千古承諾，  
到「供奉御藥」的吉凶莫測；  
從再造中興的艱難曲折，  
到強虜入侵的國恨家仇；  
從解放以後的「鳳凰涅槃」，  
到銳意改革的創新之路。  
同仁堂，一個飽經滄桑的民族品牌  
歷久彌堅，  
成為質量與信譽的象徵。

節選 邊東子《同仁堂：傳承與發展》

# Chinese Acupoints Treatment

“不通則痛  
通則不痛  
No blockage, no pain.”

The acupuncture points of the human body can be divided into three types: the acupoints, the external (odd) points and the Ashi points. The meridian points refer to the acupoints on the **Fourteen Meridians**, with a total of **361** well names, which are the most important part of the **Acupoints**. Among them, the acupoints of the twelve meridians are bilaterally symmetric, and the Renmai and Dumai points are distributed in the midline of the front and the back. One point is a single point.

人身穴位按經脈分，一般可區分為經穴、經外（奇）穴和阿是穴三類。經穴是指

**十四經脈**上的穴位，共有**361**個穴名，

是穴位中最主要的部分。其中十二經脈穴位均為左右對稱的一名雙穴，任脈穴和督脈穴分佈於前後正中線上，一名一穴，為單穴。

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# 按摩手法

## Techniques of Chinese Massage

### 擠壓類

#### Compression

This includes motions like pressing, nipping, pinching and twisting that direct apply pressure by the fingers, palms or other part of the limbs. For example, fingernail nipping on the groove between the nose and lip is used to regain consciousness from syncope or coma, while pressing back and forth with finger tips along the tendons is used to alleviate muscle spasm. The techniques are usually used for relieving muscular stiffness, removing blockages and promoting circulation.

用指、掌或肢體部位按壓或對稱性擠壓體表，包括按、點、捏、拿、捻、揉等。常用於放鬆肌肉、開通閉塞、活血止痛的作用。其中按法常和揉法結合運用；點法刺激較強，常用於胃腹痙攣、腰腿痛等；捻法適用於四肢小關節。

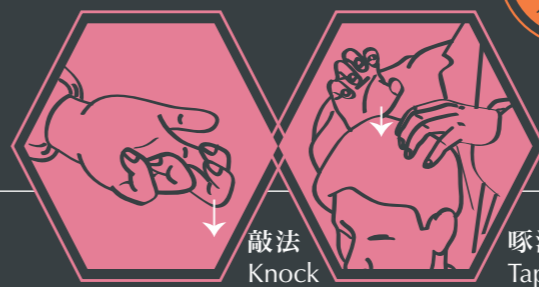


### 敲擊類

#### Percussion

To clap, strike, tap or knock the body surface with hands or tools. These techniques are usually used to ease muscular pain, numbness, spasm and headache.

用手掌、拳背、手指、掌側面，或桑枝棒叩打體表，又分為拍、擊、彈等方式。較常用於風濕酸痛、局部感覺麻木或肌肉痙攣等。



### Friction

#### 摩 擦 類

This includes rubbing, gilding, pushing and twisting, all of which creates heat on the body surface and enhances the circulation underneath. Gentle and rhythmic small circular movements made with the palm or fingers over the skin, which is usually used for abdominal problems; gross scrubbing motions are usually applied to the chest, back and limbs and helps to stimulate or activate a larger area.



經  
穴  
療  
法

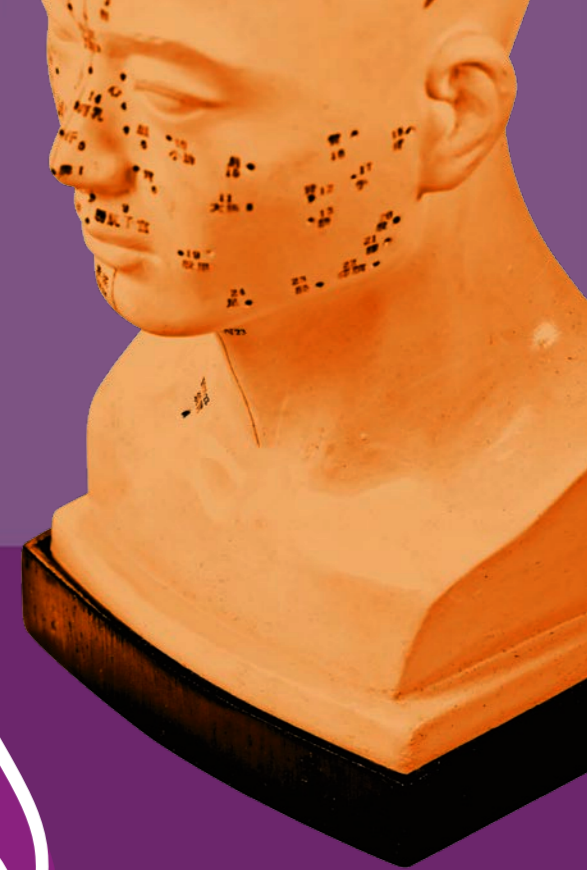
CHINESE ACUPOINT TREATMENT

# 風

# 池

# 穴

## Acupoint Fengchi



### 風池穴 Fengchi Acupoint

Fengchi acupoints, two acupoints of the foot Shaoyang gallbladder meridian of the human body, are also called Refu acupoints. They are found on the two sides of the main arteries in the back of the head at the points lying horizontally to the earlobes. Blood running through the gallbladder is theoretically gathered at these acupoints to form heat.

風池穴是人體的穴位，別稱熱府穴，在頭額後面大筋的兩旁與耳垂平行處，所屬經絡為足少陽膽經。其穴義是膽經氣血在此吸熱後化為陽熱風氣。

#### 效果 Effect

They are effective in preventing and treating neck and back pain, cervical pain, neck stiffness, respiratory problems, chest pain, palpitation, etc.

對於防治頸背酸痛、頸椎病、頸梗、呼吸毛病、胸悶痛、心悸等有效。

#### 手法 Techniques

Press the Fengchi acupoints respectively by the two middle fingers in an upward direction for two minutes. Massage the acupoints twice a day. Do not do so after intensive exercise when the body is sweating for detoxification.

用雙手中指指腹按壓風池穴，用力方向由下向上，每日按摩2次，每次按摩2分鐘。劇烈運動引起的排汗不建議揉風池穴，因為此時是人體正常的排毒階段。

In traditional Chinese medicine, acupressure is a therapy used for restoring or improving body functions by pressing certain parts of the body by hand or through some limb stretches. Massage is regarded as one of the oldest therapies used by human.

經穴療法是依據中醫理論，在體表特定部位施以各種手法，或配合某些肢體活動，來恢復或改善身體機能的方法。按摩推拿是人類最古老的療法之一。

## 手法 Techniques

Place the right palm on the side of the left hand dorsum and press the Hegu acupoint of the Yangming large intestine meridian with the thumb (the point where the thumbtip is at when the first horizontal line of the right thumb is placed in the middle of the left hand's purlicue). 50 times for each side.

右手掌心放於左手背側，大拇指來回環揉手陽明大腸經的合谷穴，各50次(以右手拇指第一橫紋放於左手虎口正中，拇指尖所達是穴)。

## 效果 Effect

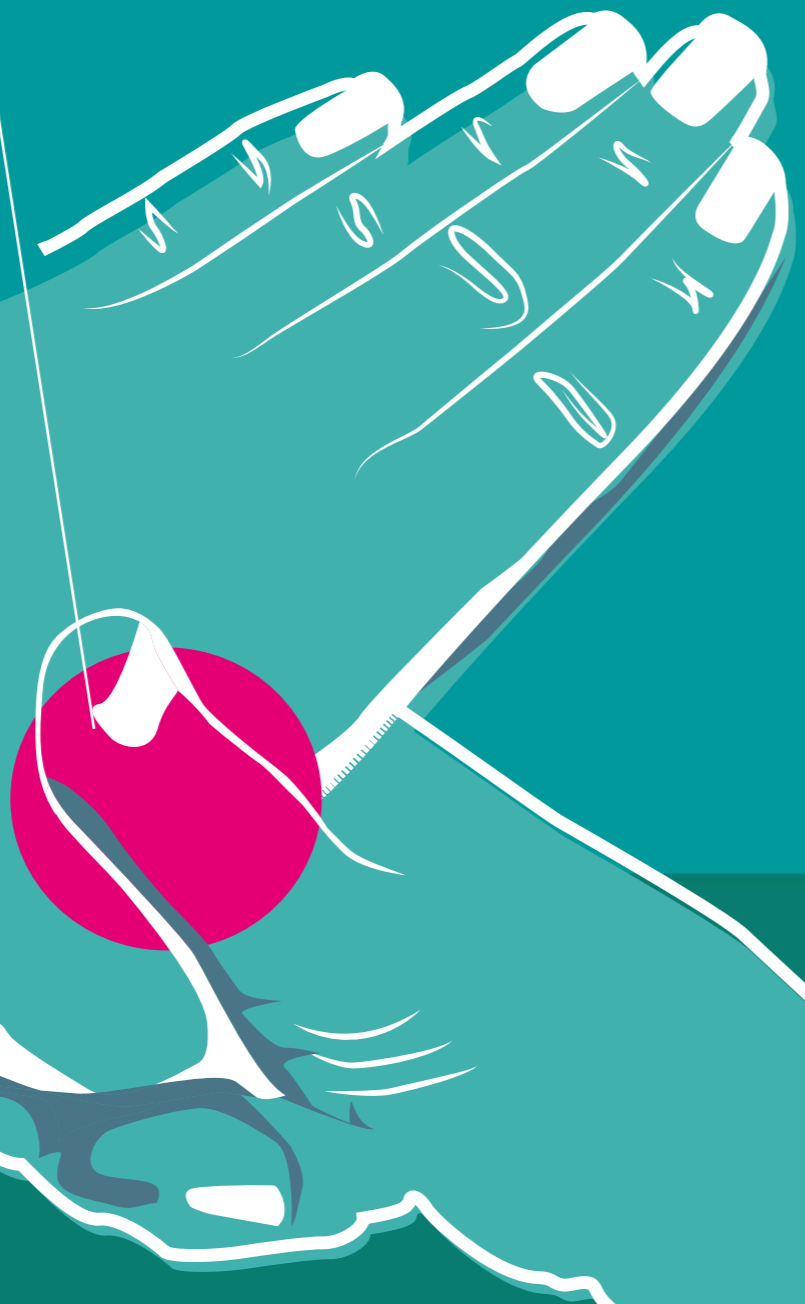
Desirable pain relief effect for toothache, sore throat, headache and abdominal pain. Treatment of cold, dizziness, weariness, tinnitus, deafness, neurasthenia, etc.

通絡鎮痛，對牙痛、咽痛、頭痛、腹痛有較好的鎮痛效果，還能治療感冒、頭昏、睏倦、耳鳴、耳聾、神經衰弱等症。

## 合谷穴 Hegu Acupoint

Hegu acupoint is an acupoint of the Yangming large intestine meridian. "He" means joining together while "gu" means valley. This acupoint is named so because it is found in a valley-like part of the hand where the first metacarpal bone and the second metacarpal bone join together. The acupoint is in the middle of the junction of the metacarpal bone and the second metacarpal bone on the hand dorsum. An easy way to locate the acupoint is to place the horizontal line of a thumb on the thumb-index finger web of another hand. The acupoint is right at the thumbtip.

合谷穴是手陽明大腸經的原穴，出自《靈樞·本輸》，又名虎口。「合」意即合攏，「谷」是山谷的意思。此穴在第一、二掌骨之間，兩骨相合，形狀如山谷的地方，所以名為合谷。又因位於手拇指虎口兩骨之間，所以又稱為虎口。位於手背，第一、二掌骨之間，約當第二掌骨橈側的中點處取穴。另有簡便取穴法：以一手的拇指指骨關節橫紋，放在另一手拇、食指之間的指蹠緣上，當拇指尖下是穴。



CHINESE ACUPOINT TREATMENT

經穴療法

Hegu  
Acupoint

經  
穴  
療  
法

CHINESE ACUPOINT TREATMENT

# Acupoint Zusanli

足  
三  
里

穴

## 足三里穴 Zusanli Acupoint

The word "Sanli" in Zusanli acupoint refers to its efficacy in treating all of the upper, middle and lower parts. Treatment of abdominal discomfort is among the numerous functions of Zusanli. In treating abdominal discomfort, methods for massaging Zusanli acupoint vary with different parts of abdomen.

足三里穴之所以名為三里，是因為它有理上、理中、理下的作用。足三里的功效作用多，也可以治療腹部不適。當肚腹部位有不適時，不同的部位按揉足三里穴的方法不同。

### 手法 Techniques

During massage, the two thumbtips are continuously and evenly pressed on the Zusanli acupoints in both legs with an increasing force.

按摩時用兩隻手的拇指指端分別按壓住兩腿的足三里穴，用力由輕漸重，連續而均勻地用力按壓。

### 效果 Effect

It is mainly used for treatment of gastrointestinal disorder, mental illness, head, face, eye, nose, mouth and tooth diseases, as well as lesions of body meridian points.

本經主治胃腸病、神志病和頭、面、眼、鼻、口、齒疾患，以及經脈循行部位的病變。

# 神門

## Shenmen Acupoint

# 神門 穴



### 神門穴 Shenmen Acupoint

Shenmen acupoint is a heart-related acupoint of the Shaoyin heart meridian of hand with sedative, soothing and calming effects. Hence, pressing the Shenmen acupoint is useful for relieving heart-related and mental-related illnesses.

神門穴是心的原穴，屬於手少陰心經，具有滋陰降火、養心安神的作用，因此心臟、心神的相關疾病，大多都可以藉由按摩神門穴改善。

#### 手法 Techniques

Ways to massage Shenmen acupoint include pinching, rubbing and stimulating. A mild sensation of soreness and distention is desirable. The massage is most suitable before bedtime at night.

按摩神門穴可掐、揉、刺激，以有輕微酸脹感為宜，此手法最適合在晚間睡前操作。

#### 效果 Effect

It is useful for treatment of heart-related and mental-related illnesses such as heartache, vexation, palpitations, insomnia and motion sickness.

輔助治療心痛、心煩、心悸、失眠、暈車等心與神志病症。





# TONG REN TANG AT A GLANCE IN 2019

## 2019年同仁堂一覽



Jan  
一月



May  
五月

Oct  
十月



Dec  
十二月



# 2019

# 二零一九

## JANUARY 一月

- Held The Belt & Road Initiative Chinese Medicine International Development Summit and Overseas Conference in Hong Kong  
於香港舉辦「一帶一路」中醫藥國際化發展研討會暨海外工作會

## MAY 五月

- Held "Capital State-owned Enterprises Open Day" at Tai Po Production and R&D Base as well as the flagship store in Hong Kong and retail outlet in Macao  
於香港大埔生產研發基地及旗艦店和澳門零售終端舉行「首都國企開放日」
- Opened one more retail outlet in Macao  
於澳門增設一家零售終端

## OCTOBER 十月

- Opened one more retail outlet in Sydney, Australia  
於澳大利亞悉尼增設一家零售終端

## DECEMBER 十二月

- Grand opening of relocation of Dominion Road shop in Auckland, New Zealand  
於新西蘭奧克蘭多美路店遷址開幕

全球  
Global  
Expansion  
拓展

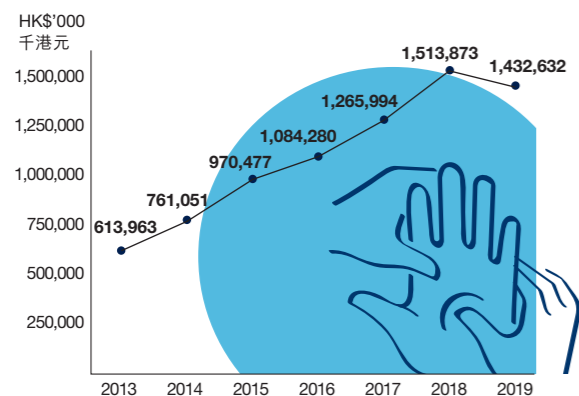


# FINANCIAL HIGHLIGHTS

## 財務摘要

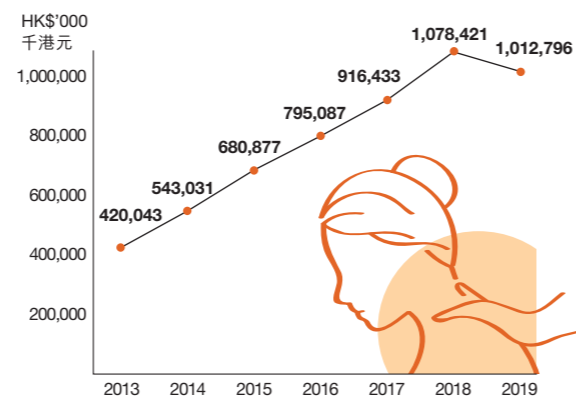
### Revenue

收入



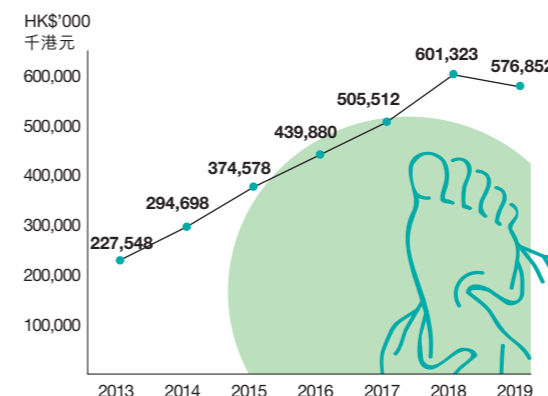
### Gross Profit

毛利



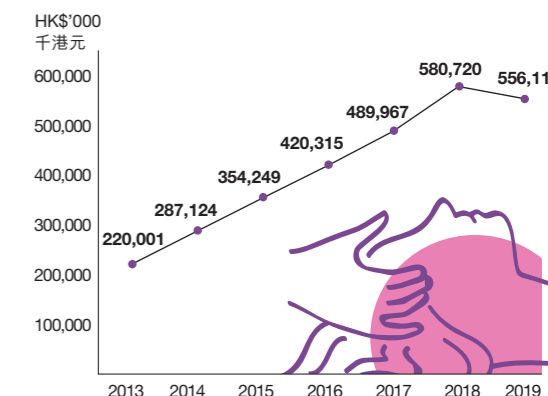
### Profit for the Year

年度利潤



### Profit Attributable To Owners of the Company

本公司擁有人應佔利潤



The following is a summary of the published results and assets and liabilities of the Group for the past seven financial years.

以下為本集團過往七個財政年度的已公佈業績以及資產與負債摘要。

For the year ended 31 December 截至12月31日止年度

	2019 HK\$'000 2019年 千港元	2018 HK\$'000 2018年 千港元	2017 HK\$'000 2017年 千港元	2016 HK\$'000 2016年 千港元	2015 HK\$'000 2015年 千港元	2014 HK\$'000 2014年 千港元	2013 HK\$'000 2013年 千港元
Revenue 收入	1,432,632	1,513,873	1,265,994	1,084,280	970,477	761,051	613,963
Gross profit 毛利	1,012,796	1,078,421	916,433	795,087	680,877	543,031	420,043
Profit before income tax 除所得稅前利潤	689,222	720,898	610,966	532,270	456,614	355,219	271,466
Profit for the year 年度利潤	576,852	601,323	505,512	439,880	374,578	294,698	227,548
Profit attributable to owners of the Company 本公司擁有人應佔利潤	556,118	580,720	489,967	420,315	354,249	287,124	220,001
Earnings per share (HK\$) 每股盈利 (港元)	0.66	0.69	0.59	0.50	0.42	0.35	0.29
Dividend per share (HK\$) 每股股息 (港元)							
Final 末期	0.23	0.23	0.19	0.16	0.13	0.10	0.08
Special interim 特別中期	0.72	-	-	-	-	-	-

As at 31 December 於12月31日

	2019 HK\$'000 2019年 千港元	2018 HK\$'000 2018年 千港元	2017 HK\$'000 2017年 千港元	2016 HK\$'000 2016年 千港元	2015 HK\$'000 2015年 千港元	2014 HK\$'000 2014年 千港元	2013 HK\$'000 2013年 千港元
Non-current assets 非流動資產	494,506	424,621	405,768	398,176	372,795	312,890	251,493
Current assets 流動資產	2,643,815	2,746,464	2,354,887	1,956,646	1,654,190	1,319,651	1,158,622
Total assets 總資產	3,138,321	3,171,085	2,760,655	2,354,822	2,026,985	1,632,541	1,410,115
Non-current liabilities 非流動負債	65,604	5,927	5,024	4,694	5,352	4,675	4,248
Current liabilities 流動負債	307,081	140,931	147,454	122,891	112,718	91,005	96,148
Total liabilities 總負債	372,685	146,858	152,478	127,585	118,070	95,680	100,396
Net assets 資產淨值	2,765,636	3,024,227	2,608,177	2,227,237	1,908,915	1,536,861	1,309,719
<b>Financial Metrics 財務指標</b>							
Gross profit margin 毛利率	70.7%	71.2%	72.4%	73.3%	70.2%	71.4%	68.4%
Net profit margin 純利率	40.3%	39.7%	39.9%	40.6%	38.6%	38.7%	37.1%
Current ratio 流動比率	8.6	19.5	16.0	15.9	14.7	14.5	12.1
Return on equity 股本回報率	20.9%	19.9%	19.4%	19.8%	19.6%	19.2%	17.4%
Return on assets 資產回報率	18.4%	19.0%	18.3%	18.7%	18.5%	18.1%	16.1%
Dividend payout ratio 派息比率	34.6%	33.2%	32.5%	31.9%	30.7%	29.2%	30.2%

Note: There are changes in accounting policies in 2019 which the Group has elected to apply without restating comparative figures as permitted by the relevant financial reporting standards. Details are set out in note 2(b) to the consolidated financial statements.

附註：本集團於2019年作出了會計政策變更，並根據相關財務報告準則允許下選擇不重述比較數據。詳情載於合併財務報表附註2(b)。

# CHAIRMAN'S STATEMENT

## 主席獻辭

While China is playing a more important role in the world stage boasting 70 years of perseverant endeavour, Tong Ren Tang is well-prepared to penetrate the overseas market as backed by its precious experience accumulated for 350 years. We impress the world with one single prescription of trustworthy TCM, and make our dream of a healthy world come true through a new option for health.

As the mystery of TCM is gradually unveiled by scientists, the efficacy of TCM can be recorded in a scientific manner, and the progress of its scientification and acceptance by the global health system accelerate accordingly. While celebrating the 70th anniversary of New China and the 350th anniversary of Tong Ren Tang, this time-honoured brand is making more steadfast steps in its overseas expansion. Along its path of TCM development, Tong Ren Tang is connecting the aspiration for good health of both the West and the East.

### SHARE THE SAME BREATH WITH CHINA, SHARE THE SAME DESTINY WITH THE WORLD

2019 marks the 70th anniversary of New China and the 350th anniversary of Tong Ren Tang. Thanks to TCM, the global health industry has been changing eventually. The 11th edition of the International Classification of Diseases and the "Opinions of the State Council on Promoting the Preservation, Innovation, and Development of Traditional Chinese Medicine" presage the connection between TCM and the world health system. As China is getting stronger, TCM will serve as a new element of the global health community. With its base in China, Tong Ren Tang is going abroad to present to the world the in-depth value and content of a traditional civilization with the distinctive features of TCM.

### SERVE OUR MISSIONS WITH CULTURE, MEET OTHERS' DEMANDS WITH KINDNESS

During the Year, we conducted the first overseas Tong Ren Tang plaque cleansing (complimenting) ceremony, in which Tong Ren Tang fellows from different parts of the world gathered together to cleanse the plaque, which once again solidified our very first commitment to and mission of contributing TCM to the world. We continued and strengthened our conventional charity activities. The State-owned Enterprise Open Day was organised in both Hong Kong and Macao to allow local citizens to gain a better knowledge about TCM culture. We were honoured to have Mrs. Carrie Lam Cheng Yuet-ngor, Chief Executive of the Hong Kong Special Administrative Region as our guest to learn more about Tong Ren Tang's overseas development over 20 years. From August to November this Year, we organised a series of activities under the 3rd Show Love and Care to Stroke Prevention campaign, such as health seminars on stroke prevention, free TCM consultation services and elderly home visits in both Hong Kong and Macao. Large-scale free TCM consultation services and healthcare seminars were also held in Australia. To enhance the TCM market penetration in Singapore, health seminars were held in April, May, July and September, and a free medical consultation session was organised on the first Saturday of each month. The 2019 Dubai-Macao TCM exchange program launching ceremony was held in Dubai in May. All these activities enabled the overseas markets to have a more in-depth understanding of Tong Ren Tang, thus enhancing the influence of our brand name in the international market.



70年砥礪奮進，中國正向世界走來；  
350年厚積薄發，同仁堂正向世界遠航。  
用一丸誠信的中國藥，換世界的矚目；  
用一種健康的新選擇，奮鬥濟世養生的夢想。

隨著中醫藥的神秘面紗被逐漸揭開，中醫藥作用機理被科學揭示，中醫藥科學化進程和被世界衛生體系接納的速度逐步加快。新中國成立70週年、同仁堂創立350週年，老字號海外步伐更加堅定。在傳承發展中醫藥事業的道路上，同仁堂正在將東西方對於健康的嚮往，緊密聯繫在一起。

### 與國家同呼吸，與世界共命運

2019年，新中國成立70週年，同仁堂創立350週年，世界健康事業正在因中醫藥悄然改變。世界疾病目錄第11版、《國務院關於促進中醫藥傳承創新發展的意見》，都預示著中醫藥與世界健康體系的對接。中醫藥隨著一個日益強大的中國，成為世界健康命運共同體的嶄新內涵。從中國出發，向世界邁進，同仁堂正在以中醫藥特有的方式，向世界展示一個傳統文明的深厚價值內涵。

### 以文化服務使命，用善待連接需求

本年，我們舉辦了第一屆同仁堂境外淨(敬)匾儀式。來自五大洲不同國家和地區的同仁堂人共同擦拭匾額，再一次凝聚了為世界奉獻中醫藥的初心與使命。我們繼續深化了傳統公益行動，分別於港澳舉辦國企開放日活動，敞開大門讓港澳市民深入瞭解中醫藥文化，更特邀香港特別行政區行政長官林鄭月娥女士出席，深入了解同仁堂海外20餘年的發展歷程；同年8月至11月，我們舉行了第三屆同仁關愛防中風系列活動，深入港澳兩地，舉辦預防中風公眾健康講座、中醫義診、長者中心探訪等，惠及廣大民眾；在澳大利亞組織舉辦大型義診及養生講座活動；在新加坡，分別於4、5、7、9月舉辦健康講座，並於每月第一個週六舉辦義診活動，提升中醫藥的市場滲透力；在迪拜，於5月舉辦了2019迪拜—澳門中醫藥文化交流計劃啟動儀式。這些活動使海外市場對同仁堂品牌認知更加深入，同仁堂品牌國際影響顯著增強。



DING YONG LING  
丁永玲  
Chairman 主席

## OVERCOME THE DIFFICULTIES AND HINDRANCE, PROTECT OUR FUNDAMENTAL INTERESTS

During the Year, a large-scale social event broke out in Hong Kong, which has seriously affected inbound tourism in Hong Kong and the willingness of spending of the public and has resulted in a heavy blow to the retail sector. Nevertheless, the Group managed to overcome all those difficulties. With a focus on our fundamental interests, the Company has actively expanded its sales channels to improve business performance. We have strengthened efforts in primary research to keep abreast of market demands, and have insisted on reform-driven development to enhance operating efficiency and achieve higher management efficacy. As this Year happens to be the 350th anniversary of Tong Ren Tang and the 15th anniversary of the Company, a special dividend of over HK\$600 million in aggregate was distributed to reward our shareholders for their trust in, and support to, the Tong Ren Tang brand and its overseas development.

## PROSPECTS

Looking ahead to 2020, the global economy will still be exposed to various risks, such as the potential risks on the global economic growth arising from the uncertainties of the China-US trade dispute and the hard Brexit. Subject to the uncertain outcome of the China-US trade dispute and the impacts of the outbreak of novel coronavirus disease (COVID-19) at the beginning of 2020, the global economy is under downward pressure. Meanwhile, TCM has demonstrated a remarkable clinical value in the epidemic of novel coronavirus disease. PRC has continued to update the TCM solutions with Angong Niu Huang Wan chosen as one of the treatments. TCM has played a tide-turning role throughout the control of the epidemic outbreak. The Group has established a "global coronavirus prevention and treatment expert team", through which high quality TCM resources are integrated, and our global presence covering more than 20 countries and region is utilized. Great TCM Masters and TCM experts at home and abroad present their tailor-made "one country one strategy" TCM epidemic prevention solutions to overseas, jointly contributing their wisdom and strength to build a human community of shared future.

## ACKNOWLEDGEMENT

The 350th anniversary marks a new starting point. With its original intention and missions remain unchanged, Tong Ren Tang holds fast to its commitment to serve people around the world who desire good health, and also to its vision to contribute the distinctive Chinese wisdom to the global health community. On behalf of the Board, I would like to express our sincere gratitude and appreciation to all employees both at home and abroad for their dedication, loyalty, selflessness, passion, commitment and efforts, and to our shareholders, customers, business partners and local governments for their trust and support.

**Ding Yong Ling**  
Chairman  
Hong Kong, 24 March 2020

## 克服艱難險阻，維護根本利益

本年，香港社會事件嚴重影響遊客訪港及民衆消費意願，零售業遭受巨大打擊。但本集團依然克服一切困難，以公司根本利益為依歸，積極拓寬銷售渠道，提升業績，強化一線調查研究，深入市場了解需求；堅持以改革推動發展，著力提高運營效率，向管理要效益。同仁堂創建350週年暨本公司成立15週年，派發特別股息共計6億餘港元，回報了股東對於同仁堂品牌和同仁堂海外發展的信任與支持。

## 展望

展望2020年，全球經濟仍將面對多方面風險，如中美貿易爭端走向的不確定性、英國硬脫歐等對全球經濟的增長帶來潛在的風險。中美貿易爭端前景的不確定性以及2020年初新型冠狀病毒(COVID-19)疫情爆發帶來的影響，使全球宏觀經濟面臨下行壓力。而中醫藥在這次新型冠狀病毒疫情中突顯了偉大的臨床價值，中國政府不斷更新中醫藥解決方案，安宮牛黃丸更被列入診療方案，中醫藥在整個疫情控制的過程中力挽狂瀾。本集團也藉此成立「全球新冠肺炎防治專家組」，整合國醫國藥優質資源，發揮終端遍佈全球20個國家及地區的優勢，國醫大師與海外各地中醫專家因地制宜為海外出具「一國一策」的中醫防疫方案，共同為推動構建人類命運共同體貢獻智慧和力量。

## 致謝

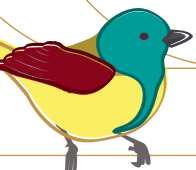
同仁堂350週年，又是一個新起點。同仁堂的初心和使命不會變，同仁堂致力於為世界有健康美好嚮往的民衆服務的方向不會變，同仁堂為世界健康命運共同體貢獻中國特色智慧的願景不會變。我謹代表董事會對海內外全體員工的忠誠、無私、激情、奉獻、奮鬥，以及股東、客戶、業務合作夥伴和地方政府的支持表示最衷心的感謝！

丁永玲  
主席  
香港，2020年3月24日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

A new journey in a new era begins upon 15 years of endeavour.  
We hold fast to our original intention with firm belief, and  
continue with our mission and commitment to health.  
On our path towards “Healthy Life Global Choice”, we  
contribute to the global community of shared health with  
Tong Ren Tang’s distinctive TCM strengths.



十五載奮鬥歲月，新時代再啓征程。  
守初心堅定信念，擔使命矢志健康。  
沿著「創造健康 全球共享」的道路，  
繼續為世界健康命運共同體  
貢獻同仁堂特色的中醫藥力量。

### BUSINESS REVIEW

#### Overview

Founded in 1669, Tong Ren Tang celebrates its 350th anniversary this Year. With such a long history, it has developed as a well-established and time-honored brand in China and among the global Chinese community. Leveraged on the reform and opening of the PRC as well as the Belt and Road Initiative in the new era, Tong Ren Tang reached out to the world and spread the wisdom of traditional Chinese medicine overseas, and became an important vehicle and cultural symbol of TCM. As an overseas development platform of Beijing Tong Ren Tang Group, the Group has established 71 retail outlets in 20 countries and regions in total. We anchored in Hong Kong while marching to the world, thus establishing an international network.

In 2019, due to the fast-changing situation at home and abroad, global economic development has slowed down and trade protectionism has emerged, and the China-US trade tension has also cast a shadow on the global economy. The Chinese economy displayed a downward trend as a whole amid the new norm and investment growth has slowed down.

Consumption was under pressure and was exposed to the risk of stagflation. Since June 2019, a large-scale social event broke out in Hong Kong, which has seriously affected inbound tourism in Hong Kong and the public willingness of spending, and has brought a heavy blow to a number of sectors, such as retail, tourism and catering, with an extensive impact.

In face of the complicated situation and economic environment, the Group adhered to the interests of shareholders as well as a stable progressive business strategy, strengthened risk management and brand protection, stringently controlled product quality, optimized business layout, laid a solid foundation, and overcame adversities to on the Company brought by various factors. During the Year, the revenue of the Group was HK\$1,432.6 million (2018: HK\$1,513.9 million), representing a year-on-year decrease of 5.4%; net profit was HK\$576.9 million (2018: HK\$601.3 million), representing a year-on-year decrease of 4.1%. Our profit attributable to owners was HK\$556.1 million (2018: HK\$580.7 million), representing a year-on-year decrease of 4.2%. Earnings per share was HK\$0.66 (2018: HK\$0.69), representing a year-on-year decrease of HK\$0.03. The Board recommended the payment of a final dividend of HK\$0.23 per share (2018: HK\$0.23).

### 業務回顧

#### 概覽

同仁堂自1669年創立，至今已有350年，歷經歷史淘洗，已發展成為中國家喻戶曉的老字號品牌，並蜚聲華人世界。進入新時代，借助改革開放春風及「一帶一路」倡議，同仁堂走出國門，將中國傳統醫藥智慧撒播海外，成為中醫藥的重要載體和文化象徵。作為北京同仁堂集團在海外的發展平台，本集團目前在20個國家和地區建立了71個零售終端，形成了「立足香港，深耕主流，面向世界」的國際網絡佈局。

2019年，國內外形勢風雲變幻，全球經濟發展趨緩，貿易保護主義抬頭，中美貿易摩擦使全球經濟蒙上陰影。中國經濟在新常態中整體呈下行趨勢，投資增速回落，消費受到擠壓，面臨滯脹風險。香港自2019年6月起爆發大型社會事件，嚴重影響遊客訪港及民眾消費意欲，對社會零售、旅遊、餐飲等行業帶來沉重打擊，影響廣泛並劇烈。

面對複雜的社會形勢與經濟環境，本集團堅持以股東的利益為依歸，秉持穩中有進的經營策略，加強風險管理和品牌保護，嚴控產品質量，優化業務佈局，夯實基礎，克服種種不利因素對公司造成的負面影響。本年，本集團實現收入1,432.6百萬港元（2018年：1,513.9百萬港元），同比下跌5.4%；實現淨利潤576.9百萬港元（2018年：601.3百萬港元），同比下跌4.1%；擁有人應佔利潤實現556.1百萬港元（2018年：580.7百萬港元），同比下跌4.2%；每股盈利為0.66港元（2018年：0.69港元），同比下跌0.03港元。董事會建議派付末期股息每股0.23港元（2018年：0.23港元）。



## Hong Kong Market

Adhering to the development strategy of “Anchor in Hong Kong and Asia and march to overseas”, the Group has served Hong Kong for more than 15 years and the Hong Kong market has also become our top priority. In the first half of 2019, the revenue generated from the Hong Kong market increased by 21.5% period-on-period. Since mid-June this Year, affected by the large-scale social event in Hong Kong, and under the environment in which sectors such as tourism, retail and catering were greatly impacted, the Group has also been affected. The retail business experienced a sharp decline and the wholesale business was also impacted, resulting in a significant decrease in operating income in the second half of the Year. In addition, due to the expiry of property lease, the number of retail outlets in Hong Kong decreased from 27 of last year to 23 to further optimize the retail market in Hong Kong. The revenue from the Hong Kong market for the Year was HK\$790.2 million (2018: HK\$807.3 million), representing a year-on-year decrease of 2.1% with a same-store revenue decrease of 14.6%.

### Retail Network 零售網絡

7 Australia 澳大利亞	23 Hong Kong 香港	5 Singapore 新加坡	1 UAE 阿聯酋
1 Brunei 汶萊	5 Macao 澳門	1 Sweden 瑞典	1 UK 英國
1 Cambodia 柬埔寨	3 Malaysia 馬來西亞	1 Switzerland 瑞士	4 US 美國
7 Canada 加拿大	7 New Zealand 新西蘭	1 Thailand 泰國	
1 Czech Republic 捷克	1 Poland 波蘭	1 The Netherlands 荷蘭	

## Non-Hong Kong market

With the cornerstone of the Group in Hong Kong, the Group actively explored the overseas market and spread the brand of Tong Ren Tang and TCM culture. Amid the general downfall of the global economy as well as the fast-changing and complicated international relations, the Group continued its study on macroeconomics and the regional market. It constantly optimized and reformed its global business layout with ongoing development. During the Year, the business network of the Group covered major countries and regions of Asia, Oceania, North America and Europe, coupled with 48 retail outlets, representing a net decrease of 6 from the previous year. Adhering to the quality improvement requirement raised by Tong Ren Tang Holdings, the Group conducted a comprehensive review of overseas companies. Two retail outlets in Poland were merged and the market in South Africa and retail outlets in US and Canada were also comprehensively rectified to underpin the basis and improve the quality of operations. In the same year, we also added a retail outlet in each of Macao and Sydney to further increase our market share in these markets. During the Year, the Group's revenue from overseas markets was HK\$338.8 million (2018: HK\$332.9 million), representing a year-on-year increase of 1.8% with a same-store revenue decrease of 6.1%.

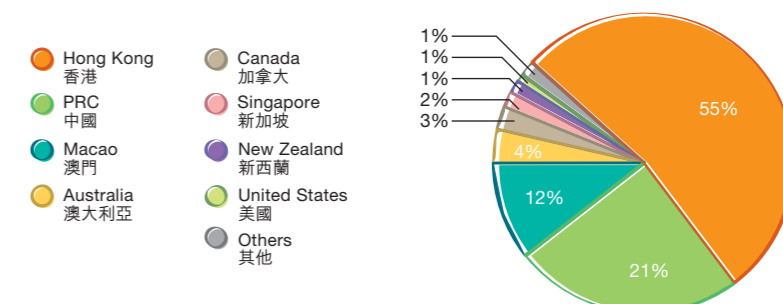
## 香港市場

本集團秉持「立足香港，站穩亞洲，深耕主流」的發展策略，服務香港市民已逾15年，香港市場亦發展成為本集團經營的重中之重。2019年上半年，香港市場收入實現21.5%的同比增幅；自本年6月中起，受本地大型社會事件影響，在旅遊、零售、餐飲等行業整體大受打擊的環境下，本集團亦受到波及，零售業務出現斷崖式下跌，批發業務也受到衝擊，導致下半年營業收入出現大幅下滑。另外，由於物業租約到期，香港零售終端由去年27家，減少至23家，進一步優化香港零售市場。本年，香港市場收入790.2百萬港元（2018年：807.3百萬港元），同比下跌2.1%，同店收入下跌14.6%。

## 非香港市場

本集團以香港為基點，積極開拓海外市場，傳播同仁堂品牌與中醫藥文化。在全球經濟增長普遍放緩，國際關係複雜多變的背景，本集團繼續深化對宏觀經濟及區域市場的研究，在各市場精耕細作，持續發展同時不斷優化及重整全球業務佈局。本年，本集團業務網絡覆蓋亞洲、大洋洲、北美洲、歐洲主要國家及地區，擁有零售終端48家，較上年淨減少6家。緊扣同仁堂集團公司質量提升年的要求，對海外公司進行全面梳理。對波蘭兩家零售終端進行合併，亦全面整頓南非市場、美國及加拿大零售終端，夯實基礎，提升經營質量。同年，我們也於澳門及悉尼各增設一間零售終端，進一步加大此市場的佔有率。本年，本集團來自海外市場的收入為338.8百萬港元（2018年：332.9百萬港元），同比上升1.8%，同店收入下跌6.1%。

Revenue by country/region in 2019  
2019年國家/地區收入分佈



For market in Mainland China, in view of the negative impact of the "Honey Incident" on the brand image of Tong Ren Tang, Beijing Tong Ren Tong Group focused on improving the internal management during the Year. It commenced an introspective examination and rectification of risks of quality management, thus the Parent Group slowed down the procurement of the Owned Products from the Group. Since the adjustment of the industrial layout of the Parent Group and the relocation of new production base which resulted in short-term transition issues between the old and new production base, the supply of Tong Ren Tang products for export has experienced a temporary shortage. Given the difficulties we experienced, revenue generated from the market in Mainland China for the Year was only HK\$303.7 million (2018: HK\$373.6 million), representing a year-on-year decline of 18.7%.

### Production and Research and Development

The Group's Production and R&D base in Tai Po, Hong Kong obtained the GMP (Good Manufacturing Practice) for Proprietary Chinese medicine certification, International Standard ISO22000:2005 (Food Safety Management Systems) and the HACCP (Hazard Analysis and Critical Control Points) certification. With the stringent quality management system, standardized production process and high safety coefficient, the base has been able to provide full guarantee for the production of quality products.

The Group continued to focus on its core business, enriched its product offerings and resources, and successfully completed the registration of three proprietary Chinese medicines in Hong Kong during the Year. We will continue to develop new products in line with the development trend in general health in order to meet the extensive market demand for regulating body functions and preventing diseases.

With a focus on core varieties, greater efforts have been put into the development of independent intellectual property rights which involved invention patents, utility models, appearance, copyrights and authorship etc.. While expanding to the overseas market, Tong Ren Tang has continuously accumulated independent intellectual property rights, explored global patents layout and applied rules of international intellectual property rights in order to protect and enrich the core values of Tong Ren Tang's products. As of the end of 2019, we have successfully filed applications for a total of 53 patents (including Mainland China, Hong Kong and international PCT (Patent Cooperation Treaty) patents), which provided sufficient protection for the dominant products of Tong Ren Tang.

In order to further expand the results of scientific research, we will continue to cooperate with internationally renowned universities at home and abroad for the purpose of researching on safety and functioning mechanism of key products. The research project conducted in cooperation with universities in Hong Kong on the safety and functioning mechanism of application of Angong Niu Huang Wan in the treatment of acute ischemic stroke successfully passed the inspection of the Innovation and Technology Commission in Hong Kong and special funding support was granted. After confirming the anti-tumor effect of one of our Lingzi products by universities in the US, we continued to conduct in-depth research in order to expand product applications, further standardize and guide the rational use of products as well as provide new ideas for setting targets of developing the new market. We cooperated with raw material suppliers to establish biotechnology research and development centre for conducting a series of process technology studies on ganoderma lucidum spore powder and ganoderma extract, thereby guaranteeing the quality of key products from the source. We also cooperated with renowned domestic companies for the commencement of anti-counterfeiting technology upgrade projects and applied near field communication (NFC) technology, which is currently widely used in mobile payment and intelligent transportation, in anti-counterfeiting of design. With its unique anti-counterfeiting function which can prevent impacts on market of counterfeit products, the radio frequency identification (RFID) chip supported by physical unclonable function (PUF) technology was viewed as a milestone in protecting consumer rights, further strengthening the trust of consumers in the Tong Ren Tang brand and enhancing the legitimacy and authority of the brand in the market.



在中國內地市場方面，由於「蜂蜜事件」對同仁堂品牌形象造成一定負面影響，全集團於本年專注提升內部管理，全面開展質量管理風險自查整改，母集團放緩向本集團採購自有產品。由於母集團工業佈局調整，轉移新生產基地出現短暫的新舊生產基地生產銜接問題，令同仁堂產品出口供應暫時短缺。由於困難重重，本年中國內地市場收入僅為303.7百萬港元（2018年：373.6百萬港元），同比下跌18.7%。

### 生產及研發

本集團位於香港大埔的生產研發基地，持有香港中成藥GMP（生產質量管理規範）認證、國際標準ISO22000:2005食品安全管理體系及HACCP（危害分析中藥管制點）認證，質量管理體系嚴格，生產工藝規範，安全系數高，為生產高質量產品提供全面保障。

本年，本集團繼續抓緊核心業務，豐富產品品種資源，成功在香港完成三個中成藥的註冊。我們將繼續隨著大健康領域發展趨勢，開展新產品開發工作，以迎合調節人體機能、防病未然的廣泛市場需求。

圍繞核心品種，加強涉及發明專利、實用新型、外觀，以及版權、著作等自主知識產權開發工作。在同仁堂海外拓展的同時不斷積累自主知識產權，並探索全球專利佈局，運用國際知識產權規則，保護並豐富同仁堂產品核心價值。截止2019年末，我們已成功申請的各類專利共有53項（包括中國內地、香港及國際PCT（專利合作條約）專利），為同仁堂的優勢品種樹起了良好的保護屏障。

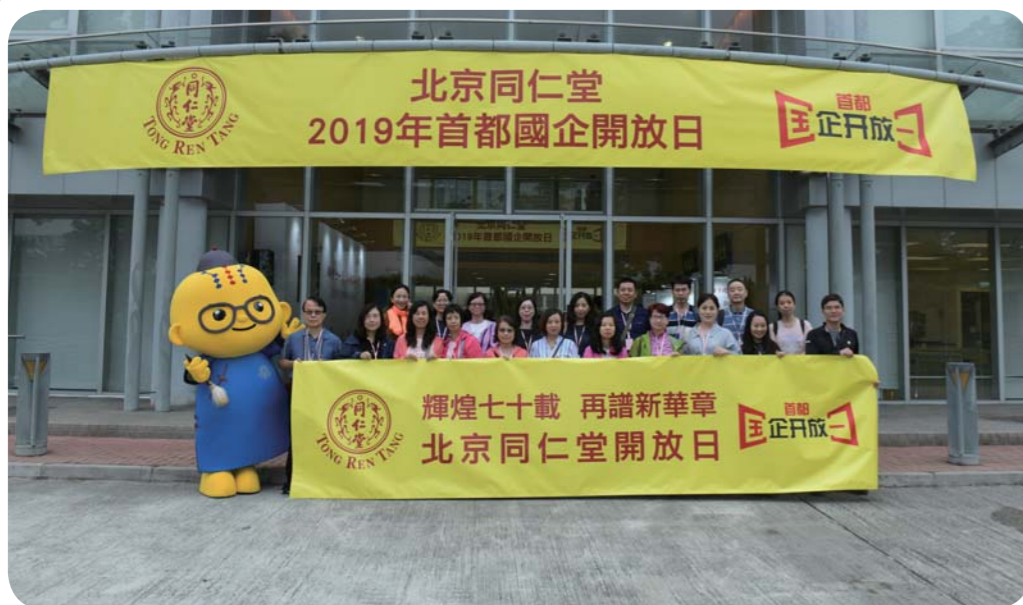
為進一步擴大科研成果，我們將繼續與海內外國際知名院校合作，對重點產品進行安全性、作用機理等方面的研究。與香港院校合作的安宮牛黃丸用於急性缺血性中風安全性及作用機理研究項目，順利通過香港創新科技署驗收並獲得專項資金支持；在美國院校就我們其中一種的靈芝產品抗癌研究中證實了本公司產品的抗腫瘤效果後，繼續深入研究，擴大產品應用範圍，進一步規範、指導產品合理使用，為樹立新產品開拓市場目標打開了新思路；與原材料供應方合作建立生物技術研發中心，



就靈芝孢子粉、靈芝提取物等開展一系列的工藝技術研究，從源頭保證了重點產品的品質。與國內知名公司合作開展防偽技術升級項目，將目前廣泛應用於移動支付、智能交通的近距離無線通訊（NFC）技術應用於產品防偽設計中，基於物理反複製技術（PUF）的無線射頻識別（RFID）芯片具有獨一無二的防偽功能，可杜絕假冒產品所產生的市場衝擊，維護消費者權益，進一步強化消費者對同仁堂品牌的信任，增強同仁堂品牌在市場的正統性和權威性，具有里程碑式意義。







### Brand promotion

As a reputable and time-honored enterprise in China with 350 years of wisdom in Chinese medicine, Tong Ren Tang is not only an economic entity but also a carrier of Chinese medicine culture which bears the major mission on promoting such culture to the world. The Group launched a series of brand promotion activities during the Year, dedicating to the dissemination of the brand and culture of “Tong Ren Tang” overseas.

For the Hong Kong market, the Group adheres to the philosophy of “Take root in the community to serve” and is concerned about public health. This year marks the 350th anniversary of the establishment of “Tong Ren Tang”. As a result, the Group has placed advertisements for the brand in major media and

newspapers, cross-harbour tunnels, cross-border ports, and tram stations in core business districts in Hong Kong to celebrate the “350th Anniversary of Ten Ren Tang” and promoted the long history and culture as well as quality products and superb technique of Tong Ren Tang. The Company also held the 4th “Capital State-owned Enterprise Open Day”, which attracted hundreds of people to visit the Tai Po Production and R&D Base and Cultural Museum to experience the advanced production technology and long history and culture of the Group, strengthening their trust in the Group’s products and recognition of the brand. Meanwhile, the Group continued to hold the “4th Show Love and Care to Stroke Prevention” activity, including organizing health seminars on stroke prevention to educate the public with professional information; organizing free medical consultations from time to time which attracted thousands of people to participate; visiting elderly homes to care for the health of the elderly. The Company also regularly released health information on social media, interacted with supporters and offered promotional discounts during festive seasons to give back to the public.

For the overseas markets, the Group also actively acts in concert with business development and strengthens the promotion of the brand of “Tong Ren Tang” in various markets. During the Year, Beijing Tong Ren Tang (Auckland) Company Limited participated in co-organizing the 2019 “China Tourism Culture Week — TCM Culture and New Zealand Healthy Journey Promotion”, which was held in Wellington, capital of New Zealand, and offered free medical consultations by medical practitioners at the event, and the “health tourism” route of Chinese medicine in Beijing was promoted overseas for the first time. For the European markets, leveraging on its geographical advantages, Beijing Tong Ren Tang Swiss SA organized TCM health seminars and free consultations for representative organisations in the United Nations and the World Trade Organization, so as to promote the brand of Tong Ren Tang to international organizations. For the Dubai market, Beijing Tong Ren Tang Gulf FZ-LLC sponsored the “2019 Dubai-Macao TCM Cultural Exchange Program”, offering

### 品牌宣傳與推廣

同仁堂作為中國聲譽卓著的「老字號」企業，凝集350年中醫藥智慧，既是經濟實體，也是中華醫藥文化載體，肩負著向世界推廣中醫藥文化的重大使命。本年，本集團開展一系列品牌宣傳推廣活動，致力於「同仁堂」品牌和文化在海外的傳播。

在香港市場，本集團堅持「扎根社區，服務市民」的理念，關注市民健康。本年度正值「同仁堂」創立350年，本集團於香港主要媒體報章、海底隧道、跨境口岸、核心商圈車站等投放品牌宣傳廣告，慶賀「同仁堂350週年」，宣傳同仁堂悠久歷史文化和優質產品工藝。本公司亦舉辦了第四屆「首都國企開放日」，吸引數百位市民參觀大埔生產研發基地與文化博物館，近距離感受本集團先進的生產工藝和悠久的歷史文化，加強對本集團產品的信任與品牌的認同。本集團亦繼續開展「第四屆同仁關愛防中風」活動，包括舉辦以防中風為主題的健康講座，為市民介紹專業資訊；不定時舉辦中醫義診活動，累計吸引數千餘名市民現場參與；進行長者中心探訪活動，關愛長者健康。於日常生活中，本公司亦會定期在社交媒體上發佈有關健康資訊，與粉絲展開互動，並因應節慶開展促銷和優惠活動，回饋市民。

在海外，本集團亦積極配合業務拓展，加強「同仁堂」品牌在各市場的宣傳。本年，北京同仁堂(奧克蘭)有限公司參與協辦在新西蘭首都威靈頓舉辦的2019年「中國旅遊文化周 — 中醫藥文化和健康旅遊新西蘭推介活動」，並派出中醫師義診，首次將北京地區的中醫藥「健康旅遊」路線向海外推廣。在歐洲市場，北京同仁堂瑞士股份有限公司發揮地利優勢，組織對駐聯合國及世界貿易組織的代表機構進行中醫養生講座和義診活動，在國際組織宣揚同仁堂品牌。在迪拜市場，北京同仁堂海灣有限公司贊助「2019迪拜 — 澳門中醫藥文化交





consultations and treatments in relation to Chinese medicine, which fully demonstrated the brand and products of Tong Ren Tang and further enhanced the influence of Chinese medicine and the brand of Tong Ren Tang in Dubai. This year coincides with the 20th anniversary of the return of Macao. Beijing Tong Ren Tang (Macao) Company Limited organized “State-owned Enterprise Open Day” activities for the first time to let the Macao public further understanding of the international development of Tong Ren Tang. In addition, the Group also conducted regular online and offline marketing activities at its local companies and retail outlets in markets such as Singapore, Australia, Europe and North America to serve the local people and maintain their attention towards the brand of Tong Ren Tang.

The outstanding brand image and excellent product quality of the Group have also been widely recognized and commended by the market. The Group was granted the “World Branding Award 2019-2020 (Global Tier)” by the World Branding Forum in the United Kingdom, the “Leader in Naturopathic Medicine” in the 9th Polish Businesswomen Congress, the “Most influential brand in Asia: Traditional Chinese Medicine — Most Trustworthy Brand” by Influential Brands in Singapore, and the “Outstanding Chinese Medicines Enterprise in China” by the Hong Kong Chinese Medicine Association during the Year, indicating the remarkable achievement of the internationalization of the “Tong Ren Tang” brand.



流計劃」，現場提供有關中醫藥的諮詢和治療，充分展示同仁堂品牌與產品，進一步提升了中醫藥及同仁堂品牌在迪拜地區的影響力。本年度適逢澳門回歸20週年，北京同仁堂(澳門)有限公司亦首度舉行「國企開放日」系列活動，讓澳門民眾進一步了解同仁堂中醫藥走出國門的發展歷程。此外，在新加坡、澳大利亞、歐洲、北美洲等市場，本集團於當地公司和零售終端亦進行常規的線上與線下市場推廣活動，服務當地居民，保持同仁堂品牌在當地市場的關注度。

本集團卓越的品牌形象和優秀的產品品質亦受到市場廣泛認可及讚譽。本年，本集團榮獲多個獎項，包括英國世界品牌大獎協會頒發的「國際品牌大獎2019-2020(全球等級)」、第九屆波蘭商業女性大會評選活動授予的「自然醫學領導者」獎項、新加坡 Influential Brands 授予的「亞洲區最具影響力品牌：傳統中醫藥 — 最值得信賴品牌」，及香港中醫藥協會授予的「中國百年優質中藥企業獎」，顯示了「同仁堂」品牌國際化已取得顯著成就。



## Human Resources Management

As at 31 December 2019, we had a total of 798 employees (2018: 817 employees).

The staff costs of the Group for the Year were HK\$215.3 million (2018: HK\$201.4 million), representing an increase of 6.9% from last year, which was primarily due to the annual salary increment. To ensure that the Group is able to attract and retain talents, remuneration policies are reviewed on a regular basis. In addition, the discretionary bonus is offered to employees with outstanding performance with reference to the Group's results and individual performance.

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the Year was HK\$1,432.6 million (2018: HK\$1,513.9 million), representing a decrease of 5.4% from last year. As affected by the large-scale social event in Hong Kong, the Group's retail and wholesale business in Hong Kong experienced a sharp decline, resulting in a significant decrease in revenue from Hong Kong in the second half of the Year. In addition, in view of the negative impact of the "Honey Incident" on the brand image of Tong Ren Tang, the Parent Group focused on improving the internal management and an introspective examination and rectification of risks of quality management during the Year, thus slowing down the procurement of the Owned Products from the Group. Due to the adjustment of the industrial layout of the Parent Group and the relocation of new production base which resulted in short-term transition issues between the old and new production base, the supply of Tong Ren Tang products for export has experienced a temporary shortage.

### Gross Profit

The Group's gross profit decreased by 6.1% to HK\$1,012.8 million (2018: HK\$1,078.4 million). The gross profit margin decreased from 71.2% last year to 70.7% this Year, which was mainly due to the increase in the cost of raw materials.

### Distribution and Selling Expenses

The Group's distribution and selling expenses decreased by 14.6% to HK\$199.1 million (2018: HK\$233.2 million). The decrease was mainly due to the decrease in rental expenses along with the decrease in the number of retail outlets as well as the decrease in advertising and promotion expenses brought about by the cancellation of large-scale advertising and promotion activities in the second half of the Year caused by the impact of the social event in Hong Kong. Distribution and selling expenses as a percentage to revenue decreased from 15.4% last year to 13.9% this Year.

## 人力資源管理

於2019年12月31日，我們共有798名僱員(2018年：817名僱員)。

本年內本集團員工成本為215.3百萬港元(2018年：201.4百萬港元)，較去年增幅6.9%，主要是由於年度薪酬上調。為確保能夠吸引及挽留優秀員工，本集團定期檢討薪酬政策。此外，本集團參考業績及個人表現，為表現優異的僱員提供酌情獎勵。

## 財務回顧

### 收入

本年，本集團的收入為1,432.6百萬港元(2018年：1,513.9百萬港元)，較去年下跌5.4%。收入下跌主要是由於受香港大型社會事件影響，本集團香港零售及批發業務受到衝擊，導致下半年香港收入出現大幅下滑。另外，由於「蜂蜜事件」對同仁堂品牌形象造成一定負面影響，母集團於本年專注提升內部管理及全面開展質量管理風險自查整改，放緩向本集團採購自有產品。由於母集團工業佈局調整，轉移新生產基地出現短暫的新舊生產基地生產銜接問題，令同仁堂產品出口供應暫時短缺。

### 毛利

本集團的毛利為1,012.8百萬港元(2018年：1,078.4百萬港元)，較去年下跌為6.1%。毛利率由去年的71.2%下降至本年的70.7%，其下跌主要是由於原材料成本上升。

### 分銷及銷售開支

本集團的分銷及銷售開支達199.1百萬港元(2018年：233.2百萬港元)，較去年下跌14.6%。減少的原因主要是由於零售終端數目減少而導致租金開支減少，以及由於受香港社會事件影響，本年下半年大型廣告及宣傳活動取消而導致廣告及宣傳費用減少。分銷及銷售開支佔收入百分比由去年的15.4%下跌至本年的13.9%。



## General and Administrative Expenses

The Group's general and administrative expenses increased by 11.1% to HK\$164.8 million (2018: HK\$148.3 million). The increase was mainly due to the increase in staff costs arising from annual salary increment, and the provision for impairment loss on inventory in relation to the liquidation of a subsidiary. General and administrative expenses as a percentage to revenue increased from 9.8% from last year to 11.5% this Year.

## Finance Income, net

The Group's net finance income increased by HK\$15.8 million to HK\$39.2 million (2018: HK\$23.4 million), which was mainly attributable to the increase in finance income brought about by an increase in the average bank deposit rate.

## Income Tax Expense

The Group's income tax expense decreased by 6.0% to HK\$112.4 million (2018: HK\$119.6 million). The decrease was mainly due to the decrease in taxable income for the Year. The effective tax rate for the Year slightly decreased from 16.6% last year to 16.3% this Year, which was caused by the change in the proportion of the contribution to taxable profit.

## Profit for the Year, Profit Attributable to Owners of the Company, Basic Earnings Per Share and Dividend

The Group's profit for the Year decreased by 4.1% to HK\$576.9 million (2018: HK\$601.3 million) with a net profit margin of 40.3% (2018: 39.7%). Profit attributable to owners of the Company amounted to HK\$556.1 million (2018: HK\$580.7 million), representing a decrease of 4.2% from last year. For the Year, the basic earnings per share were HK\$0.66 (2018: HK\$0.69). The Directors recommend the payment of a final dividend of HK\$0.23 per share for the Year (2018: HK\$0.23).

## Financial Resources and Liquidity

During the Year, the Group funded its liquidity by internal resources. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans.

The Group continued to maintain a strong financial position with cash and bank balances of HK\$1,968.4 million (2018: HK\$2,265.4 million). Most of the Group's cash and bank balances were denominated in Hong Kong dollar and Renminbi, and were deposited in reputable financial institutions with maturity dates falling within one year. The table below sets out the information regarding cash and bank balances, working capital, total equity, current ratio and gearing ratio as at 31 December 2018 and 2019 and net cash generated from/(used in) operating activities, investing activities and financing activities for the years ended 31 December 2018 and 2019:

	As at 31 December 於 12 月 31 日	
	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and bank balances 現金及銀行結餘	1,968,366	2,265,440
Working Capital <sup>(1)</sup> 營運資金 <sup>(1)</sup>	2,336,734	2,605,533
Total Equity 權益總額	2,765,636	3,024,227
Current Ratio <sup>(2)</sup> 流動比率 <sup>(2)</sup>	8.6	19.5
Gearing Ratio <sup>(3)</sup> 負債比率 <sup>(3)</sup>	3.61%	0.04%

	For the year ended 31 December 截至 12 月 31 日止年度	
	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Net cash generated from operating activities 經營活動產生的現金淨額	551,010	577,684
Net cash generated from/(used in) investing activities 投資活動產生/(所用)的現金淨額	835,541	(597,932)
Net cash used in financing activities 融資活動所用的現金淨額	(878,669)	(173,007)

<sup>(1)</sup> Being net current assets

<sup>(2)</sup> Being current assets divided by current liabilities

<sup>(3)</sup> Being borrowings and lease liabilities divided by total equity

## 一般及行政開支

本集團的一般及行政開支為164.8百萬港元(2018年:148.3百萬港元)，較去年增長11.1%。增加主要是由於年度薪金上調令人工成本上升、及計提與清算一家子公司有關的存貨減值損失。一般及行政開支佔收入百分比由去年的9.8%上升至本年的11.5%。

## 淨財務收益

本集團之淨財務收益增加15.8百萬港元至39.2百萬港元(2018年:23.4百萬港元)，主要由於平均銀行存款利率上升令財務收益增多。

## 所得稅開支

本集團所得稅開支減少6.0%至112.4百萬港元(2018年:119.6百萬港元)，減少主要是由於本年應課稅收入下跌。由於應課稅利潤貢獻比例的變化，本年的有效稅率從去年的16.6%略下跌至本年的16.3%。

## 年度利潤、本公司擁有人應佔利潤、每股基本盈利及股息

本集團的年度利潤減少4.1%至576.9百萬港元(2018年:601.3百萬港元)，純利率為40.3%(2018年:39.7%)。本公司擁有人應佔利潤為556.1百萬港元(2018年:580.7百萬港元)，較去年同期下跌4.2%。本年每股基本盈利為0.66港元(2018年:0.69港元)。董事建議派付本年度末期股息為每股0.23港元(2018年:0.23港元)。

## 財務資源及流動資金

本年，本集團以內部資源撥付流動資金。由於本集團業務有穩定現金流入，加上充足現金及銀行結餘，本集團有充裕流動資金及財務資源，可滿足日常營運與營運資金需求及支持拓展計劃。

本集團繼續保持穩健財務狀況，現金及銀行結餘累積達1,968.4百萬港元(2018年:2,265.4百萬港元)。現金及銀行結餘主要為港元及人民幣，並主要存放於信譽良好的金融機構且於一年內到期。下表載列於2018年及2019年12月31日的現金及銀行結餘、營運資金、權益總額、流動比率及負債比率與截至2018年及2019年12月31日止年度的經營活動、投資活動及融資活動所產生/(所用)的現金淨額的資料：

<sup>(1)</sup> 即流動資產淨值

<sup>(2)</sup> 即流動資產除以流動負債

<sup>(3)</sup> 即借貸以及租賃負債總額除以權益總額

## Capital Expenditure

During the Year, the Group's capital expenditure amounted to HK\$17.0 million (2018: HK\$53.2 million), which was primarily used for the purchase of production equipment and the establishment of new retail outlets.

## Major Investment, Acquisitions and Disposals

During the Year, the Group did not have any major investment, acquisitions and disposals.

## Charges over Assets of the Group

As at 31 December 2019, the Group's net property value of HK\$10.5 million (2018: HK\$10.9 million) has been pledged as securities for bank borrowings. Such bank borrowings in Australian dollars bears interest at 1.5% plus the bank bill rate in Australia per annum and is wholly repayable in 2020.

## Contingent Liabilities

As at 31 December 2019, the Group did not have any significant contingent liabilities.

## Foreign Currency Risk

The Group's main business operations are conducted in Hong Kong and other overseas countries/regions. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi and US dollar. During the Year, the fluctuation in the exchange rates of these currencies did not have material impact on the Group.

The Group did not engage in any derivatives activities and did not commit to any financial instrument to hedge its foreign exchange exposure during the Year.

## 資本開支

本年，本集團的資本開支為17.0百萬港元（2018年：53.2百萬港元），主要用於購置生產設備及設立新零售終端。

## 重大投資、收購及出售

本年，本集團並無任何重大投資、收購及出售。

## 抵押本集團資產

於2019年12月31日，本集團之物業淨值為10.5百萬港元（2018年：10.9百萬港元）作為銀行貸款之抵押品。此澳元銀行貸款按澳大利亞銀行票據利率加1.5%按年計息並於2020年全額償還。

## 或然負債

於2019年12月31日，本集團並無任何重大或然負債。

## 外幣風險

本集團主要在香港及其他海外國家／地區經營業務。本集團的交易、貨幣資產及負債主要以港元、人民幣及美元計值。本年，該等貨幣的匯率波動並無對本集團產生重大影響。

本集團本年並無進行任何衍生投資活動，亦無使用任何財務工具對沖外匯風險。

# OWNED PRODUCTS

自有產品

## 王牌產品 Star Products



### 安宮牛黃丸 Angong Niu Huang Wan

**Functions:** To clear heat, remove toxin, settle fright, open the orifices. Febrile disease caused by pathogenic factors entering the pericardium, high fever and fright syncope, loss of consciousness, delirious speech; Wind-stroke coma, encephalitis, meningitis, toxic encephalopathy, cerebral hemorrhage and septicemia with the pattern mentioned above.

功效：清熱解毒，鎮靜開竅。用於熱病，邪入心包，高熱驚厥，神昏譫語；中風昏迷及腦炎、腦膜炎、中毒性腦病、腦出血、敗血症見上述證候者。

**Active ingredients:** Bovis Calculus, Moschus, Margarita, Cinnabaris, Realgar, Coptidis Rhizoma, Scutellariae Radix, Gardeniae Fructus, Curcumae Radix, Borneolum Syntheticum, Powdered Buffalo Horn Extract.

有效成份：牛黃、麝香、珍珠、朱砂、雄黃、黃連、黃芩、梔子、鬱金、冰片、水牛角濃縮粉



### 破壁靈芝孢子粉膠囊 Sporoderm-broken Ganoderma Lucidum Spores Powder Capsules

**Functions:** To enhance immunity. For the elderly and the frail or the people with low immune function, and for patients after surgery or medication.

功效：增強免疫力。用於年老體虛、體弱多病等各類免疫功能低下人士，以及手術或其他治療後的患者，增強體質，改善症狀。

**Active ingredient:** Ganoderma lucidum spores

有效成份：靈芝孢子

### 益生元 Prebiotics



#### Reviving Prebiotics 芪聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with Astragalus extract, Scrophulariaceae extract and Angelica Sinensis Extract, and is manufactured by a modern technology. It is suitable for people that suffer from both Qi deficiency and poor blood circulation and people with poor intestine activity.

本品選用優質低聚果糖為原料，配以黃芪提取物，玄參提取物和當歸提取物，採用現代工藝精製而成。適用於氣血兩虛體質且腸道功能較弱人群的日常保健。



#### Cranberry Collagen Prebiotics 元聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with cranberry powder and marine collagen peptides and is manufactured by a modern technology.

本品選用優質低聚果糖為原料，配以蔓越莓果粉，海洋膠原蛋白肽，採用現代工藝精製而成。

### 靈芝類 Ganoderma Lucidum



#### Lingzhi Collagen Capsule 靈芝健活膠囊

Lingzhi Collagen Capsule consists of premium quality spores powder of Ganoderma lucidum, Ganoderma lucidum extract by advanced technology and Marine Collagen Peptides and is easily absorbed and taken.

靈芝健活膠囊以優質的破壁靈芝孢子粉，配以用現代技術提取的靈芝提取物及海洋膠原蛋白肽，具有易被人體吸收及服用方便的優點。

### 樟芝類 Camphorata



#### Ginseng-Antrodia Camphorata Capsule & Schisandra-Antrodia Camphorata Capsule

洋參樟芝膠囊及  
五味樟芝膠囊

Antrodia camphorata plays an important role in protecting liver and improving metabolism, reducing the rate of acute liver injury caused by alcohol, as well as regulating immune function.

樟芝具備調節免疫機能、保護肝臟、解酒、抗氧化、維護心血管健康及調節血糖作用。

### 高麗參類 Ginseng



#### Korean Red Ginseng & Red Ginseng Granule Tea

高麗紅參及紅參破壁顆粒茶

The Korean Red Ginseng products come from Geumsan County in South Chungcheong Province, a place known as the home of ginseng, and are manufactured by traditional preparation method of Korean Red Ginseng. Korean Red Ginseng can strengthen the immune system, increase blood circulation, antioxidant, improve memory and fight fatigue.

高麗紅參產品源自韓國人參之鄉忠清南道錦山郡。採用高麗紅參傳統加工工藝精製而成。高麗紅參具有增強免疫力、血流改善、抗氧化、記憶力改善、恢復疲勞等功效。

### 紅景天類 Rhodiola



#### Rhodiola Rosea Capsule Blueberry & Rhodiola Rosea Capsule

紅景天膠囊及藍莓紅景天膠囊

Rhodiola grows in high and cold areas. It helps enhance immunity, anti-hypoxic, anti-fatigue and enhance memory.

紅景天一般生長在高寒地帶，具有增強免疫、抗缺氧、抗疲勞、抗輻射及延緩機體衰老等作用。

### 其他類 Others



#### Marine Collagen Peptide 海洋膠原蛋白肽

The product is made of marine collagen peptides imported from Japan. These peptides are got by enzymatic degradation of scales of red snapper by the specific technology. It is easily digested and absorbed by human body due to its properties of small molecular weight and high water-solubility. This product is prepared as oral tablets with grape seed extracts and jujube extracts by the advanced modern process.

本品採用的日本進口海洋膠原蛋白肽，是以紅笛鯛魚的魚鱗為原料，通過獨特技術進行酵素分解製成，分子量小，易溶於水，極易被人體吸收。配以葡萄籽精華和大棗精華，採用先進的工藝製成口服片，服用方便。



#### Cervus Elaphus Linnaeus Collagen Capsule

鹿茸膠原膠囊

The product contains collagen peptides that are produced by hydrolysis of the scales of Ocean Lutianus Sanguineus via a unique Japanese developed enzymatic technology, formulated with Milk Mineral Salt and Cervus Elaphus Linnaeus, and is manufactured by a modern technology.

本品選用來源於深海紅笛鯛魚的魚鱗，日本獨特酵素分解技術製成的海洋膠原蛋白肽，配以乳礦物鹽、馬鹿茸粉為原料，採用現代工藝精製而成。



#### Ultra Fine Pearl Powder 極細珍珠粉

The product helps settle spirit and convulsion, clear the liver and improve vision. It is used for treating fright palpitation and fearful throbbing, vexation and insomnia, etc..

本品具有安神定驚，清肝明目的功效，適用於驚悸怔忡，心煩失眠等症狀。

# MAJOR AWARDS 重大獎項



## 1 The Most Influential Brand in Asia 2019 2019年亞洲區最具影響力品牌大獎

- Most Trustworthy Brand (Traditional Chinese Medicine)  
最值得信赖品牌(傳統中醫藥)

## 2 World Branding Award 世界品牌大獎

- Brand of The Year 2019-2020 (Global Tier)  
國際品牌大獎 2019-2020 (全球等級)

## 3 2019 China Enterprise Excellence Award 2019中國企業精英

- The Best Enterprise  
最佳企業品牌獎

## 4 Chinese Medicine Industry Association Award 中藥業協會獎項

- China Quality Enterprises — Top Brand of Centuries Traditional Chinese Medicine 2019  
2019中國百年優質中藥企業弘揚中藥獎

## 5 The Community Chest Award 香港公益金獎項

- Award of Excellence 2018/2019  
公益卓越獎 2018/2019

## 6 ARC Award 2019 2019設計獎

- Design award for Annual Report 2018  
2018年報設計獎

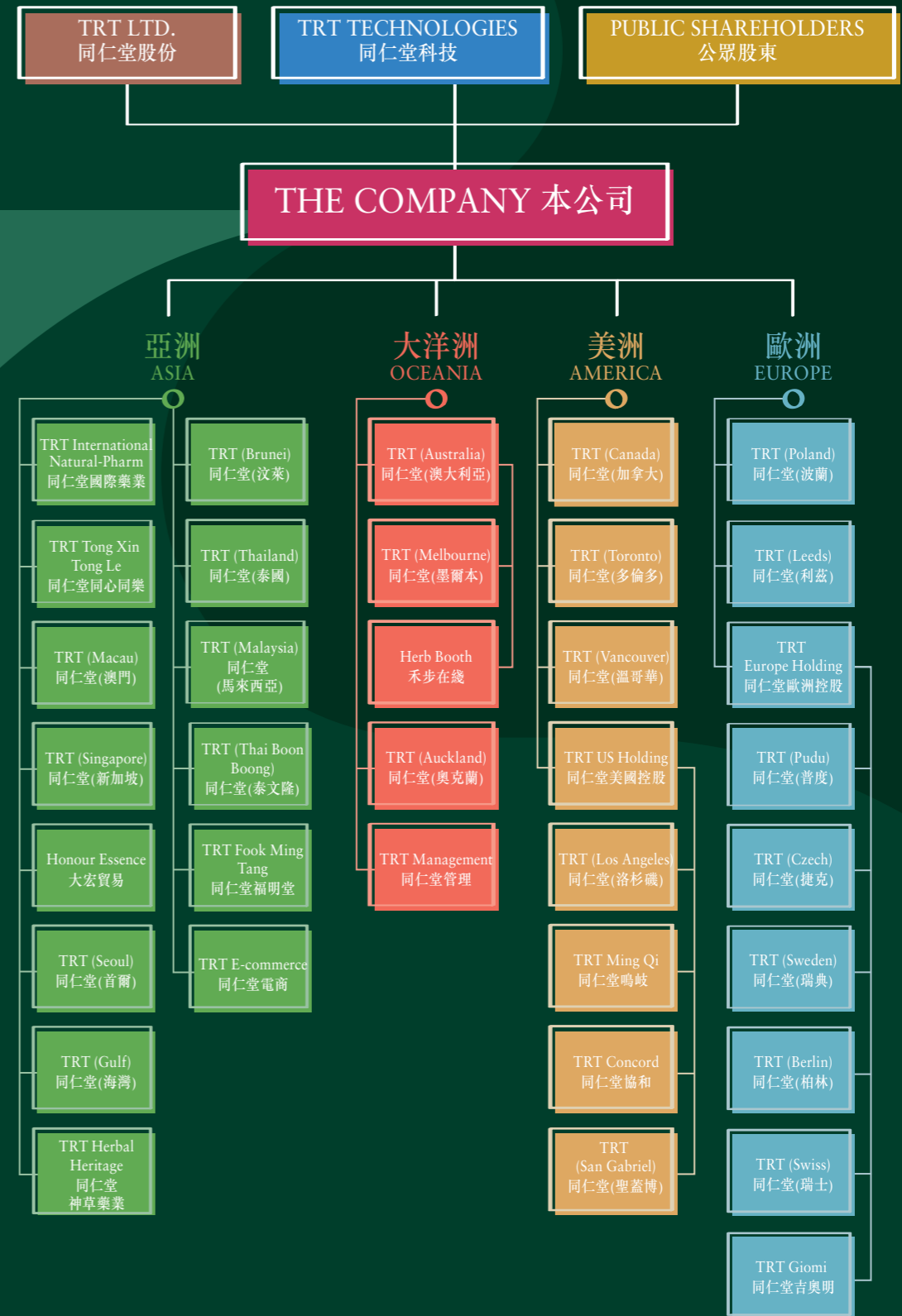
## 7 CarbonCare® ESG Label 2019 2019年度低碳關懷ESG標籤

- Best Practise in ESG Reporting — Level 2  
ESG報告最佳表現標籤級別—第二級

## 8 The 9th Polish Businesswoman Competition Award 第九屆波蘭商業女性大會評選獎項

- Leader in Naturopathic Medicine  
自然醫學領導者  
Beijing Tong Ren Tang (Poland)  
北京同仁堂(波蘭)

# ORGANISATION CHART 組織架構圖



This chart is produced based on the information as at 31 December 2019.  
本圖表按截至2019年12月31日的資料編製。

# 環境、社會及管治報告 Environmental, Social and Governance Report

This report is the 2019 Environmental, Social and Governance Report (referred as the “Report” in the section headed “Environmental, Social and Governance Report”) published by the Group. By reporting the Group’s policies, measures and performances in environmental, social and governance during the Year, the Report enables the stakeholders to know more about the Group’s progress and development directions in sustainability issues.

## REPORTING SCOPE

The Report focuses on the Group’s businesses which are manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The scope of the Report covers the business operations of the Group in Asia, Oceania, the Americas and Europe<sup>(1)</sup>. Environmental Key Performance Indicators (“KPIs”) do not include operating sites without actual operations and resource consumption. Due to the failure of providing raw data at some operating sites for the Year, it is impossible to calculate their environmental performance. Data coverage of some environmental KPIs may be inconsistent with the scope of the Report, details please find the notes in the corresponding sections.

## REPORTING STANDARD

The Report was prepared in accordance with Appendix 27 “Environmental, Social and Governance Reporting Guide” (the “Guide”) to the Rules Governing the Listing of Securities on the Stock Exchange, with four reporting principles of materiality, quantitative, balance and consistency, and taken as the basis of preparation of the Report. In order to ensure the accuracy of environmental KPIs, the Group has engaged Carbon Care Asia Limited, a professional independent consulting firm, to assist in the preparation of the Report and the carbon assessments. In addition, the Report also includes KPIs in the “Recommended Disclosures” of the Guide for the reporting completeness. A complete index is appended in the last chapter hereof for quick reference according to the Guide.

## CONFIRMATION AND APPROVAL

All the information cited in the Report is sourced from the Group’s official documents, statistical data, and the management and operational information collected under the Group’s system. The Report was confirmed and approved by the Board of the Group.

## FEEDBACK

Our continuous improvement relies on your valuable opinions on the Group. If you have any questions or suggestions about the content or reporting form of the Report, you are welcome to contact us via email at [ir@tongrentangcm.com](mailto:ir@tongrentangcm.com).

<sup>(1)</sup> Compared to the year of 2018, the scope of the 2019 Report does not cover Beijing Tong Ren Tang (Boryung) Co., Ltd, Beijing Tong Ren Tang Africa (Pty) Ltd and Beijing Tong Ren Tang Farlong Healthcare Center LLC.

本報告為本集團發表的2019年環境、社會及管治報告(於「環境、社會及管治報告」一節中稱為「本報告」)。透過匯報本集團於本年在環境、社會及管治方面的政策、措施和績效，讓各持份者更瞭解本集團於可持續發展議題的進程和發展方向。

## 本報告範圍

報告聚焦本集團之中藥產品及保健品的生產、零售及批發業務，以及中醫診療服務。報告範圍覆蓋本集團位於亞洲、大洋洲、美洲以及歐洲與本集團業務相關之營運<sup>(1)</sup>。環境關鍵績效指標不包括沒有實際營運及資源消耗的營運點。由於本年部分營運點未能提供原始數據致未能計算其環境表現，部分環境關鍵績效指標的數據覆蓋範圍有可能與本報告範圍不一致，詳見相應部分之註解。

## 本報告準則

本報告遵守聯交所證券上市規則附錄27《環境、社會及管治報告指引》(《指引》)的規定，並以其載列的四項匯報原則——重要性、量化、平衡及一致性，作為編寫本報告的基礎。本集團委託專業獨立顧問公司低碳亞洲有限公司協助編寫本報告並進行碳評估，以確保環境關鍵績效指標資料的準確性。本報告涵蓋《指引》中部份「建議披露」的關鍵績效指標，令匯報內容更完整。本報告最後一章附有完整索引，以便讀者按《指引》閱讀本報告。

## 確認及批准

本報告引用的資料均來自本集團的正式文件、統計數據，及根據其制度收集的管理和營運資料。本集團的董事會已確認及批准本報告。

## 意見反饋

我們的持續進步有賴閣下對本集團的寶貴意見。如閣下對報告的內容或匯報形式有任何疑問或建議，歡迎透過電子郵件([ir@tongrentangcm.com](mailto:ir@tongrentangcm.com))聯絡我們。

<sup>(1)</sup> 與2018年度相比，2019年度報告範圍減少了北京同仁堂(保寧)株式會社、北京同仁堂非洲有限公司及北京同仁堂發龍有限公司。



The expectation of the global community on living standards continues to rise. At the same time, we are facing ever-changing challenges, including public health, social event and environmental disasters. Under economic globalization, with the Belt and Road Initiative being scaled up, the traditional Chinese culture has reached more communities, providing a wider platform for the development of TCM. The Group has been making unremitting efforts to develop TCM products that adjust human body functions and prevent illness to cope with market demands and promote a healthy lifestyle.

The Board of the Group is responsible for formulating and optimizing the Group's sustainability strategies and policies, as well as reviewing and supervising the relevant measures and performance. In order to consolidate sustainability governance, the Group continued to engage an independent consultant to conduct stakeholder engagement activities for the Year and provide guidance on the works of the Group based on the opinions collected through focus groups and questionnaires.

The risk management framework of the Group covers risk assessment, environmental monitoring, surveillance, information and communication, and activity supervision. The Board has been monitoring the framework to ensure that risks are effectively identified, assessed, responded, monitored and reported. The Group has also paid special attention to the impact of major risks related to the ESG on our business in order to formulate corresponding measures.

During the Year, "employment" and "operating practices" were identified as the most important sustainability topics of the Group. In order to continuously improve product quality management, the Group updated its product responsibility guidelines and continued to conduct staff training during the Year. In terms of employment, the Group has also actively reviewed the feasibility of improving employee benefits in various aspects, including welfare, health and occupational safety, training and other arrangements.

In response to the latest amendments to the ESG report by the Stock Exchange, the Group will discuss methods for progress review based on the ESG objectives, continue to communicate with internal and external stakeholders, and further make climate change-related disclosures in order to improve the reporting standards.

全球社會對生活水準的期望不斷提升，同時我們正面對日新月異的挑戰，包括公共衛生、社會事件及環境災害等。在經濟全球化的背景下，隨著中國「一帶一路」倡議的發展，中國傳統文化將接觸更多社群，並為中醫藥發展提供更廣闊的平台。本集團一直努力不懈，透過開發調節人體機能、防病未然的中醫藥產品，回應市場需求，促進健康生活。

本集團的董事會負責制訂及完善本集團的可持續發展策略和政策，以及檢視和督導有關措施和表現。為鞏固可持續發展管治，本集團本年亦繼續委託獨立顧問進行持份者溝通活動，以焦點小組和問卷調查收集意見，指導本集團的工作。

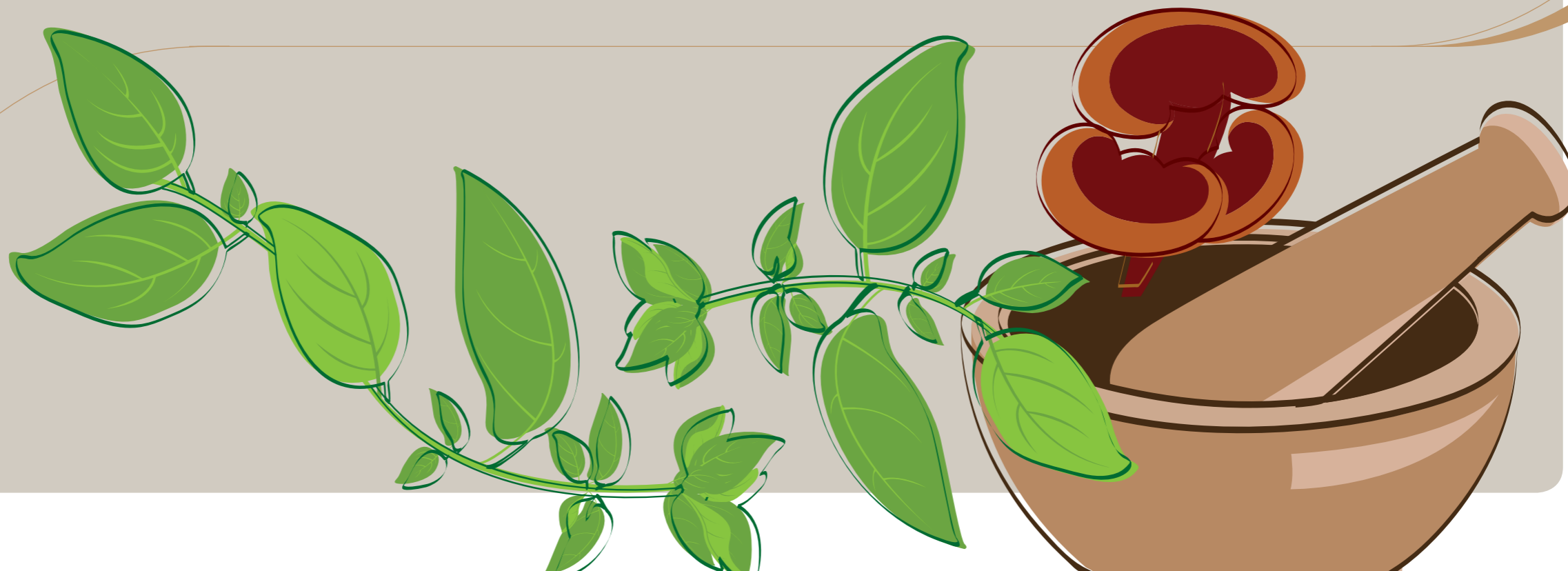
本集團的風險管理架構涵蓋風險評估、環境監控、監察、資訊與溝通及活動監控。董事會持續監督架構，確保有效地識別、評估、應對、監控及匯報風險。本集團亦特別關注與環境、社會及管治相關之主要風險對業務的影響，以制定應對措施。

本年，本集團最重要的可持續發展議題為「僱傭」及「營運慣例」範疇。為持續完善產品質量管理，本集團於本年更新了產品責任指引，並繼續進行員工培訓。本集團亦於僱傭範疇方面，積極探討及改善從各方面員工待遇，包括福利、健康與職業安全及培訓等安排的可行性。

為回應聯交所關於環境、社會及管治報告的最新修訂建議，本集團日後將按環境、社會及管治目標討論檢視進度的方法，繼續與內外各方的持份者保持溝通，並進一步作出與氣候變化相關的披露，以提高匯報水平。

Ding Yong Ling  
Chairman

丁永玲  
主席



## SUSTAINABILITY GOVERNANCE

Risk management and internal control are an important part of the daily management procedure and effective ESG of the Group. The Group has established a risk management and internal control system (applicable to ESG related risk are included), which is continuously monitored by the Board with a review on effectiveness. Meanwhile, the Board is responsible for determining the risk profile and monitor the risk management framework of the Group within the acceptable tolerance for significant existing and potential risks, and their relevant control measures. To ensure an effective implementation, the management-oriented risk management committee is established by the Group to monitor the effectiveness of the risk management and internal control system as well as the changes in risk. The committee regularly reports to the Audit Committee and the Board.

In the future, we will continue review the sustainability governance structure from the Board to the management and business department, as well as the sustainability strategies and policies applicable to the Group.

### 可持續發展管治

對本集團而言，風險管理及內部監控是日常管理過程及良好環境、社會及管治的重要環節。本集團已建立風險管理及內部監控系統(包括適用於環境、社會及管治相關的風險)，由董事會負責持續監督風險管理及內部監控系統及檢討其有效性。同時，董事會負責釐定本集團可接受風險程度內的風險因素、監察本集團的風險管理框架、審閱本集團的主要現有與潛在風險以及相關應對措施。為確保執行的有效性，本集團設立以管理層為主的風險管理小組，負責監控風險管理及內部監控系統的成效，監察風險變動，並定期向審核委員會及董事會匯報。

未來，本集團將持續檢討從董事會到管理層以及業務部門的可持續發展管治架構，以及適用於整個集團可持續發展策略和政策。

## RISK MANAGEMENT

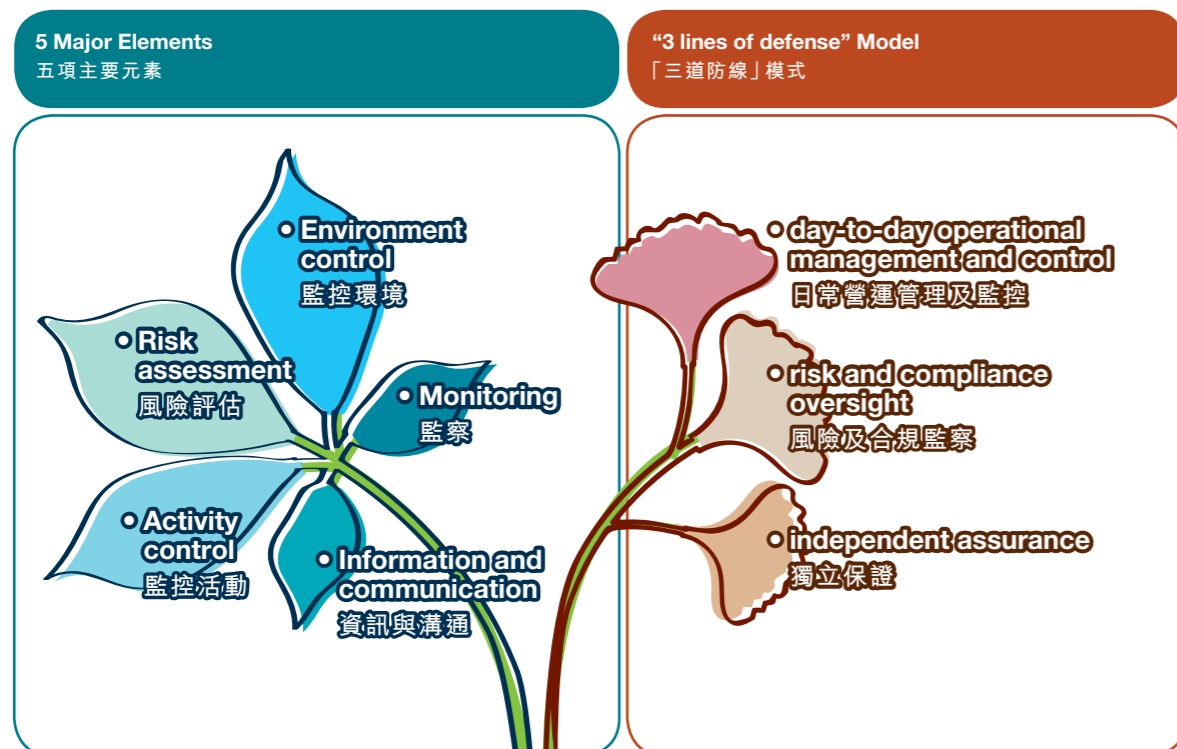
### Risk Management Structure

The Group's risk management and internal control framework consists of 5 major elements and is based on the "3 lines of defense" model:

### 風險管理

#### 風險管理架構

本集團的風險管理及內部監控框架包括下列五項主要元素，及以「三道防線」模式為基礎：



## Identification, Evaluation and Management of the Significant Risks Procedure

For the year ended 31 December 2019, the Board considers that the risk management and internal monitor systems are well effective. Such systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For details of risk management and internal control system, please refer to pages 132 to 139 in this annual report.

### 辨別、評估及管理重大風險的程序

於截至2019年12月31日止年度，董事會認為本集團的風險管理及內部監控系統均有效運作，本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

有關風險管理及內部監控系統的詳情，請參閱本年報第132至139頁。



Major Risks and Response Measures Related to ESG  
與環境、社會及管治相關之主要風險及應對措施

Major Risks Related to ESG 與環境、社會及管治相關之主要風險	Impact 影響	Major Measure(s) 主要應對措施
<b>Human Resources Risk</b> 人力資源風險	If human resources planning is formulated without comprehensive and strategic consideration, no human resources strategies and plans in line with the Group's sustainable development are formulated and implemented, or no competitive remuneration packages or incentive systems in terms of development prospect, salaries, benefits, working environment and training, etc. are provided, which results in the Group having inadequate talent supply (such as professional Chinese medicine practitioners, experts familiar with overseas markets and professional management personnel) for its future development, the development of the Group will be subject to risks of restrictions on human resource allocation. 若人力資源的統籌規劃缺乏全局性和戰略性考慮，未能制定和實施配合本集團可持續發展的人力資源戰略和規劃，或者未能在發展前景、薪酬、福利、工作環境及培訓等方面持續提供具有競爭力的待遇及激勵機制，使集團對未來發展缺乏人才供應（如專業中醫師、熟悉海外市場的專家、專業管理人才等），將導致集團發展受限於人力資源配置的風險。	<ul style="list-style-type: none"> <li>The Group will effectively meet its development requirements and secured talent provision through establishing five workshops, namely overseas manager backup candidates workshop, Angong Niu Huang Wan production process inheritance workshop, overseas medicine practitioners training workshop, chief technician for TCM herbs quality inspection workshop (Overseas Training Department) and chief TCM dispenser workshop (Overseas Training Department), promoting master-apprentice learning model to cultivate various successors abroad as well as strategically cultivating overseas talents and maintaining backup talent reserve. 本集團通過設立海外經理後備人才工作室、安宮牛黃丸製作技藝傳承工作室、海外醫師進修工作室、中藥材品質檢驗首席技師工作室（海外培訓部）、中藥調劑首席技師工作室（海外培訓部）5個工作室，通過師傅帶徒弟促技藝海外傳承，培養各類傳承人才，並進行戰略性海外人才培養及後備人才儲備，以有效滿足集團發展需要和提供人才保障。</li> <li>We will work with professional colleges at home and abroad in personnel recruitment to employ talents with professional expertise and multiple skillsets that meet the development needs of the Group; put greater efforts in attracting and cultivating local language speaking talents overseas and provided them with trainings on corporate culture and professional expertise, so that the local language speaking talents overseas can better integrate into the Group and contribute their wisdom to and create value for our overseas business development. 與國內外專業學院開展人員招聘合作，招聘符合集團發展需要的專業技術型和複合型人才；加大吸引及培養海外當地語系化人才的力度，並對當地語系化人才進行企業文化及專業技能培訓，讓當地語系化人才更好的融入集團發展，並為海外業務發展貢獻才智和創造價值。</li> </ul>

Major Risks Related to ESG 與環境、社會及管治相關之主要風險	Impact 影響	Major Measure(s) 主要應對措施
<b>Product Quality Control Risk</b> 產品質量管控風險	<p>Product quality control risk is the risk of quality control throughout the entire business process from raw material procurement and stock-in, product production, product testing, stock-out to products delivery. 產品質量管控風險是貫穿原材料採購及產品入庫、產品生產、產品檢測、產品出庫、產品運輸的全業務流程質量管控的風險。</p> <ul style="list-style-type: none"> <li>Some of the raw materials used by the Group for medicine production are materials from animals and plants, including rare Chinese medicinal herbs and endangered species which are subject to relevant regulations. Any change in the use conditions or quality of the raw materials under the relevant regulations will result in quality risks. 本集團製藥的部分原材料是動植物材料，其中含稀有中藥材或瀕危品種，受相關法規監管。若法規修改原材料使用條件或質量發生變化將引起質量風險。</li> <li>Distribution of problematic products to the consumer market occurs as there is product spoilage due to lack of control over product quality or non-compliance of storage environment during transportation including stock-in, stock-out and product delivery. 若在產品入庫、產品出庫及產品運輸的流轉過程中，沒有對產品質量把控或倉儲環境不合規引致產品變質，導致有問題的產品流出消費者市場。</li> <li>Product quality problems arise from lenient control of production process, such as mistakes from production technicians, obsolescence of production equipment, quality issue of production materials, manufacturing operation errors as well as sub-standard production environment. 若產品生產過程管控不嚴，引致產品的質量問題，例如：生產技術人員的缺失、生產設備儀器的殘舊、生產物料質量問題、生產操作方法錯誤、生產環境的不達標等問題。</li> <li>Products of poor quality, products containing banned substance, contaminated products and improperly handled products are distributed to the consumer market due to lack of product testing procedure or lenient testing. 若缺乏產品檢測流程或檢測不嚴格、導致品質低劣、摻雜其他違禁成份、受污染、生產處理不當的產品流出消費者市場。</li> </ul>	<ul style="list-style-type: none"> <li>As for procurement of raw materials, the Group will closely monitor the relevant regulations and assess the impact of relevant regulations on our production and operations. In addition, the Group will conduct regular inspections on the quality of materials from suppliers to ensure that the quality meets the Group's requirements. At the same time, the Group will comply with the Hong Kong Good Manufacturing Practice Guidelines for Proprietary Chinese Medicines to ensure the quality of raw materials. 對於原材料的採購，本集團會嚴密監察相關法規及評估相關法規對生產營運的影響。另外，本集團會定時進行供應商材料質量檢查，確保其質量達到集團的要求。同時，依循《香港中成藥生產質量管理規範指引》，以確認原材料的質量有所保證。</li> <li>The Group will strengthen quality control during product transportation (stock-in, stock-out and delivery) and strictly comply with the conditions for product inspection and acceptance and storage to ensure product quality. 本集團加強產品流轉（入庫、出庫及運輸）過程的質量把控，嚴格遵守產品驗收環節和倉儲條件，確保產品質量。</li> <li>The Group will strictly comply with GMP (Good Manufacturing Practice) requirements to conduct quality control from multiple aspects including production technicians, production equipment and machines, production materials, manufacturing operations and production environment, in order to ensure the compliance of production processes. 本集團生產嚴格遵守GMP（生產質量管制規範）要求，從生產技術人員、生產設備儀器、生產物料、生產操作、生產環境多方面質量管制，嚴格把控生產流程合規。</li> <li>The Group will conduct testing on raw materials and products according to local product standards to ensure product quality and prevent problematic products from being distributed to the consumer market. 本集團根據當地的產品標準，對原材料及產品進行檢測，做好產品品質把關，防止問題產品流出消費者市場。</li> </ul>

COMMUNICATIONS WITH STAKEHOLDERS 持份者溝通

We believe the participation of stakeholders is an important part in the business development. The stakeholders' opinion helps the Group to establish a more comprehensive sustainability development strategy.

我們相信持份者參與是業務發展的一個重要部分，持份者的意見有助本集團建立更健全的可持續發展策略。

Regular Communication with Stakeholders

The participation of stakeholders<sup>(1)</sup> is essential to the Group's business development. Understanding their views allows the Group to review potential risks and opportunities so that the business practices of the Group can be more in line with their needs and expectations.

The Group's stakeholders include groups and individuals who have significant impact on the business of the Group. The Group is dedicated to establishing an open and transparent communication mechanism. During the Year, the Group communicated with its stakeholders through various channels. The specific types of stakeholders and the communication methods are shown below:

恒常的持份者溝通方式

持份者<sup>(1)</sup>參與對於本集團的業務發展及管理至為重要。瞭解持份者的意見，有助本集團審視潛在的風險與機遇，令本集團的業務常規更貼近他們的需要和期望。

本集團的持份者包括對其業務有重大影響，或會受業務影響的群體和個人。本集團致力建構公開透明的溝通機制，本年透過多種渠道與持份者溝通，具體持份者組別及溝通方式如下：

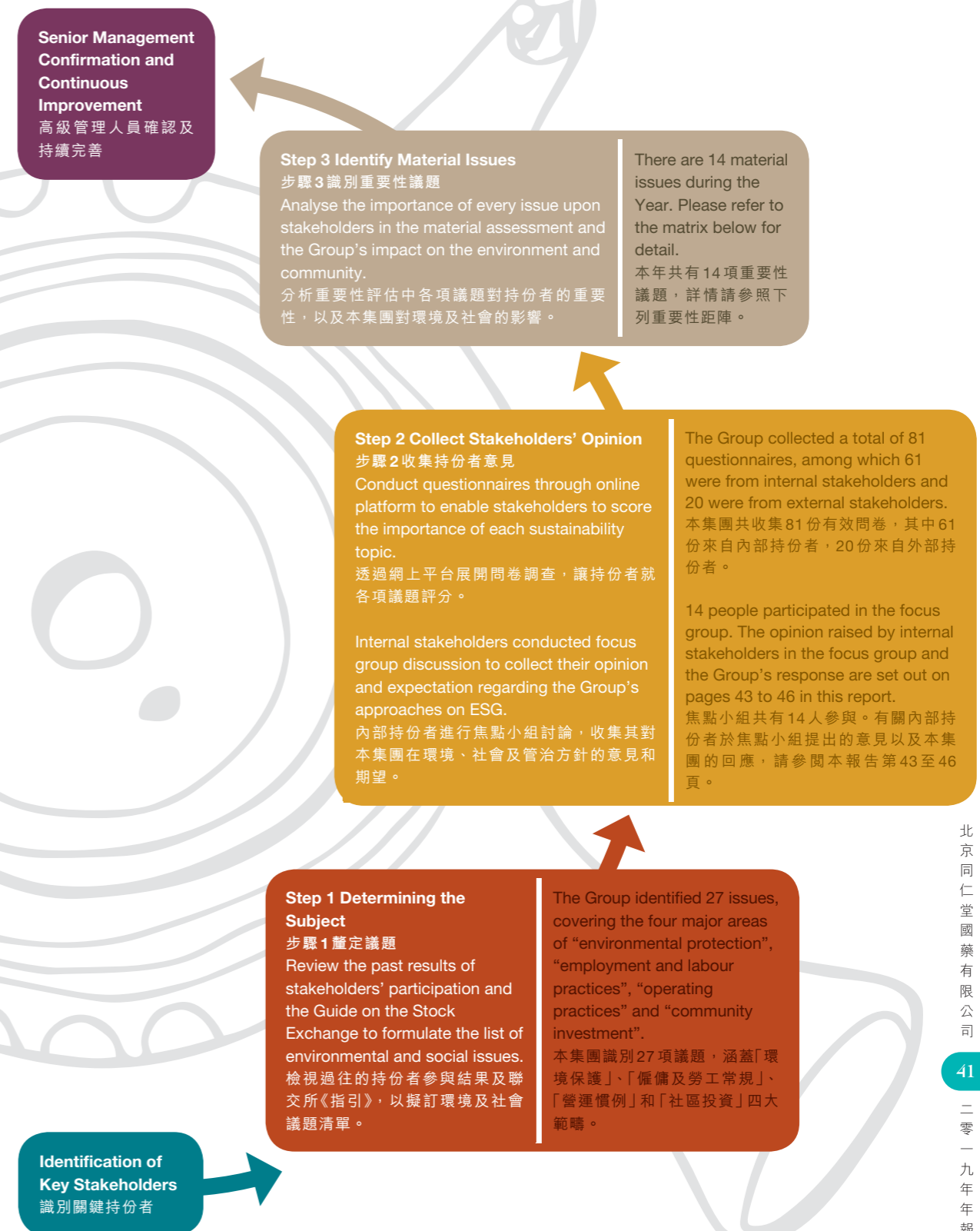


Materiality Assessment

To ensure the ESG Report reflects the issues of concern to stakeholders and the Group's environmental and social impacts regarding those issues, the Group conducted stakeholder communication and materiality assessment with the assistance from independent consultant, to identify the important environmental and social issues.

重要性評估

為確保環境、社會及管治報告能反映持份者關注的議題以及本集團就有關議題對環境和社會方面的影響，本集團透過獨立顧問進行持份者溝通及重要性評估以識別重要的環境及社會議題。



<sup>(1)</sup> "Stakeholders", also known as "interested parties" or "interest holders", refer to groups and individuals who have significant impact on the business of the group, or those who are affected by the business of the group, including the internal Board, senior management and employees, external customers and consumers, shareholders, suppliers, business partners, trade associations, government and regulators, community organisations, potential investors and banks. 「持份者」，又稱「利益相關方」或「權益人」，指對一個企業的業務有重大影響，或會受業務影響的群體和個人，包括內部的董事會、高級管理人員及員工，外部的客戶及消費者、股東、供應商業務夥伴、行業協會、政府及監管機構、社區組織、潛在投資者及銀行等。

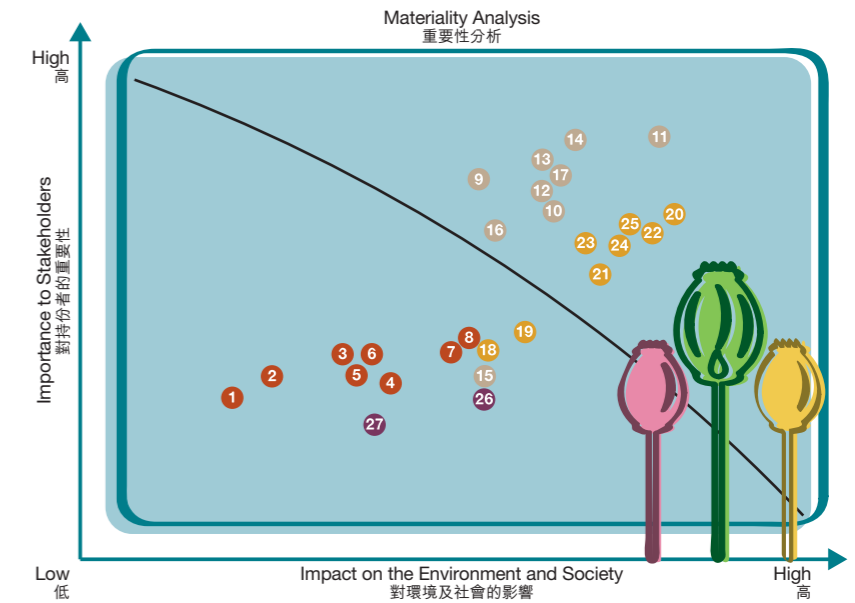
Issues 議題	Material Issues 重要性議題	Change over 2018 與2018年 排名變化
<b>Environment 環境</b>		
1	Air pollutant and greenhouse gas emission management 空氣污染物及溫室氣體排放管理	—
2	Sewage treatment 廢水排放管理	—
3	Waste management 廢棄物管理	—
4	Compliance with environment-related laws and regulations 環境相關法律法規的遵循	—
5	Energy saving and efficiency enhancement 節能及提升能源效益	↓4
6	Water saving and efficiency enhancement 節約用水及提升用水效益	↑2
7	Improvement of materials and resources usage efficiency 提升原材料等其他資源的使用效益	↑2
8	Impact of management operation on the environment and natural resources 管理營運對環境及天然資源造成的影響	↑4
<b>Employment and Labour Practices 僱傭及勞工常規</b>		
9	Establishment of a comprehensive employment system 建立全面僱傭制度	↓8
10	Anti-discrimination, equal and diversified employment environment 反歧視、平等和多元化僱傭環境	↑2
11	Healthy and safe workplace 健康和安全的工作環境	↑1
12	Employee benefits and well-being 員工福利及身心健康	—
13	Employee training 員工培訓	↑10
14	Staff's sustainable development 員工持續發展	↑13
15	Prevention of child labour 防止童工	↓1
16	Prevention of forced labour 防止強制勞工	↓1
17	Compliance with labour rights 勞工權益合規性	↑1
<b>Operating Practices 營運慣例</b>		
18	Assessment and management of environmental and social risks on supply chain 評估及管理供應鏈的環境及社會風險	—
19	Implementation of supplier review system 執行供應商審核制度	↓8
20	Management on product quality and sales service responsibility 產品質量及銷售服務責任管理	↓2
21	Customer complaint handling mechanisms and product recall system 客戶投訴處理應對機制及產品回收制度	↓4
22	Protection of intellectual property rights 維護知識產權	↑5
23	Protection of the interests of customers and business partners 保障客戶及業務合作夥伴權益	↓1
24	Prevention of bribery, extortion, fraud and money laundering 防止賄賂、勒索、欺詐及洗黑錢	↓4
25	Compliance with operational responsibility 營運責任合規性	↓4
<b>Community Investment 社區投資</b>		
26	Business activities take into consideration of the communities' needs and interests 業務活動考慮社區的需要和利益	↓3
27	Community Investment 社區投資	—

## Material Issues

In view of the average scores given by all the stakeholders, the materiality analysis below was concluded with a matrix showing the materiality of 27 issues. The position of the curve line represents the average score of all issues. 14 issues shown on the top right of the curve line are the key "material issues" to the Group.

### 重要性議題

綜合所有持份者評分的均值，得出以下的重要性分析，並以矩陣圖展示27項議題的重要性。曲線代表所有議題評分的均值，曲線右上方的14項議題為對本集團最關鍵的「重要性議題」。



## Response to Stakeholders' Feedback

In order to fully understand the internal stakeholders' opinion and expectation, we have engaged independent consultant to conduct focus group discussion again. The stakeholders' opinion was taken not only as the basis of the Report, but also provided direction for the Group's optimisation on the ESG strategy in the future.

Below are some issues of concern to stakeholders and their comments and suggestions:

### 回應持份者意見

為更深入了解內部持份者的意見和期望，我們再次委託獨立顧問舉辦焦點小組討論。持份者的意見，不但成為編寫本報告的基礎，更為本集團未來完善環境、社會及管治策略提供方向。

以下為一些持份者關注的議題，以及他們的評價及建議：

Areas 範疇	Issues of Concern to Stakeholders 持份者關注的議題	Comments and Suggestions from Stakeholders 持份者的評價及建議
Environment 環境	Greening 綠化環境	<ul style="list-style-type: none"> <li>Trees and flowers are widely planted outside the Tai Po Production and R&amp;D Base for greening purpose. 現時已於大埔生產研發基地外圍已種植大量花草樹木以綠化環境。</li> <li>More indoor greenery is recommended in the office and retail outlets in order to build a more pleasing working environment, such as cacti and other plants which are easy to take care of. 建議可於辦公室及零售終端內增加室內綠化，如仙人掌等容易打理的植物，美化工作環境。</li> <li>Employees working in the Tai Po Production and R&amp;D Base are encouraged to commute by public transport or bike. 鼓勵於大埔生產研發基地上班的同事選擇乘搭公共交通工具或騎自行車出行。</li> </ul>

Areas 範疇	Issues of Concern to Stakeholders 持份者關注的議題	Comments and Suggestions from Stakeholders 持份者的評價及建議
	Disposal of wastes 廢棄物處理	<ul style="list-style-type: none"> <li>The electronic office automation (OA) system was rolled out for the Year to reduce printing and achieve a paperless/less-paper office. It is suggested to continuously expand the use of the electronic OA system and the document types covered. 文件電子化(OA)系統已於本年正式上綫，以減少文件打印，盡量實行無紙化/低紙化辦公。建議持續擴大文件電子化系統的使用，以及其涵蓋的文件種類。</li> <li>Electronic communication has been extensively utilized in the head office. Also, a set of video conferencing equipment was newly installed in the Tai Po Production and R&amp;D Base for the Year. 總部辦公室已全面使用視頻會議的電子化方式溝通，本年亦於大埔生產研發基地增設視頻會議的電子化配套。</li> <li>The head office has arranged a waste paper collection company to recycle waste paper from confidential documents for the Year. 總部辦公室於本年已安排廢紙回收公司處理機密文件的廢紙回收。</li> </ul>
	Sewage and energy use 污水及能源使用	<ul style="list-style-type: none"> <li>The possibility of installing solar panels in the Tai Po Production and R&amp;D Base was discussed preliminarily. Yet, it might not be a feasible plan for the time being as the current production equipment fail to align with this suggested measure. It is suggested to continue the discussion on the feasibility of utilizing other renewable energy in the Tai Po Production and R&amp;D Base. 已初步探討在大埔生產研發基地安裝太陽能發電板的可能性。然而，基於現時生產設備暫未能與此建議措施配合，現時估計其未必是一個可行方案。建議繼續探討於大埔生產研發基地使用其他可再生能源的可行性。</li> <li>Energy saving and emission reduction measures have been continuously adopted in the office, for example, keeping the room temperature at 25.5°C, allowing more ventilation during no air-conditioning period after office hours, and also recycling batteries and toner cartridges. 於辦公室繼續採取節能減排措施，如將室內溫度保持於25.5°C，增加下班後無空調時段的通風，以及回收電池和碳粉盒。</li> <li>Use of phosphorus-free detergents is recommended to reduce sewage discharge. 建議選用無磷清潔劑以減少污水排放。</li> </ul>

Areas 範疇	Issues of Concern to Stakeholders 持份者關注的議題	Comments and Suggestions from Stakeholders 持份者的評價及建議
Employment 僱傭	Employee training and development 員工培訓與發展	<ul style="list-style-type: none"> <li>Every year, the Group selects and arranges for staff to receive training at Tong Ren Tang's headquarter in Beijing, visiting manufacturing plants and outlets as well as learning about corporate background, history and culture. 本集團每年均會挑選及安排員工到北京同仁堂總部接受培訓，參觀生產廠房及藥店，瞭解企業背景以及歷史文化等。</li> <li>It is suggested to review the training strategies and plans, such as more sessions of orientation training, provision of diversified staff trainings and improvement of training contents. 建議檢討培訓策略及規劃，如增加舉辦新入職培訓的次數，以及提供多元化員工培訓，優化培訓內容。</li> </ul>
	Employee benefits 員工福利	<ul style="list-style-type: none"> <li>The Group has continued to provide benefits that are better than the market average, such as annual health checks and additional Chinese New Year holidays. During the Year, the Group has continued to exercise its flexibility and give prime consideration to employees' safety including additional holiday, flexible working hours and workplace and allowance and keep reflects the Group's care for our employees as usual. 本集團繼續提供了優於市場平均水平的福利，如每年健康體檢、額外的春節假期。本年，因應實際安全工作環境狀況而提供的額外假期、彈性工作時間與地方及補貼等，繼續體現本集團對員工的關懷。</li> <li>As the Group has implemented safety measures, the Tai Po Production and R&amp;D Base recorded zero safety accident. 本集團執行安全措施，大埔生產研發基地安全事故為零。</li> <li>It is suggested to review the feasibility of offering additional holidays, such as birthday leave and extra maternity leave. 建議檢討推行額外假期的可行性，如生日假及額外產假。</li> <li>It is suggested to form a corporate volunteering team with the aims to provide regular services to the community and cooperate with social enterprises in organizing activities, such as forming a dragon boat team to participate in festival competitions and other activities for boosting staff morale and their sense of belonging. 建議組織企業義工團隊，定期服務社區，並與社企合作籌辦活動，如組織龍舟隊參與節日比賽等活動，以增加員工士氣、歸屬感。</li> <li>It is suggested to provide employees with computer eye protection screens. 建議為員工提供電腦護眼屏幕。</li> </ul>

Areas 範疇	Issues of Concern to Stakeholders 持份者關注的議題	Comments and Suggestions from Stakeholders 持份者的評價及建議
Operating Practices 營運慣例	<p>Communication of information 信息流通</p> <p>Production 生產</p> <p>Product Responsibility 產品責任</p>	<ul style="list-style-type: none"> <li>The electronic OA system was rolled out for the Year to improve information transparency and communication. 文件電子化(OA)系統已於本年正式上綫以增加信息透明度及流通性。</li> <li>It is suggested to optimize the electronic systems and enhance the production management system and the retail system. 建議優化電子化系統，並加強生產管理系統及零售系統。</li> <li>It is suggested to increase the warehouse space and set up our own logistics team to meet the operational needs. 建議增加倉庫空間及增設自身物流團隊以滿足營運需求。</li> <li>It is suggested to improve the product recall system, including the reporting and handling procedures in response to emergencies. 建議完善產品回收機制，包括應付突發事件的匯報和處理流程。</li> <li>It is suggested to increase relevant trainings on protection of the Group's intellectual property rights, which may include knowledge about the Company's trademarks. 建議增加保護集團知識產權的相關培訓，內容可包括公司商標相關知識。</li> </ul>
Community Investment 社區投資	Community charitable activities 社區慈善活動	<ul style="list-style-type: none"> <li>The Group has continued to organize free medical consultation activities and donations, and also encouraged its employees to participate in "Walk for Millions", the fundraising walkathon. 本集團繼續組織義診、捐款等活動，如鼓勵員工參與「百萬行」步行籌款。</li> <li>It is suggested to expand the target group to include teenagers and the underprivileged in addition to the elderly. 建議擴闊目標對象，專注範疇除老人外，也建議包括青少年及弱勢社群。</li> <li>It is suggested to increase community investment activities, such as voluntary education or book donation to poor mountainous areas, teaching Chinese medicine knowledge and promoting traditional Chinese medicine culture. 建議增加社區投資活動，如進行義教或捐書予貧困山區，教授中醫知識及宣揚傳統中醫藥文化。</li> </ul>

## BUSINESS ETHICS

A business and working environment with equality, ethics and compliance is the foundation for the healthy development of the Group.

### Anti-corruption Practices

Advocating the work attitude of "Virtue", "Honesty" and "Integrity", the Group does not tolerate any bribery, extortion, fraud and money laundering. The Group has set up an independent internal audit department responsible for monitoring areas such as the Group's business activities, corporate governance and workflow, as well as independently auditing the effectiveness of internal audit regulations and internal control system, so as to continuously enhance internal supervision and anti-corruption management.

## 商業道德

公平、道德及合規的營商與工作環境是本集團健康發展的根基。

### 廉潔從業

本集團重視「德」、「誠」、「信」的工作作風，不會容忍賄賂、勒索、欺詐及洗黑錢等行為。本集團設有獨立的內審部門，負責監察本集團的業務活動、企業管治及工作流程等方面，獨立評核內部審計規章制度及內部監控系統的有效性，以持續提升內部監控及反貪污管理。

The management and all department heads are required to sign anti-corruption statement and target liability statement to ensure the Group's anti-corruption requirement and corporate operating indicator are fully achieved. Also, the expectations and responsibilities to employee are detailed on the internal audit manual and staff manual to provide guidelines to their daily work. The Group does not allow any disclosure of trade secrets, abuse of power for personal gains, abuse or infringement of the Company's property or acceptance of advantages in the name of the Company under any circumstances.

During the Year, the Directors, senior management, the department heads and related staff of the Group completed the anti-corruption and anti-bribery training. Training includes anti-corruption and anti-bribery laws and regulations, as well as case studies of past irregularities with a focus on exploring the proper handling of potential and actual irregularities.

### Protection of Privacy and Intellectual Property

The Group respects customers' privacy and protects intellectual property rights. During the operation process, we are devoted to protecting and properly managing all the customer information from purchasing records to medical records. Meanwhile, we prevent the infringement of intellectual property rights of other companies and individuals, and the staff manual stipulates the staff's responsibility in keeping information confidential. Disclosure of customers' personal information, unauthorized copying, retention and taking away of confidential information are not allowed without the written consent of the Company. If customers or any third parties suspect that their privacy or intellectual property rights have been infringed, concerns or complaints can be submitted through phone call, email, written request or make a visit to our stores in person, and the case will then be investigated.

### Prevention of Child Labour and Forced Labour

The Group respects human rights, rights of employees and business partners, and has no tolerance for the employment of child labour or forced labour in our business operations. During recruitment, job applicants have to provide identification documents for our verification and documentation. Employees are only required to perform their job duties specified under the terms of employment contract and description of job positions with no forced labour involved. According to the resignation procedure set out in the staff manual, employees may voluntarily resign with a notice period or payment in lieu of notice prescribed under the employment contract. In the event that there is any employment of child labour or forced labour, we will report to the relevant government departments in accordance with relevant laws and regulations, and we will cooperate with the investigation to assist the aggrieved employee. Employees who have engaged in non-compliance are subject to disciplinary actions.

管理層及所有部門主管每年須簽署廉潔聲明與目標責任書，以確保本集團廉潔要求和企業經營指標全面完成。我們亦於《內部審計手冊》及《員工手冊》中列明對員工的期望以及其責任，為日常工作提供指引。本集團不容許員工在任何情況下洩露商業機密、為個人利益濫用職權或利用公司名義、濫用或破壞公司財物或收受利益。

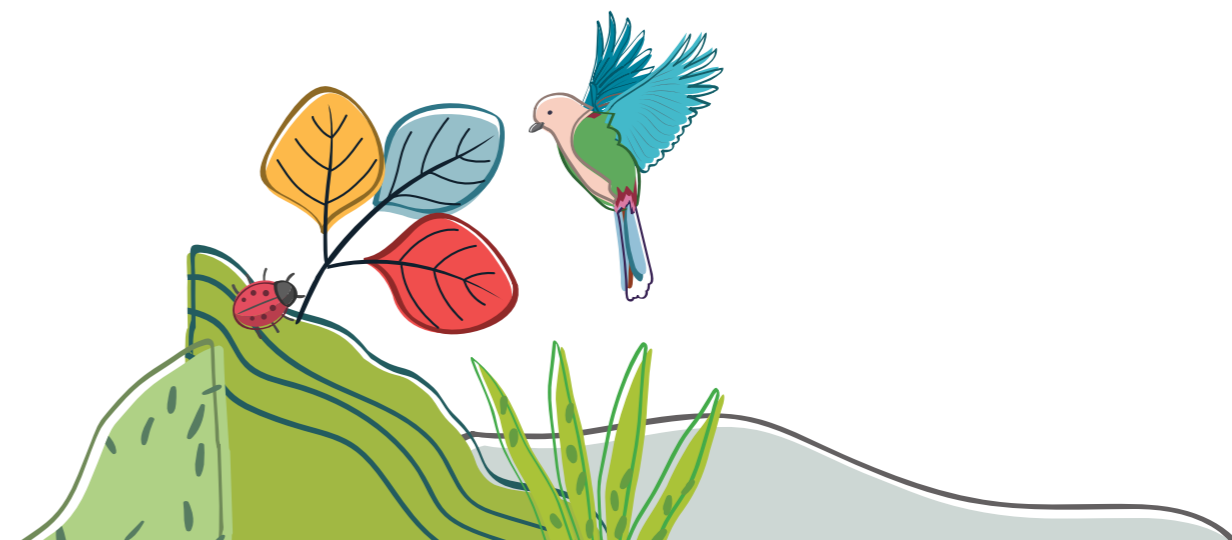
本年，本集團董事、高級管理人員、各部門主管及相關員工完成了反貪污及反賄賂培訓。培訓內容包括反貪污及反賄賂的法律法規，以及過往違規行為的個案研討，當中著重探討如何妥善處理潛在和實際違規情況。

### 保障私隱及知識產權

本集團尊重客戶私隱並保護知識產權。在營運過程中，我們致力保護及妥善管理所有從購買記錄以至病歷所得的客戶資料。同時，我們避免侵犯其他公司和個人的知識產權，並在《員工手冊》闡明了員工對資料保密的責任。未經書面許可，所有員工均不得對外洩露客戶個人資料、私自覆印、保存或帶離公司機密資訊。如客戶或任何第三方懷疑自己的隱私或知識產權受到侵犯，可及時透過電話、電郵、書面形式或親臨門市舉報，有關個案將被展開調查。

### 防止童工或強制勞工

本集團尊重人權、員工及合作夥伴的權益，不允許在營運中使用童工或強制勞工。在招聘過程中，我們會核實應聘人士的身份證明文件並記錄存檔。我們僅要求員工履行僱傭合約的條款及相應崗位訂明的職責，禁止強制勞動。員工可根據《員工手冊》中的離職程序，按僱傭合約所訂的通知期或代通知金自願辭職。如本集團發現有關童工或強制勞工的違規情況，將依從相關法律法規向有關政府部門報告，配合調查，協助受害員工，並對確認違規的員工採取紀律處分。



## Compliance with Laws and Regulations

Compliance with all applicable laws and regulations is the basic requirement for the Group's operation. Given the continuous implementation of various national laws, regulations and policies in relation to the TCM industry, the Group will continue to regard compliance in operation as its first priority. To ensure a high degree of transparency, the Group reports its compliance annually in this report in accordance with the Guide. During the Year, each compliance performance of the Group is as followed (including the compliance performance with relevant laws and regulations which have a significant impact on the Group):

### 遵守法律及法規

遵守所有適用的法律及法規是本集團於營運中的基本要求。隨著中醫藥行業各類國家法律法規政策不斷細化實施，本集團將繼續視營運合規為首要目標。為保持高透明度，本集團每年按《指引》於本報告匯報合規情況。本年，本集團的各項合規表現如下（包括遵守對本集團有重大影響的相關法律及規例之合規表現）：

Areas 範疇	Issue(s) 議題	Compliance performance 合規表現	Principal Laws and Regulations (including but not limited to) 主要法律及規例（包括但不限於）
Business ethic 商業道德	Anti-corruption 反貪污	No report, litigation and non-compliance in relation to corruption. 無有關貪污的舉報個案、訴訟案件及違法違規個案。	Prevention of Bribery Ordinance of Hong Kong 香港《防止賄賂條例》
Operation 營運	Health and safety of products and services 產品和服務健康與安全	No non-compliance in relation to the quality and safety of products, and no product recall for safety and health reason. 無有關產品品質及安全的違法或違規個案，以及無因安全與健康理由而須進行產品回收個案。	<ul style="list-style-type: none"> <li>Chinese Medicine Ordinance 《中醫藥條例》</li> <li>Regulation of Registered Proprietary Chinese Medicines 中成藥註冊法規</li> <li>Food Adulteration (Metallic Contamination) Regulations of Centre for Food Safety 食物安全中心《食物攙雜（金屬雜質含量）規例》</li> <li>Pesticide Residues in Food Regulation 《食物內除害劑殘餘規例》</li> <li>Food Safety Ordinance 《食物安全條例》</li> </ul>
	Advertising and labelling of products and services 產品及服務廣告及標籤	No non-compliance in relation to advertising and labelling, and no complaints on advertisement and product labelling. 無有關廣告及標籤的違規案例，亦未接獲有關廣告及產品標籤的投訴。	Undesirable Medical Advertisements Ordinance and the Trade Descriptions Ordinance of Hong Kong 香港《不良廣告（醫藥）條例》及《商品說明條例》
	Customer privacy 客戶私隱	No non-compliance in relation to customer privacy and intellectual property rights. 無有關客戶私隱及知識產權的違規案例。	Personal Data (Privacy) Ordinance of Hong Kong 香港《個人資料（私隱）條例》



Areas 範疇	Issue(s) 議題	Compliance performance 合規表現	Principal Laws and Regulations (including but not limited to) 主要法律及規例（包括但不限於）
Employee 員工	Employment system 僱傭制度	No non-compliance in relation to employment. 無有關僱傭的違法違規個案。	<ul style="list-style-type: none"> <li>Employment Ordinance 香港《僱傭條例》</li> <li>Employees' Compensation Ordinance 《僱員補償條例》</li> <li>Minimum Wage Ordinance 《最低工資條例》</li> </ul>
	Labour Standard (prevention of child labour and forced labour) 勞工準則（防止童工及強迫勞工）	No non-compliance in relation to labour standard. 無有關勞工準則的違法違規個案。	Personal Data (Privacy) Ordinance of Hong Kong and various discrimination ordinances 《個人資料（私隱）條例》及各種歧視條例
	Health and safety of employee 員工健康及安全	1 case in relation to health and safety of employee was identified. After our investigation, the employee has rehabilitated and has been properly handled and compensated in accordance with the relevant regulations. 1宗有關員工健康及安全的個案被確定。經查核後，員工身體已康復，並已按相關法規妥善處理及作出補償。	Occupational Safety and Health Ordinance of Hong Kong 香港《職業安全及健康條例》
Environment 環境	Emission 排放物	No non-compliance in relation to emission. 無有關排放物的違法或違規個案。	<ul style="list-style-type: none"> <li>Air Pollution Control Ordinance 《空氣污染管制條例》</li> <li>Ozone Layer Protection Ordinance 《保護臭氧層條例》</li> <li>Water Pollution Control Ordinance 《水污染管制條例》</li> <li>Waste Disposal Ordinance 《廢物處置條例》</li> </ul>



We adhere to the corporate motto of “Never cut corners on labour and quality, no matter how complex the process or how costly the materials” and devote to the optimization of supply chain and product quality management, so as to offer diverse, safe and highly effective Chinese medicine products to customers.

我們遵從「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，致力完善供應鏈及產品品質管理，為客戶提供多元化、安全及高成效的中藥產品。

### WHOLE-PROCESS QUALITY MANAGEMENT

Tong Ren Tang adheres to the principle of honest operation and morality as core value of quality management. The Group's modern Production and R&D Base in Tai Po, Hong Kong obtained the GMP (Good Manufacturing Practice) for Proprietary Chinese medicine certification, ISO22000:2005 (Food Safety Management Systems) and the HACCP (Hazard Analysis and Critical Control Points) certifications. All Chinese medicine products produced and sold by the Group are registered with the Chinese Medicine Council of Hong Kong and complied with relevant laws and regulations.

### 全流程質量管理

同仁堂一以貫之把「誠信為本，藥德為魂」作為質量管理核心理念。本集團設於香港大埔的現代化生產研發基地持有香港中成藥GMP（生產質量管制規範）認證、國際標準ISO22000:2005食品安全管理體系及HACCP（危害分析重要管制點）認證。本集團的生產及出售的中成藥產品皆經香港中醫藥管理委員會註冊，並遵照有關法律及規例。

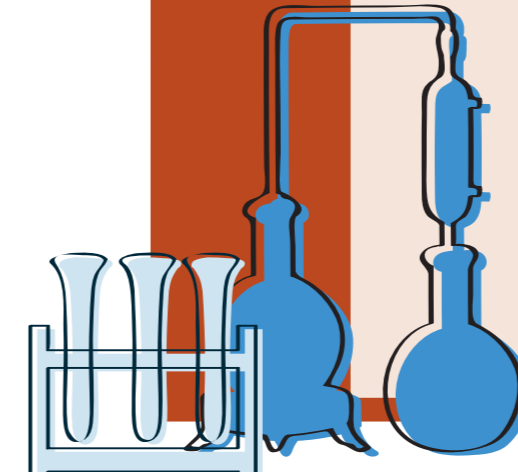
#### Major Quality Management System Certification of the Modern Production and R&D Base in Tai Po, Hong Kong 香港大埔的現代化生產研發基地的主要品質管理系統認證



To ensure the quality of owned products, we adopt a stringent quality standard. From material procurement, reception and storage, production and even inspection, we formulate management and operational guidelines in accordance with the quality requirement of each process, which stipulate the duties of responsible departments and key personnel. To continuously enhance the quality management, we have updated the relevant guideline during the Year, as well as distributed the guideline to and conducted training with the responsible officers.

為確保自有產品的品質，我們均採用嚴格質量標準。從物料採購、接收及貯存、生產以及檢驗，按各流程的質量要求制定一套管理及操作指引，並訂明負責部門及主要人員的職責。為持續提升質量管理，我們於本年更新了相關指引，並已向負責人員發放更新指引及進行培訓。

Process 流程	Major Guideline 主要指引	Major Quality Control Procedures 主要質量措施
Materials Management 物料處理	<ul style="list-style-type: none"> <li>Material procurement management rules 物料採購管理規程</li> <li>Material reception management rules 物料接收管理規程</li> <li>Material storage management rules 物料貯存管理規程</li> </ul>	<ul style="list-style-type: none"> <li>Carry out field inspection for the growing, collection and processing environment of raw materials, auxiliary materials and packing materials 實地考察原材料、輔料和包裝材料的種植、採集及處理環境</li> <li>Upon arriving manufacturing plants, materials are subject to preliminary inspection for its variety, specification and packaging quality etc., and then quality checks by quality department after passed 物料到廠後，初步檢視其品種規格和包裝質量等，合格後再由質量部門進行質量檢驗</li> <li>Distinguish and store qualified materials and unqualified materials separately to prevent the use of unqualified materials during production 區分及獨立存放合格和不合格的物料，防止不合格物料流入生產</li> <li>Qualified materials will be labelled with the inspection date, its expiry date and re-inspection date, and also stored in normal temperature storage area, cool storage area and cold storage area according to its serial number, nature, toxicity and species, to prevent the growth of micro-organisms and cross contamination 檢驗合格的物料會標記檢驗日期、其有效期及覆驗日期，並按其編號、屬性、毒性及品種歸類，分別存放於常溫儲存庫、陰涼儲存庫和冷庫，避免滋生微生物及交叉污染</li> <li>Establish guidelines on temperature, humidity and storage environment requirements for the storage of different raw materials, auxiliary materials, packaging materials and finished products 訂立貯存不同原材料、輔料、包裝材料和製成品的指引，包括溫度、濕度及貯存環境要求</li> <li>Materials will be re-examined one month before the review date and those expired will no longer be used and will be scrapped and destroyed immediately 物料貯存至覆檢期前一個月即進行覆驗。超過有效期的物料將不再作使用，並立即報廢銷毀</li> </ul>
Production 生產	<ul style="list-style-type: none"> <li>Quality standard, equipment operation and cleaning procedure 質量標準、儀器操作及清潔程序</li> <li>Production technique rules 生產工藝規程</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing monitoring on the temperature, humidity, air pressure and air cleanliness level in different production areas 持續監控不同生產區域的溫度、濕度、空氣壓力及空氣潔淨度</li> <li>The production area is installed with cleanroom to avoid contamination during production 生產區域設有潔淨區，避免製藥過程受污染</li> <li>Operators should put on specific work clothes. Different corridors for operators and materials to enter and exit the production area to prevent micro-organism, particles and other pollutants from entering the production procedure 操作人員須穿著指定工作服，操作人員及物料出入生產區域前須通過人流與物流通道，以減低微生物、微粒等污染物流入製藥過程</li> <li>Clean the production equipment and measuring instruments with filtered and purified water regularly and evaluate cleanliness 定期使用過濾純水清潔生產設備及計量器具，及進行潔淨評估</li> </ul>



Process 流程	Major Guideline 主要指引	Major Quality Control Procedures 主要質量措施
Inspection 檢驗	<ul style="list-style-type: none"> <li>Sampling and retaining management rules 取樣及留樣管理規程</li> <li>Inspection management rules 檢驗管理規程</li> </ul>	<ul style="list-style-type: none"> <li>Stipulate internal quality inspection standard, set out the requirements for the qualification of inspectors, inspection methodology and inspection equipment 訂立內部檢驗質量標準，列明檢驗人員資格、檢驗方法、檢驗儀器及要求</li> <li>Set up laboratories with different functions to perform inspection on materials and environment 設有不同功能的實驗室，負責進行物料及環境檢驗</li> <li>Conduct an comprehensive internal quality inspection on each batch of finished products, and send the sample to independent third parties recognized by the government for testing to ensure the products comply with safety and quality standard in Hong Kong 每個批次的製成品均須通過內部全面質量標準檢驗，並送往政府認可的獨立第三方作檢測，確保產品達到香港安全及品質標準</li> </ul>

The responsible officers receive training regularly regarding all the procedures to ensure a comprehension of relevant requirements. During the Year, the product quality training covers GMP, ISO22000:2005 Food Safety Management, HACCP Risk Hazard Analysis, materials management, inspection management, medicine equipment and laboratory management, manufacturing equipment management, quality standard, manufacturing techniques, equipment cleaning and operation, cleanliness and hygiene as well as employee discipline.

### Facilitate Research and Development and Innovation

We put efforts on the scientification of TCM by facilitating internal growth and upgrading our technology on a continuous basis. The Group continues to reach cooperative intents with international high ranking educational institutes to commence joint scientific research on key products during the Year. The scientific research will provide massive quantitative data to our future products for the internationalisation of TCM. In the meantime, it served as a knowledge base for foreigners to understand, accept and apply TCM, as well as a solid technical assurance and data support for further expansion of Tong Ren Tang's overseas presence and potential market risk mitigation.

### Improvement on Customer Consultation and Product Return

The Group produces every piece of product with great dedication and places emphasis on after-sales management, while continuously values customer's feedback on the products. After-sales consultation and complaint handling management rule, together with product return management rule are in place, which stipulate the procedural standards for after-sales management.

If there are any queries about product information and usage after the purchase, or issues relating to product quality, durability, reliability, safety, effectiveness or defects in design, customers are suggested to make consultations and complaints through phone call, email, written request or visit our stores in person as well as return the product to us.

The Group received 22 complaints on products and services for the Year. Following our investigation, it was confirmed that there was no issue with our product, and we had taken appropriate actions and replied to the customers.

針對各項流程，負責人員須定期接受培訓，以確保其充分了解相關規定。本年，產品品質培訓涵蓋GMP、ISO22000:2005食品安全管理、HACCP風險危害分析、物料管理、檢驗管理、藥品工裝及實驗室管理、製造設備管理、質量標準、生產工藝、儀器清潔及操作、清潔衛生及人員紀律等方面。

### 推動研發創新

我們將中醫藥科學化作為著力點，推動企業內生動力和科技內涵的不斷升級。本年，本集團繼續與國際知名高等院校達成合作意向，開展重點品種聯合科研。預期產出的科研成果，將為未來本集團中醫藥國際化積累大量的量化數據，為海外民眾進一步瞭解中醫藥、接受中醫藥、使用中醫藥提供認知基礎，為進一步擴大本集團在海外市場的影響力和降低潛在市場風險提供堅實的技术保障與數據支撐。

### 完善客戶諮詢及產品回收

本集團用心製作每一件產品，重視完善售後管理，持續關注客戶對產品的意見。本集團設有《產品售後諮詢及投訴處理管理規程》及《產品退貨管理規程》，訂明有關售後管理的程序規範。

若客戶於購買後對產品資料及使用存有任何疑問，或欲對產品質量、耐久性、可靠性、安全性、有效性或設計上的缺陷等問題作出諮詢及投訴，均可透過電話、電郵、書面形式或親臨門市反映、投訴或退貨。

本年，本集團接獲22宗有關產品及服務投訴。經查核後，證實產品並沒問題，並已妥善處理及回覆客人。

## AFTER-SALES MANAGEMENT AND PRODUCT RECALL PROCEDURES 售後管理及產品回收程序

Customer query, complaint or request for product return or exchange received by retail outlet  
零售終端接到客戶諮詢或投訴、退貨或換貨申請

Query about sales of product information will be replied directly by responsible staff or transferred to sales and business department for follow-up and reply.  
有關產品資料等銷售方面的諮詢，將由專責人員直接回覆或轉交由銷售及業務部門跟進及回覆。

Query about product quality and usage will be transferred to responsible staff of production planning department and quality department to reply.  
有關產品質量及使用方法等諮詢，將轉交生產調度部及技術質量部專責人員回覆。

Regarding to the complaint of product quality, request for product return or exchange, the production planning department and quality department will conduct examination and formulate measures based on the actual situations which include sample check and product recall etc..  
有關產品質量的投訴、退貨或換貨申請，生產調度部及技術質量部將進行核實，按具體情況制定處理措施，包括抽樣檢測、回收產品等。

If the reason of return is related to incorrect ordering, damaged packaging and etc., product will continue to be sold after passing of quality inspection.  
若退貨原因為發貨或訂貨錯誤、包裝破損等，產品會於品質檢驗合格後繼續出售。

If the complaint is related to a product causing a customer to have adverse reactions, the production planning department and quality department will handle the complaint under the adverse event of drug monitoring and report managing rule. After confirming the suspected case is an adverse reaction, investigation, testing together with meeting will be convened, and then batch production record, product packaging and samples will be examined.  
若投訴與客戶對產品產生不良反應有關，生產調度部及技術質量部須按《藥品不良反應監測、報告管理規程》處理。經確認懷疑屬不良反應後，將召開會議及開展調查和檢測，包括檢查該批生產紀錄、產品包裝及樣本等。

If the product is confirmed to be harmful to the public, the defected products will be destroyed.  
若產品證實對公眾有害，存在質量問題的產品將會統一銷毀處理。

Inform local regulators in accordance with laws and regulations and initiate product recall.  
遵照法律及法規通報本地監管機構，啟動產品回收。

Review all the findings and the handling process, and formulate proper solutions and precautionary measures.  
就調查結果及事件處理過程進行檢討，以制訂妥善的解決方案及預防措施。

## REGULATE PRODUCT INFORMATION

The Group takes its responsibility in its advertising and product labelling to ensure that product advertising and promotion comply with relevant regulations. Also, we do not tolerate any misrepresentation of drug labels and description. The labels and description attached to the proprietary Chinese medicine we sold and exported are in compliance with the Chinese Medicines Regulation, Guidelines on labels of proprietary Chinese medicines of registration regulation of proprietary Chinese medicines and Guidelines on package inserts of proprietary Chinese medicines. The package insert and description for proprietary Chinese medicine must be supplied with information such as the names of the main active ingredient, the dosage and method of usage, functions or pharmacological actions, storage instructions, contra indications or side effects and the expiry date. Hence, customers can choose suitable Chinese medicine products to safeguard their health and safety.

Should we receive complaints related to product advertising and labelling, we will identify the causes and formulate solutions and improvement measures to prevent recurrence of similar complaints. During the Year, the Group did not receive any complaints in relation to advertising and product labelling.

In the future, the Group will continue to review and optimize relevant policies relating to product responsibility.

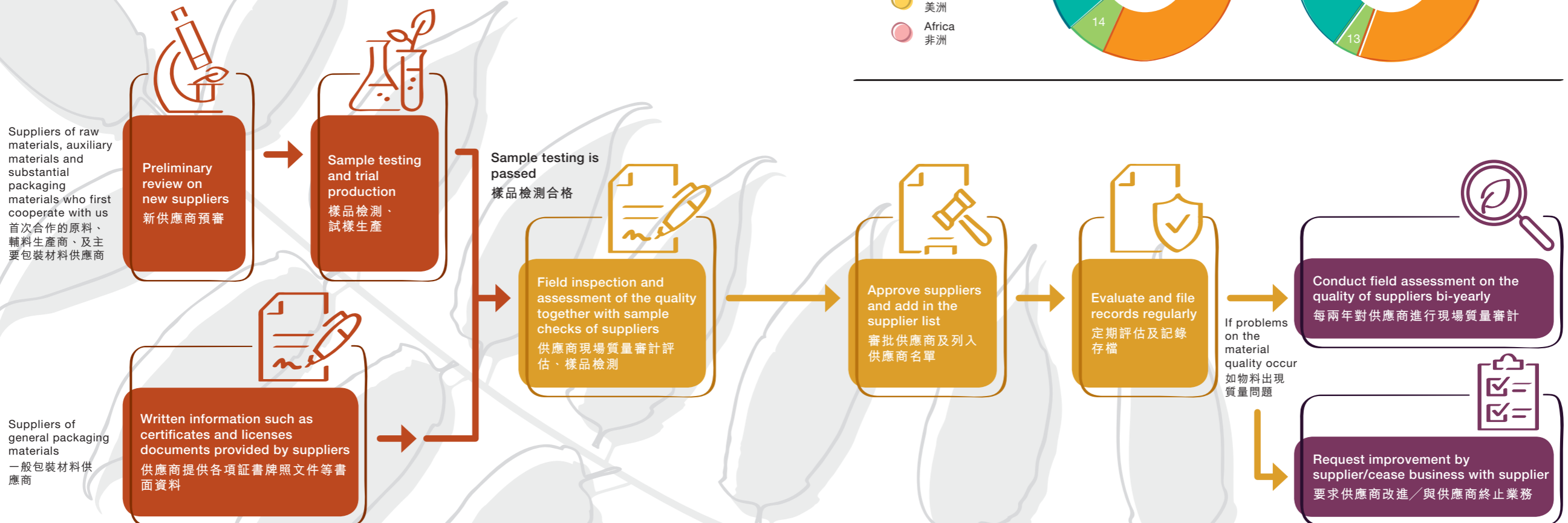
## SUPPLY CHAIN MANAGEMENT

The Group mainly procures raw materials and auxiliary materials for medicine production from suppliers. In respect of supply chain management, the Group has established a clear procurement system and formulated supplier management rules to illustrate the requirement and procedures of supplier assessment and approval.

The Group evaluates supplier performance regularly. The preliminary review on new suppliers covers areas including corporate and production capacity, supply capacity, material quality and reputation. For new cooperation with raw materials and auxiliary materials suppliers, we conduct small-scale trial production, record production process with details and inspect the quality of finished products. In respect of suppliers who provide the Group with major raw materials, auxiliary materials and packaging materials that greatly influence the product quality, the supplier evaluation group shall conduct sample testing and field evaluation to ensure the material quality meets the Group's standard.

The audit team is responsible for reviewing the suppliers every two years by reviewing various legal licenses, professional qualified certification documents, etc. of suppliers, as well as assessing the supply capacity, production management level and quality management level of suppliers. If there is problem in quality, we would perform re-assessment on the field and request improvement from relevant suppliers. For the continuous enhancement of supply chain management, the Group has updated the supplier management rules to improve the internal flow of supply chain management. Looking ahead, the Group will continue to review and optimize relevant policies regularly such as management policies for environmental and social risks in the supply chain.

During the Year, the Group had a total of 204 suppliers for procurement, which are located in Asia, Europe, Oceania and the Americas to provide stable supply.



## 規範產品資訊

本集團履行廣告及產品標籤方面的責任，確保產品廣告及宣傳遵從相關法規，亦不容許任何有關藥物標籤及說明的虛假陳述。我們銷售及出口的中成藥附有的標籤及說明書均遵從香港《中藥規例》、中成藥註冊法規的中成藥標籤指引及中成藥說明書指引。中成藥標籤的包裝及說明書須具備主要有效成份、用量及使用方法、功能或藥理作用、貯存指示、禁忌或副作用、失效日期等資訊，讓客戶選取合適中醫藥產品，保障其健康及安全。

倘收到有關產品廣告及標籤的投訴，我們會查明原因，擬訂解決方案及改善措施以避免同類投訴再次發生。本年，本集團沒有接獲有關廣告及產品標籤的投訴。

未來，本集團將持續檢討及完善與產品責任相關的政策。

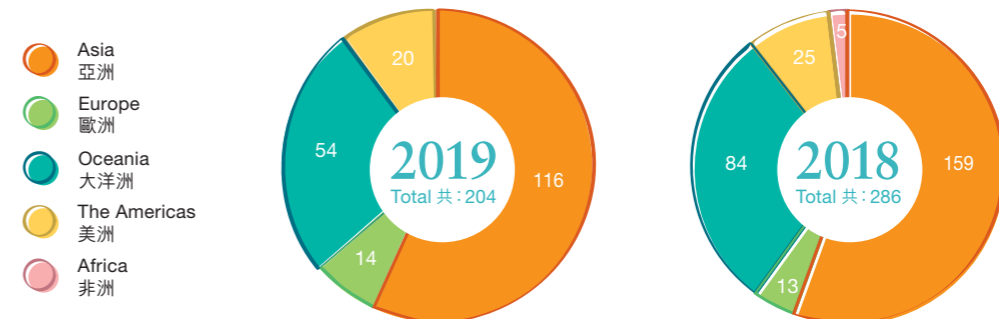
## 供應鏈管理

本集團主要從供應商採購製藥的原材料及輔料。針對供應鏈管理，本集團已建立清晰的採購制度和制定《供應商管理規程》，明確供應商的評估及審批等要求及流程。

本集團定期評核供應商表現。新供應商的預審涵蓋企業和生產能力、供應能力、物料質量及信譽等範疇。對於首次合作的原材料和輔料供應商，我們會進行小批量生產測試，詳細記錄生產過程，並檢驗製成品質量。針對為本集團提供主要原材料、輔料，以及對產品質量影響較大的包裝材料供應商，供應商審計小組會進行樣品檢測和現場審計，以確保物料質量符合本集團標準。

審計小組負責每兩年對供應商進行審查，重新檢視供應商的各項合法證照、專業資質認證文件等，評估供應商的供應能力、生產管理水平和質量管理水平。當出現質量問題，我們會再次進行現場審計，並要求有關供應商作出整改。為持續加強供應鏈管理，本集團已更新《供應商管理規程》，以完善供應鏈管理內部流程。展望未來，本集團將繼續定期檢討及完善相關政策，例如逐步添加供應鏈環境及社會風險的管理方針。

本年，本集團主要從204家供應商進行採購。供應商分佈於亞洲、歐洲、大洋洲及美洲，以提供穩定供應。



We are committed to the concept of “people-oriented and mutual benefits for employees and the Company”. People-oriented thinking, team culture and corporate responsibility principles urge us to pay close attention to staff development and create a friendly, equal, healthy and safe working environment for the employees.

我們堅持「以人為本，人業共興」的理念。人本思想、團隊文化及企業責任精神時刻要求我們關注員工發展，為員工創造友善、平等、健康及安全的工作環境。

STAFF HEALTH AND SAFETY

The Group provides a safe and healthy working environment for employees and adheres to the production principle of safety and hygiene.

員工健康與安全

本集團為員工建立健康安全的工作環境，堅持安全及衛生的生產方針。

**Planning 規劃**

**Health and safety hazard assessment 健康與安全危害評估**  
 Labour Department and Department of Health conduct regular health and safety inspection and check-up on employees at Tai Po Production and R&D Base. 勞工處及衛生署會定期為大埔生產研發基地員工進行健康與安全的視察及檢查。

**Workplace and storage layout 工作及儲存場所佈置**  
 Inflammable items, poisonous and hazardous substances in the Tai Po Production and R&D Base are stored in designated space and labelled. The storage space is equipped with good ventilation, smoke exhaust and fire safety systems in compliance with safety standard. A valid license has been granted to the Group and annual safety and electricity inspection has been conducted through Fire Services Department to maintain safety. 大埔生產研發基地的易燃品及有毒有害物質存放於指定的專屬空間，並貼上標示。該存放空間按法定安全標準設置抽風、抽氣及安全防火設施。本集團持有有效牌照，每一年通過消防處進行安全及電力驗證，以策安全。

**Policy 政策**

**Safety rules and guidelines 安全規程及指引**  
 Based on the requirements of different workplace and job nature, safety rule for our employees has been developed to stipulate the safe operation procedure for each position, aiming at minimising the risk of injury and occupational diseases. 按各工作場所及工種需求，安全規程已為各員工制定，闡明各崗位安全操作指引，以減少受傷及罹患職業性疾病的風險。

**Execution 執行**

**Establish safety culture, enhance safety education 建設安全文化，加強安全教育**  
 To enhance employees' health and safety awareness, we develop annual training plan which includes monthly training with different themes in accordance with the requirements of the Hong Kong's Department of Health. Before the end of training, employees are required to complete relevant assessments. We will also keep record of the training sessions and assessment results for each employee to ensure each employee obtain necessary safety knowledge for the position. 為加強員工的健康安全意識，我們每年均按香港衛生署要求制訂全年培訓計劃，當中包括按月舉行不同主題的培訓。完成培訓前，員工均須接受相關考核。我們亦會為每位員工記錄所參與的培訓、考核結果等相關內容，確保員工在具備崗位所需的安全知識下工作。

Production employees are exposed to relatively high risk during the operation of the Group. To ensure that they have sufficient knowledge about factory safety, regular safety production training will be conducted including standard operation on equipments, safety and emergency management, fire safety knowledge and system usage as well as traffic and security management. 生產員工是本集團營運中相對較高風險的崗位。為確保他們具備廠房的安全知識，安全生產培訓將會定期進行，並涵蓋儀器標準操作、安全及緊急管理、消防知識及設施使用，以及交通和治安保衛安全。

**Investigation 查核**

**Regular inspection and accident investigation 定期檢查及事故調查**  
 Labour Department and Buildings Department conduct regular inspection on safety and environment in Tai Po Production and R&D Base every year. 勞工處及屋宇署每年會定期於大埔生產研發基地內進行例行巡查視察安全及環境情況。

**Health management and promotion 健康管理及促進**  
 During the Year, we arranged 2 occupational health seminars for employees at Tai Po Production and R&D Base. The seminar on work stress allowed the employees to learn about work stress, its impact and appropriate treatment. In addition, we invited our Chinese medicine practitioners to teach our employees on the prevention on cervical diseases, stress relief, insomnia and emotion. 本年，我們為大埔生產研發基地員工安排了2次職業健康講座。工作壓力講座讓員工認識及了解工作壓力、其影響及適當處理方法。另外，我們亦邀請公司中醫藥師向員工教授及認識如何預防頸椎疾病，以及舒緩壓力、失眠和情緒。

During the Year, there is no case of work-related death, but received 1 case of work-related injury. The work-related injury rate was 0.12% per hundred of employees, and the number of working days lost was 7 days. Upon our investigation, the injury was caused by back sprain in manual lifting of a retail outlet employee while handling garbage. The Group has strengthened and provided promotion of safety training and operational guideline, and has properly handled the case with compensation in accordance with the relevant regulations. At present, the employee has rehabilitated. 本年，本集團無因工死亡個案，但有1宗工傷個案，工傷率為每百名員工0.12%，因工傷損失工作日數為7日。經查核後，工傷原因為零售終端員工於搬運垃圾時扭傷腰部。本集團已就有關個案加強有關安全培訓及操作指引的宣傳，並按相關法規妥善處理及作出補償。現時，該員工身體已康復。



## EMPLOYMENT SYSTEM

To enhance our competitiveness and retain capable staff, the Group believes that a friendly, equal, diversified working environment with mutual respect helps the employees to capitalize on their strengths. The staff manual stipulates the requirements related to remuneration, promotion, working hours and holidays, which provides the staff with an overview of the employment terms and human resources policies. To ensure the Group's policy meets the highest standard, the Group is reviewing and updating the staff manual during the Year to provide guideline and principle to the daily work conduct of the staff.

### Remuneration and Benefits

The Group provides a fair and competitive remuneration and benefits to our staff to attract and retain talents. We regularly assess and review the remuneration and benefits policies with reference to the industry level and practices of each regional market. Also, performance-based bonus and awards will be issued according to staff qualifications, performance assessment and individual or team performance for the year to support, recognize and motivate staff.

Apart from local statutory leave for the employee benefits, we also provide additional paid holidays, including marriage leave, compassionate leave and home leave. During the Year, the Group exercised flexibility and gave prime consideration to employees' safety which included additional holiday, flexible working hours and workplace with allowance and keep reflects the Group's care for employees as usual. Meanwhile, we care for the physical and mental well-beings of staff and their relatives. We provide comprehensive and regular medical check-up upon staff joining the Group. Staff and their direct relatives are provided with free TCM consultation services. Basic medical, dental and accident insurance are also offered to employees. The Group also distributes shopping coupons of different company products to staff and their direct relatives.

Furthermore, we care about the leisure life of the employees. In order to create a relaxing and joyful working and living atmosphere, the Group organizes various activities for the employees from time to time. The Company organised hiking in the countryside for our staff at Tai Po Production and R&D Base during the Year. Also, on the Women's Day on 8 March, the Group invited the female staffs to participate in a "handmade fragrance wax plate" workshop. Also, a "butterfly pea drink and bakery production" course was organised in summer so that they can enjoy the fun in hand-making during the festivities.



### Diversity and Equal Opportunity

The Group promotes equal opportunity and does not tolerate any discrimination or harassment. On the principle of fair competition and "merit-based selection", the Group established the qualification and selection requirements for different job positions, and assesses the skills, knowledge, experience and qualification of employees during the recruitment and employee promotion. The Group follows the principle of "distribution based on contribution" and "equal pay for equal work". Employees are not paid differently due to their race, gender, age, religion or other factors that are not related to their ability, qualifications and experience.

We recognise and embrace the benefits of a diversified working environment. Currently, the Group has adopted a board diversity policy. Selection and appointment of new directors will be based on a range of diversity perspectives, including gender, age, cultural and educational background, qualifications, skills, knowledge, business and related experience as well as commitment. For details of Board diversity, please refer to pages 130 to 131 of this annual report. During the Year, the Group selects trainees for learning and training through resources sharing and talent platform sharing within the Group as well as the newly-established professional strategic overseas talent cultivation workshop so as to train different talents for succession and conduct strategic overseas cultivation and reserve of talents. The Group will continue to participate in the job fair organised by the Hong Kong College of Technology to assist the grassroots to work and encourage them to develop self-reliance. Looking ahead, the Group will consider implementing more diversity and integration and policies measures.

## 僱傭制度

本集團相信員工在友善、平等、多元化，且互相尊重的環境下工作，更能發揮所長，以及吸引員工留任和提升我們的競爭力。《員工手冊》載有關於薪酬、晉升、工作時間及假期等要求，讓員工瞭解僱傭條款及人力資源政策。本年，本集團正在檢討及更新《員工手冊》，為員工對日常工作操守提供指引及原則，並確保本集團政策時刻符合最高標準。

### 薪酬及福利

為吸納及挽留優秀人才，本集團向員工提供公平且具競爭力的薪酬和福利。根據各地區市場的薪酬水平和行業慣例，我們定期檢討薪酬及福利政策。同時，我們按員工資歷、績效評估、個人或團隊年度表現，以及市場情況等因素發放獎金及獎項，以支持、表揚及激勵優秀員工。

在員工福利方面，除當地法定假期外，我們向員工提供額外有薪假期，包括婚假、喪假及探親假等。本年，本集團因應實際安全工作環境狀況而時刻作出彈性處理，包括提供的額外假期、彈性工作時間與地方及補貼等，繼續體現本集團對員工的關懷。同時，我們關注員工及家屬身心健康，每年為員工安排全面入職及定期身體檢查，提供員工及直系家屬免費中醫諮詢服務，以及員工基本醫療、牙科保健和意外保險。本集團亦同時派發及提供各類公司產品購買優惠予員工及直系家屬。

此外，我們十分關注員工的工餘生活。為了營造輕鬆愉悅的工作生活氛圍，本集團不定時舉辦各種活動讓員工參與。本年，本公司組織大埔生產研發基地員工郊外遠足，亦趁三八婦女節邀請女員工參加「香薰手工蠟片」工作坊，以及舉辦夏日活動「蝶荳花特飲及糕點製作班」讓其在節日之際享受手作的樂趣。



### 多元化與平等機會

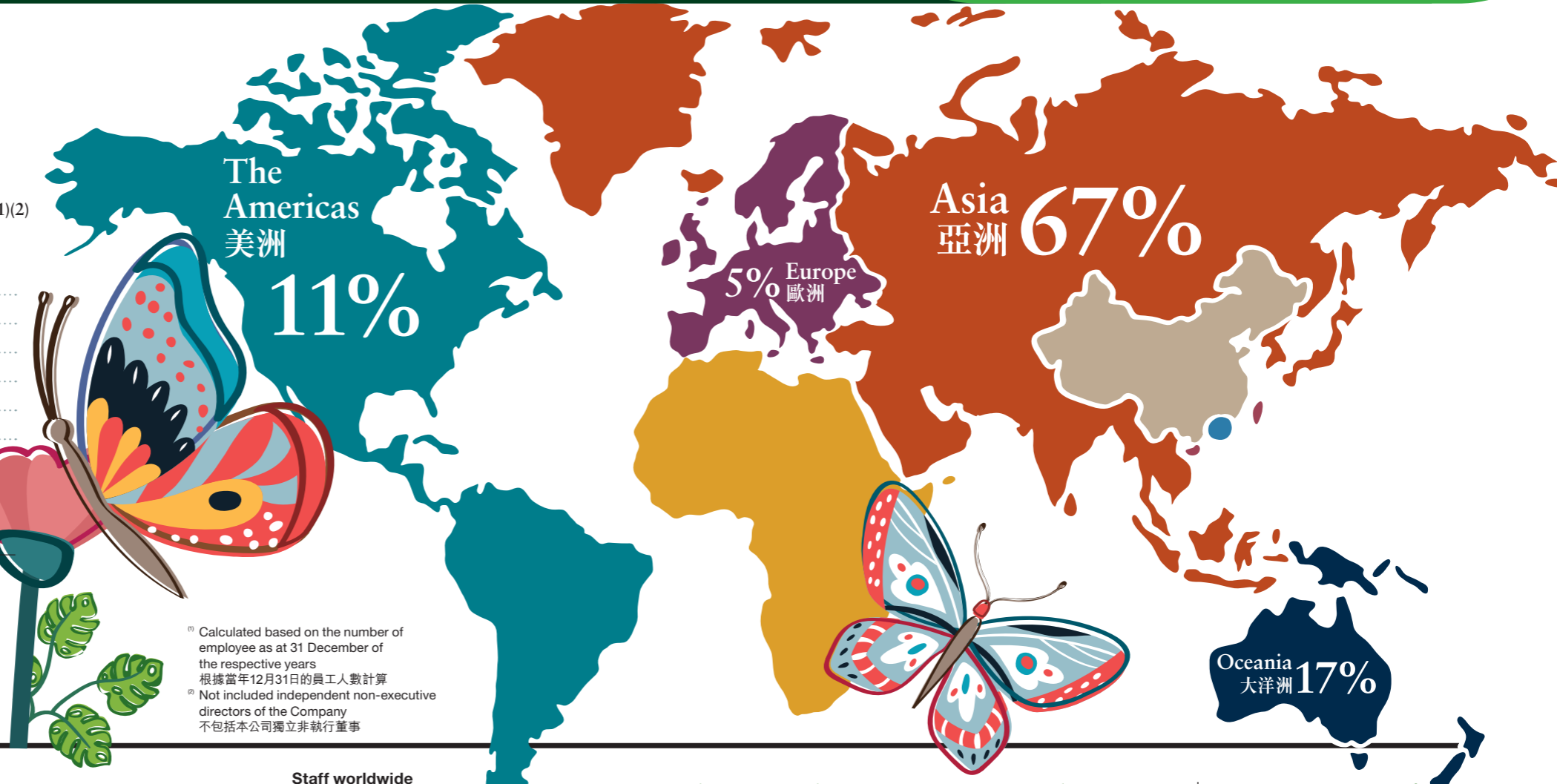
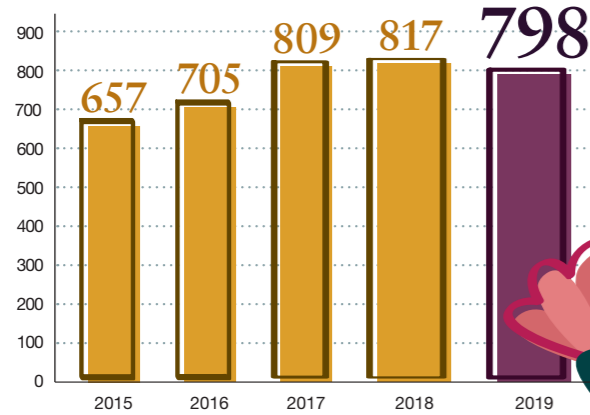
本集團提倡平等機會，絕不容忍任何歧視及騷擾行為。為實踐公平競爭及「擇優而取」原則，在招聘和晉升員工時，本集團為崗位列明相應的任職資格及甄選準則，評核員工的技能、知識、經驗和質素。本集團執行「按勞分配、同工同酬」原則，不得因員工的種族、性別、年齡、宗教，或其他與能力、資歷和經驗無關的因素，而有不同的薪酬待遇。

我們十分認同且重視多元化工作環境的益處。現時，本集團已採納董事會成員多元化政策，選任新董事時將基於多元化的考慮因素，例如性別、年齡、文化及教育背景、資質、技能、知識、業務及相關經驗和承擔。有關董事會多元化的詳情，請參閱本年報第130至131頁。本年，本集團通過系內資源共享、人才平台共享、新成立專業化海外人才培養工作室等形式，選拔學員進行學習培訓，從而培訓各類傳承人才，進行戰略性海外人才培養及儲備。本集團繼續參與由香港專業進修學校舉辦的招聘會以協助基層市民就業，鼓勵他們自力更生。展望未來，本集團將考慮推行更多多元化與共融的政策及措施。

GLOBAL DISTRIBUTION OF STAFF

全球員工分佈

Number of employees worldwide (1)(2)  
全球員工人數(1)(2)



EMPLOYEES RELATED DATA OVERVIEW

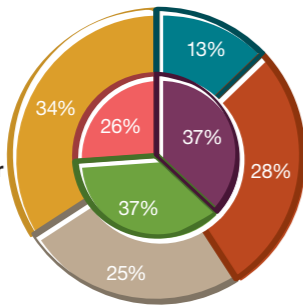
FOR THE YEAR OF 2019  
2019年度員工相關數據總覽

<sup>(1)</sup> Calculated based on the number of employee as at 31 December of the respective years  
根據當年12月31日的員工人數計算  
<sup>(2)</sup> Not included independent non-executive directors of the Company  
不包括本公司獨立非執行董事

Staff worldwide  
全球員工

- Below 30 years old  
30歲以下
- 30-39 years old  
30-39歲
- 40-49 years old  
40-49歲
- 50 years old and above  
50歲及以上

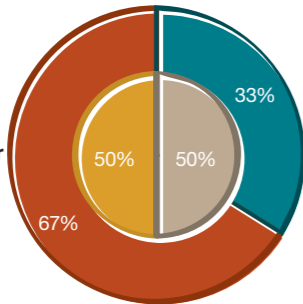
Age distribution  
年齡分佈



Directors and senior management  
董事及高級管理人員

- 40-49 years old  
40-49歲
- 50-59 years old  
50-59歲
- 60 years old and above  
60歲及以上

Gender distribution  
性別分佈



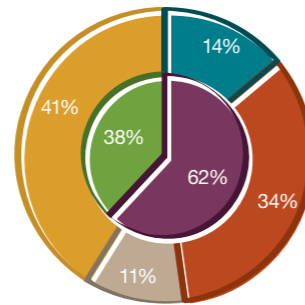
Staff worldwide  
全球員工

- Male  
男性
- Female  
女性

Directors and senior management  
董事及高級管理人員

- Male  
男性
- Female  
女性

Distribution of academic background  
學歷分佈



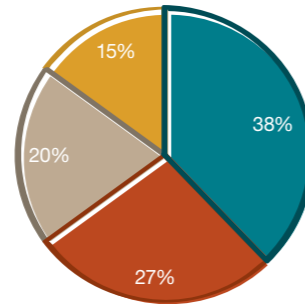
Staff worldwide  
全球員工

- Postgraduate and above  
研究生及以上
- Undergraduate  
大學本科生
- Associate Degree  
副學士學位生
- Vocational education and below  
中專及以下

Directors and senior management  
董事及高級管理人員

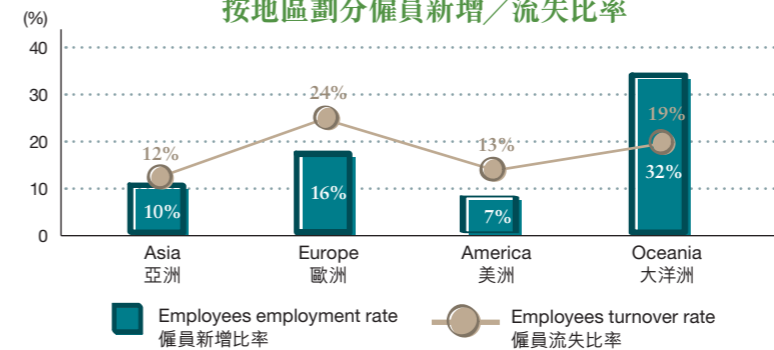
- Postgraduate and above  
研究生及以上
- Undergraduate  
大學本科生

Service year of staff worldwide  
全球員工工作年期

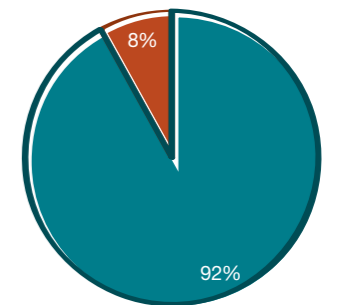


- Below 3 years  
3年以下
- 3-5 years  
3-5年
- 6-10 years  
6-10年
- 11 years and above  
11年及以上

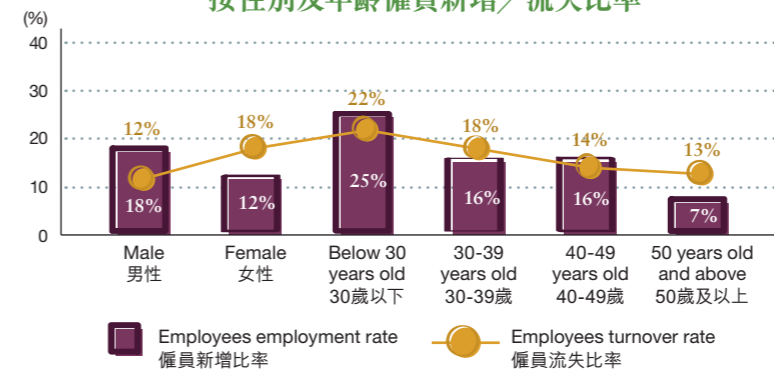
Employees employment/turnover rate by region  
按地區劃分僱員新增/流失比率



Proportion of expatriates  
外派人員所佔比例



Employees employment/turnover rate by gender and ages  
按性別及年齡僱員新增/流失比率



## DEVELOPMENT AND TRAINING

Adhering to the concept of “business growth driven by talent”, Tong Ren Tang supports talent sustainability and career planning to nurture talents and strengthen their sense of belongings. The Company formulates a promotion system and clear guideline is given to employees through the staff manual. In order to formulate a suitable development direction for employees, we evaluate and give feedback on staff performance through regular performance appraisal and assessment.

In order to continuously enhance the knowledge and skills for employee’s career development, we specifically design training programs based on the requirements of every position. We also maintain detailed training records for each employee to assist and review their training and assessment results. We regularly collect opinions from employees to review and update the training programs. During the Year, the topics of training include corporate culture, behavior and conduct, product and job knowledge, professional and management skills, and from which the overall quality of the employees has been enhanced.

### 發展及培訓

同仁堂致力實踐「人才促進發展」的理念，支援員工持續發展及職業規劃，以培育優秀人才，提高員工的歸屬感。本公司制定了一套晉升流程制度，並透過《員工手冊》向員工提供明確指引。根據定期員工績效評估及考核，我們評價員工的工作表現及提出反饋，為員工擬訂合適的發展方針。

為使員工持續提升職業發展所需的知識技能，我們按各工作崗位需要，制訂合適的培訓計劃。每位員工均有詳細培訓檔案，協助其檢視所參與的培訓及考核結果。通過定期收集員工意見，我們檢討及更新培訓內容，以完善培訓方針。本年，培訓主題主要涵蓋企業文化、行為操守、產品及工作知識、專業及管理技能等方面，以提高員工綜合質素。



This year marks the 350 years since the founding of Tong Ren Tang, which also marks the 15 anniversary since the founding of the Group. The Group commenced a special plaque cleansing (complimenting) ceremony at the Tai Po Production and R&D Base on 8 March (2 February on the Lunar Calendar). The plaque cleansing (complimenting) ceremony is a brand new form and vehicle for succession of culture and history by Tong Ren Tang in the new era. Being the ultimate originator, the Dashilan outlet (as the origin of Tong Ren Tang culture) has organised 7 plaque cleansing (complimenting) activities since 2010 and generated great response from the community. Currently, the plaque cleansing (complimenting) ceremony at Dashilan outlet in Beijing has become an important part of Beijing’s folk culture.

適逢今年是同仁堂創建350年，亦是本集團成立15週年。本集團特意於3月8日（農曆二月初二）於大埔生產研發基地進行淨（敬）匾儀式。淨（敬）匾儀式是同仁堂在新時期傳承文化和歷史的一種嶄新形式和載體。作為最初發起者，同仁堂文化發源地大柵欄藥店自2010年來，至今已舉辦了7次淨（敬）匾活動，均取得了較大社會迴響。目前，同仁堂於北京大柵欄藥店的淨（敬）匾儀式也成為了北京民俗的重要組成部分。

Plaque cleansing (complimenting) ceremony refers to the ceremony of cleaning and cleansing the three ancient plaques including Tong Ren Tang (the main plaque), Secretly Imparted from Ancient Times and Medicine with Freshness and Preciousness (the two side plaques). Cleansing, with its pronunciation similar to complimenting in Mandarin, has become another platform for Tong Ren Tang to convey the awe and respect from the brand and sense of cultural pride as well as develop a traditional Tong Ren Tang Chinese medicine culture. This is the first plaque cleansing (complimenting) ceremony performed by the Group and the first one for the Tong Ren Tang system outside the territory. Aim of the ceremony is to convey to the staff and the community Tong Ren Tang’s spirit of the times.



淨（敬）匾儀式，即打掃、潔淨三塊老匾——同仁堂（主匾）、靈蘭秘授、瓊藻新裁（兩塊配匾）的一種儀式。淨，由於諧音敬，也成為同仁堂在傳遞品牌敬畏心、文化自豪感、開展傳統同仁堂中醫藥文化的另一平台。此次是本集團首次淨（敬）匾儀式，也是同仁堂系統境外的首次淨（敬）匾儀式，旨在向員工、社會傳達同仁堂時代精神。

**Total training hours of employees**  
全體員工培訓總時數 **2,830** hours 小時

**Total number of trainees**  
總受訓人數 **367** people 人

**Training hours per employee**  
平均每人培訓時數 **3.5** hours 小時



**Directors<sup>(1)</sup> and Senior Management**  
董事<sup>(1)</sup>及高級管理人員 **173** hours 小時

**Total number of trainees**  
總受訓人數 **5** people 人

**Training hours per employee**  
平均每人培訓時數 **34.6** hours 小時



**Male employees**  
男性員工 **1,020** hours 小時

**Total number of trainees**  
總受訓人數 **103** people 人

**Training hours per employee**  
平均每人培訓時數 **3.8** hours 小時



**Female employees**  
女性員工 **1,810** hours 小時

**Total number of trainees**  
總受訓人數 **264** people 人

**Training hours per employee**  
平均每人培訓時數 **3.4** hours 小時



**Managerial grade**  
經理級 **857** hours 小時

**Total number of trainees**  
總受訓人數 **79** people 人

**Training hours per employee**  
平均每人培訓時數 **9.2** hours 小時



**General staff**  
基本員工 **1,800** hours 小時

**Total number of trainees**  
總受訓人數 **283** people 人

**Training hours per employee**  
平均每人培訓時數 **2.6** hours 小時



<sup>(1)</sup> Not included Independent non-executive directors of the Company  
不包括本公司獨立非執行董事

Forging the self-discipline of “Dedication comes from the heart in the steps that no one else can see”, while we pursue excellence in Chinese medicine research and development, we are committed to protecting the environment.

同仁堂樹立「修合無人見，存心有天知」的自律意識，在研製中藥產品方面精益求精的同時，亦承擔保護環境的責任。

Complying with the environment-related law and regulations, the Group implemented measures on the administration of environmental protection of production bases to regulate the emission of Tai Po Production and R&D Base. Through standardising the emission management, implementing resources conservation measures and raising employees' awareness, we monitor and continuously optimise our environmental performance.

本集團依循與環境相關的法律法規，制定《生產基地環境保護管理辦法》，規範大埔生產研發基地的排放物管理。我們透過制定排放物處理標準、推行節約資源措施及提高員工意識，把控及持續完善環境表現。

## EMISSION MANAGEMENT

### Carbon emission and air pollutant

During the Year, the Group also engaged an independent consultant to conduct a carbon assessment for quantifying the greenhouse gas emissions (or “carbon emissions”) generated from its operations. The quantification process is carried out based on a set of guidelines drawn up by the Environmental Protection Department and the Electrical and Mechanical Services Department<sup>(1)</sup>, the “Greenhouse gas protocol: a corporate accounting and reporting standard”, ISO14064-1 and other International standards.

## 排放管理

### 碳排放及空氣污染物

本年，本集團亦委託獨立顧問進行碳評估，以量化營運產生的溫室氣體排放（或稱「碳排放」），量化的過程參考香港環保署和機電工程署編製的指引<sup>(1)</sup>、《溫室氣體核算體系：企業核算與報告標準》及 ISO14064-1 等其他國際標準進行。

During the Year, the Group's total carbon emissions were 2,586.3 tonnes CO<sub>2</sub> equivalent. The Group's carbon emissions were mainly from the use of purchased electricity in Scope 2, which accounted for about 90.4% of the total emissions, followed by burning of fossil fuel in mobile combustion units in Scope 1, which accounted for about 3.8% of the total emissions. In response to the major sources of carbon emissions, the Group will continue to assess, record and disclose annually its greenhouse gas emissions and other environmental data, so as to review the effectiveness of ongoing measures and help further development of emission reduction targets in the future.

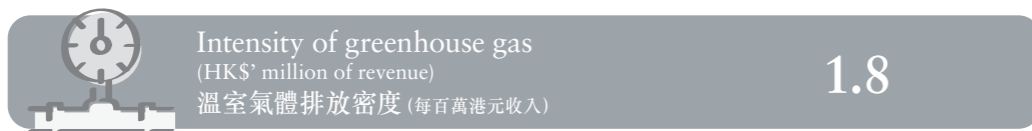
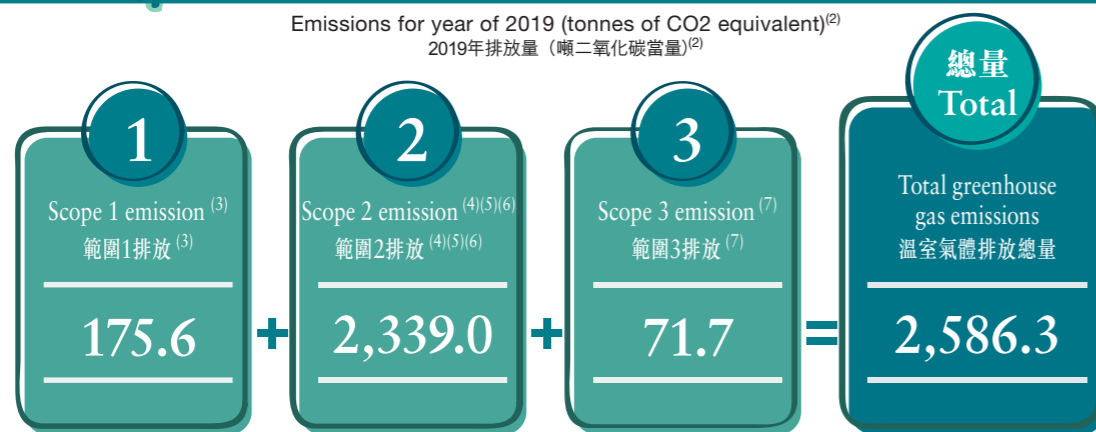
Air pollutants are mainly generated from emissions from gasoline and diesel burned from vehicles operating in each operating sites, liquefied petroleum gas consumed by cooking herbs in Asia, and natural gas produced by cooking herbs in America.

本年，本集團的總碳排放為2,586.3公噸二氧化碳當量。本集團的碳排放主要來自範圍2之外購電力使用，佔總排放量約90.4%，其次為範圍1之移動源的化石燃料燃燒，約佔總排放量的3.8%。針對碳排放的主要來源，本集團將繼續評估、紀錄及每年披露其溫室氣體排放及其他環境數據，從而檢討現行措施成效，有助日後進一步制定減排目標。

空氣污染物主要源自各營運點的車輛燃燒汽油和柴油、亞洲營運點煎煮藥材消耗液化石油氣，以及美洲營運點煎煮藥材燃燒天然氣等產生的排放。

## GREENHOUSE GAS EMISSIONS 溫室氣體排放

Emissions for year of 2019 (tonnes of CO<sub>2</sub> equivalent)<sup>(2)</sup>  
2019年排放量（噸二氧化碳當量）<sup>(2)</sup>

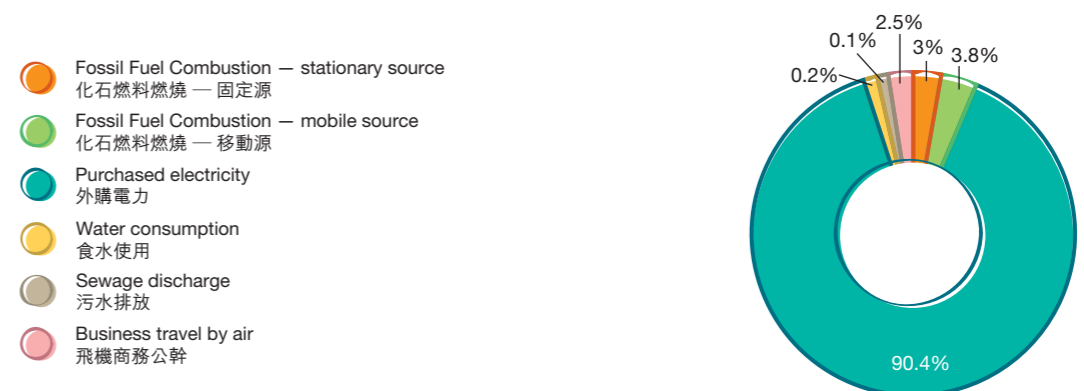


Notes 附註：

<sup>(1)</sup> "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for buildings (Commercial, Residential or Institutional Purpose) in Hong Kong".  
《香港建築物（商業、住宅或公共用途）的溫室氣體排放及減除的核算和報告指引》。  
<sup>(2)</sup> Due to the failure of providing raw data at some operating sites for the Year, it is impossible to calculate and cover their greenhouse gas emissions.  
由於部分營運點未能提供原始數據致未能計算及涵蓋其溫室氣體排放。  
<sup>(3)</sup> Scope 1 includes direct greenhouse gas emissions from stationary source fuel combustion and mobile source fuel combustion.  
範圍1包括來自固定源燃燒燃料及流動源燃燒燃料的直接溫室氣體排放。  
<sup>(4)</sup> Scope 2 includes energy indirect greenhouse gas emissions from purchased energy.  
範圍2包括來自外購能源的間接溫室氣體排放。  
<sup>(5)</sup> Electricity data in December 2019 for factory in Hong Kong headquarters was estimated data based on the average monthly electricity consumption in the same year.  
香港本部廠房2019年12月的電力數據為估算數據，按同年每月平均用電量估算。  
<sup>(6)</sup> Some operating sites (failed to calculate the greenhouse gas emissions related to the purchased heat (hot water) due to the inability to obtain information such as hot water temperature.  
個別營運點因無法獲取熱水溫度等資料而未能計算其與外購熱力（熱水）相關溫室氣體排放。  
<sup>(7)</sup> Scope 3 only includes the electricity consumption derived from water and sewage treatment by the Water Supplies Department and the Drainage Services Department, and the other indirect greenhouse gas emissions arising from plane business trip of Hong Kong business of the Group<sup>(8)</sup>.  
範圍3只包括來自香港業務<sup>(8)</sup>有關水務署處理食水及渠務署處理污水時耗用電力，及本集團飛機商務旅行的其他間接溫室氣體排放。  
<sup>(8)</sup> Hong Kong business includes Honour Essence, TRT Tong Xin Tong Le, Hong Kong headquarters (factory, offices, retail outlets and warehouse), and TRT Fook Ming Tong.  
香港業務包括大宏貿易、北京同仁堂同心同樂、香港本部（廠房、辦公室、零售終端和倉庫），以及同仁堂福明堂。

## Greenhouse Gas Emissions (By Sources)

### 溫室氣體排放量（按排放源劃分）



## Air Pollutant

### 空氣污染物

## EMISSIONS 排放物

Emissions for year of 2019  
2019年排放量





Waste

The Group, being well aware of the potential impacts of waste on the environment, employees and the public, cautiously treats solid waste arising from its production. Based on our business nature and operational requirements, solid waste generated during the operation is divided into hazardous waste and general non-hazardous waste. In this regard, we have implemented regulatory actions and treatment measures for each category. This Year, a total of 0.37 tonnes of hazardous waste such as acupuncture needles and cotton generated by the Group were handed over to and handed by qualified companies. At the same time, 340,954 liters of non-hazardous waste such as domestic waste, about 177.2 tonnes in total were handed over to, as well as collected, cleared and processed by the local government.

Hazardous waste 有害廢棄物

Limited chemicals and other hazardous wastes are generated from the Group's production process while a small amount of medical waste is generated from the Chinese clinical services at retail outlets. Paying attention to the risk of improper disposal of hazardous waste, waste will be disposed of with proper supervision and disposal.

本集團的生產過程牽涉少量化學品等有害廢棄物，而零售終端的中醫診療服務亦只產生少量醫療廢物。我們關注不慎處理有害廢棄物的風險，透過妥善監督及棄置，適當處理有關廢棄物。

Chemicals and other hazardous waste  
化學品及其他有毒有害廢棄物

Understand that the chemicals we use in experiment and production pose a potential threat to the staff and public health and pollute the environment. Therefore, the Group implemented control measures, which are administered and supervised by laboratory management, in accordance with Hazardous Chemicals Control Ordinance of Hong Kong. 深明生產和進行實驗時使用的化學品對員工及公眾健康構成的潛在危險，亦會對環境造成污染。因此，本集團依照香港《有毒化學品管制條例》制定控制措施，並由實驗室管理人員負責執行及監督。

Chemicals and other hazardous wastes such as chemical containers and waste oil are disposed to specially-marked collection containers, which are stored separately in the leak-proof and explosion-proof facilities. Licenses from the relevant government authority were applied and waste is sent to qualified recyclers for handling. The amount of recycling for each time will be recorded. 化學品等有毒有害廢棄物，如化學品容器、廢機油等，須分類棄置於特別標識的收集容器，獨立存放於有防流失、防洩漏、防飛揚及防爆等功能的設施。我們已向相關政府機構申請牌照，並移交相關廢棄物至合資格回收單位處理，每次進行登記及記錄回收量。

Medical waste  
醫療廢物

The acupuncture needles used in Chinese medical consultation fall within the scope of medical waste Group 1 — Used or Contaminated Sharps. The medical waste treatment methods prepared by the Group complies with "Waste Disposal Ordinance" and "Codes of Practice for the Management of Clinical Waste". Our staff at retail outlets are required to recap and properly placed used needles in disposal bin with special marks to separate from other waste and avoid contact with human. The sealed medical waste will be transferred to a licensed medical waste collector for disposal. Meanwhile, we will submit a relevant application to the Environmental Protection Department for follow-up actions. 提供中醫診療服務時針灸所用的針屬醫療廢物第一組別 — 「經使用或受污染利器」。本集團依循香港《廢物處置條例》及《醫療廢物管理工作守則》編制《醫療廢物處置流程》，零售終端員工先要將尖銳的針頭套好，妥善安放於醫療廢桶，予以標識，並與其他廢物分隔，減少與人接觸的機會。員工密封醫療廢物後，移交持牌醫療廢物收集商處置。同時，員工亦須向環保署遞交相關申請，以便跟進。

Looking forward, we will further improve measures for recycling, including the installation of separate waste recycling boxes in Taipo Production and R&D Base and offices and the implementation of separate collection of food waste. At the same time, we also consider requesting third parties to provide waste data when approaching and entering into a contract with a garbage recycling company in order to assist the Group in improving relevant disclosures and continuously improving management.

展望未來，我們將進一步完善資源回收的措施，包括於大埔生產研發基地和辦公室加設分類回收箱及實行廚餘分類回收。同時，我們亦考慮與垃圾回收公司接洽及訂立合同時，要求對方提供廢棄物數據，協助本集團完善相關披露及持續改善管理。

廢棄物

本集團深知廢棄物對環境、員工和公眾的潛在影響，謹慎處理營運中產生的固體廢物。我們綜合業務性質和營運需求，將營運產生的固體廢棄物分為有害廢棄物及一般無害廢棄物，並針對各廢棄物訂立監管及處理措施。本年，本集團產生的針灸針和棉花等有害廢棄物共0.37公噸，均交由合資格公司處理；同時產生的生活垃圾等無害廢棄物共340,954升，共約177.2公噸，交由當地政府部門收集、清運和處理。

Non-hazardous waste 無害廢棄物

The waste generated in the Group's daily operation mainly includes non-hazardous waste, such as packaging materials and domestic wastes. By reducing waste at source, recycling and reusing resources, the Group strives to reduce the non-hazardous waste generated by the operation.

本集團的日常營運產生包裝廢料及生活垃圾等無害廢棄物。我們透過奉行源頭減廢，支持循環再用及資源回收，減少營運所帶來的無害廢棄物。

Waste generated from the production process and packaging  
生產及包裝品垃圾

The Group adheres to the approach of "purchase on demand", where we purchase packaging material based on the production volume. Employees at Tai Po Production and R&D Base are encouraged to reuse and prevent willful discard of recyclable waste such as newspapers and paper box. Employees are required to collect and separate recyclable waste, which will be sent to waste collector for recycling. 本集團堅持「按需購進」的原則，按產品生產量採購相應數量的包裝材料。本集團鼓勵大埔生產研發基地員工實踐重用，禁止任意丟棄可回收廢棄物，如報紙及紙箱。同時，亦要求員工收集及分類可回收廢棄物，再交由垃圾收集商作回收處理。

Domestic wastes  
生活垃圾

Kitchen waste generated from the kitchen of the Tai Po Production and R&D Base is collected and stored at designated bins to be sent and disposed by collector. Qualified collector will regularly collect and handle sewage and waste oil being discharged from the kitchen to the grease traps. 本集團以專屬垃圾桶收集及儲存大埔生產研發基地食堂的廚餘，並由收集商棄置。廚房排放至吸油池的污水及油由合資格收集商定期收集及後續處理。

Meanwhile, office staff are required to reuse and recycle: 同時，鼓勵辦公室員工物盡其用及分類回收：

- Establish new electronic system, adopt paperless communications to reduce printing  
建立新的電子系統，實行電子化溝通，減少列印
- Use double-sided papers and reuse single-side printed paper  
使用雙面影印，重用單面紙
- Collect paper, ink cartridges and used battery for further treatment by independent professional recycler  
收集紙張、墨水匣、舊電池等，交由獨立專業回收商作後續處理



WASTE 廢棄物

Generation for the Year 2019  
2019年產量



<sup>(1)</sup> The Group counts the amount of non-hazardous waste produced by volume (liter), and estimates the weight of waste at 0.5 kg per litre of waste. 本集團以體積(升)為單位統計無害廢棄物產生量，按每升垃圾0.5千克估算垃圾重量。  
<sup>(2)</sup> Data was not comprehensive and only included several countries and regions, and we will consider to further improve relevant data collection in the future. 數據並未全面，只包括了數個國家及地區，將進一步考慮完善未來記錄收集。



PACKAGING MATERIALS 包裝材料

Consumption for Year of 2019<sup>(1)</sup>  
2019年耗用量<sup>(1)</sup>



Note 附註：

<sup>(1)</sup> Only includes the operation sites involved consumption of packaging materials.  
只包括涉及包裝材料消耗的營運點。

Wastewater

Polluted water discharged by the Group is mainly sewage from production and domestic sewage. In order to minimise the impact of sewage discharge on the environment, we perform sewage tests at our Tai Po Production and R&D Base every 5 years to ensure the standards are complied with. Sewage is discharged to specified sewage treatment system via government pipes, and it is collected, sampled and tested by government authorities on a regular basis.

The production equipment, containers and tools are cleaned and sterilized with self-produced purified water and formulated alcohol. The cleaning and disinfection of medicine containers are processed without the use of detergents. The water discharged are "residue-free, pollution-free", which minimise the pollution damages to the environment from the production process. We adopt food-grade lubricants on production equipment which are easily degraded and environmentally friendly.

RESOURCES EFFICIENCY

Energy Consumption

During the Year, the Group's total energy consumption was 5,198.8 MWh equivalent, and the power consumption was 4,398.8 Mwh. Other energy consumption included liquefied petroleum gas, natural gas, gasoline and diesel. The Group's electricity consumption is mainly derived from its business in Hong Kong, of which the electricity consumption of Tai Po Production and R&D Base accounted for approximately 36.5% of the Group's total electricity consumption.

污水

本集團產生的污水主要涵蓋生產及生活廢水。為減低污水排放對環境造成的影響，我們每5年於大埔生產研發基地抽檢，確保合乎標準。我們沿政府鋪設的管道排放污水至固定污水處理系統，並供政府相關機構定時收集及抽樣檢驗。

生產的設備、容器、工具均使用廠房自製純水及已調配好濃度的酒精進行清潔及消毒。接觸藥品的設備清潔及消毒過程完全不使用任何清潔劑，確保排出的用水「零殘留、零污染」，把製藥過程對環境污染的損害程度減到最低。而生產設備亦採用容易分解的食品等級潤滑劑以減少污染。

資源效益

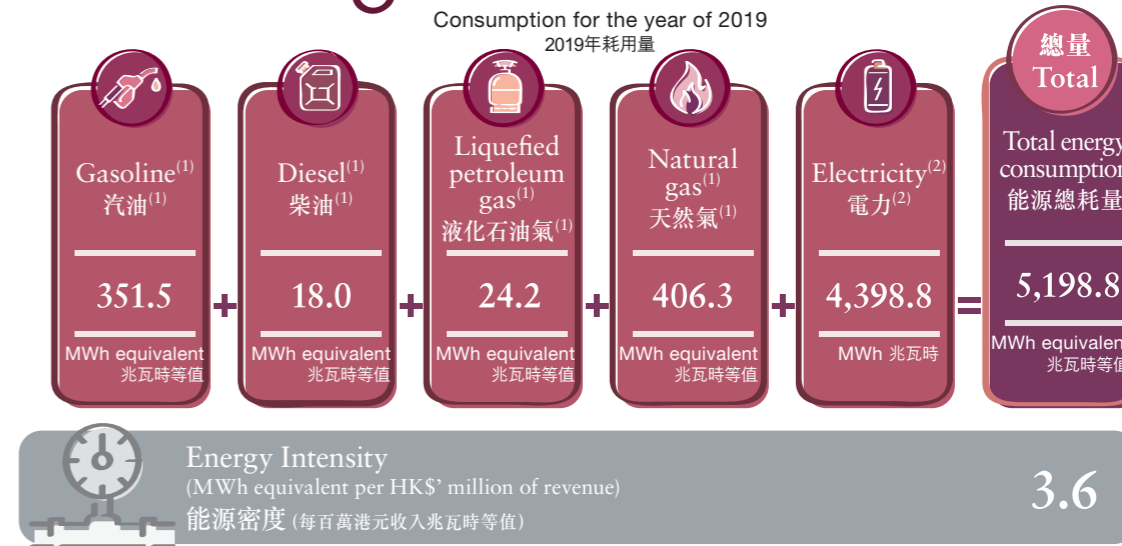
能源使用

本年，本集團的能源總耗量為5,198.8兆瓦時等值，總耗電量為4,398.8兆瓦時。其他能源使用包括液化石油氣、天然氣、汽油和柴油。本集團的耗電主要來自香港業務，其中大埔生產研發基地的用電佔集團總耗電量約36.5%。



ENERGY USED 能源使用

Consumption for the year of 2019  
2019年耗用量



Water Resources Usage

The Group's total water consumption for the year was 22,329 m<sup>3</sup>, and the water consumption intensity was 15.6 m<sup>3</sup>/revenue (HK\$ million).

水資源使用

本年，本集團的總耗水量為22,329立方米，耗水密度為15.6立方米/百萬港元收入。



WATER CONSUMPTION 用水

Consumption of year of 2019<sup>(3)</sup>  
2019年耗用量<sup>(3)</sup>



Notes 附註：

<sup>(1)</sup> Only includes the operation sites involved gasoline, diesel, liquefied petroleum gas and natural gas emissions.  
只包括涉及汽油、柴油、液化石油氣及天然氣消耗的營運點。

<sup>(2)</sup> Due to the failure of providing raw data at some operating sites for the Year, it is impossible to calculate and cover their electricity consumption.  
由於部分營運點未能提供原始數據致未能計算及涵蓋其電力消耗。

<sup>(3)</sup> Due to the failure of providing raw data at some operating sites for the Year, it is impossible to calculate and cover their water consumption.  
由於部分營運點未能提供原始數據致未能計算及涵蓋其耗水量。

Resources Reservation

The Group fully understands that energy and water are valuable natural resources shared among humans. This year, each operations of the Group obtained water from the government, and had no issue in sourcing water that is fit for purpose. We pay great emphasis on electricity and water conservation and require the employees to be prudent in the use of electricity and water resources without wastage. The Group has implemented a series of measures to enhance resources efficiency. As energy consumption is the primary source of the Group's greenhouse gas emission, we will continue our focus and strive to enhance the energy usage efficiency at the Tai Po Production and R&D Base, office and retail outlets.

節約資源

本集團深明能源及食水乃來自地球的寶貴天然資源，亦是人類的共享資源。本年，本集團各營運從市政府取水，並在求取適用水源上無任何問題。我們重視節約用電及用水，要求員工秉持合理使用、杜絕浪費的原則。本集團已實施一系列提升資源效益的措施。其中，鑑於能源消耗是本集團溫室氣體排放的主要來源，我們將繼續關注並努力提升大埔生產研發基地、辦公室及零售終端的能源使用效益。

Primary measures to enhance resources efficiency and minimize carbon emission 提升資源效益及減少碳排放的主要措施	
Tai Po Production and R&D Base 大埔生產研發基地	<ul style="list-style-type: none"> <li>The air conditioning and lighting system of the Production Base are set at day or night modes to reduce the energy consumption during night time 生產基地的空調及照明系統設日間及夜間模式，減少夜間能源損耗</li> <li>Install timers along the corridor, the surroundings and the concourse of the Production Base 於生產基地走廊、周邊及大堂設立時間掣</li> <li>Maintain energy consumption at a reasonable level based on the production requirement 按照生產需求，合理地安排用電</li> <li>Turn off all electrical, air conditioning and lighting appliances before leaving for the day or when not in use 於下班或無人使用時關掉所有設備、空調及照明系統</li> <li>Regularly check and maintain energy-consuming production equipment to sustain its energy efficiency 定期檢查保養耗能生產設備，以保持其能源效益</li> <li>Install information card for production equipment to make it easier for professionals to perform regular monitoring and follow-up 為生產設備配置設備狀態卡，方便專業人員定期監測及跟進</li> <li>Taking into account the actual needs, timers are installed for outdoor advertising signs so that the signs are only turned on for a designated period at night 考慮現場環境需要，為戶外招牌燈飾設立時間掣，於指定晚間時段關掉</li> <li>Maximise the use of natural light and adjust lightings based on sunlight conditions 儘量採用自然光，因應日照調整照明系統及亮燈習慣</li> <li>Adopt energy-saving lamps with higher energy efficiency 選用高能源效益的節能燈具</li> <li>Regularly perform inspection and maintenance to ensure proper functioning of water equipments and pipes 定期檢查和保養用水設備及管道，確保正常運作</li> <li>Regularly collect and inspect the electricity and water usage for analysis and response 定期收集和檢視用電及用水量以作分析反饋</li> <li>Deliberately selected and planned the plant species for greening Tai Po Production and R&amp;D Base 認真擇選及規劃設計大埔生產研發基地周邊綠化植物的種類</li> </ul>

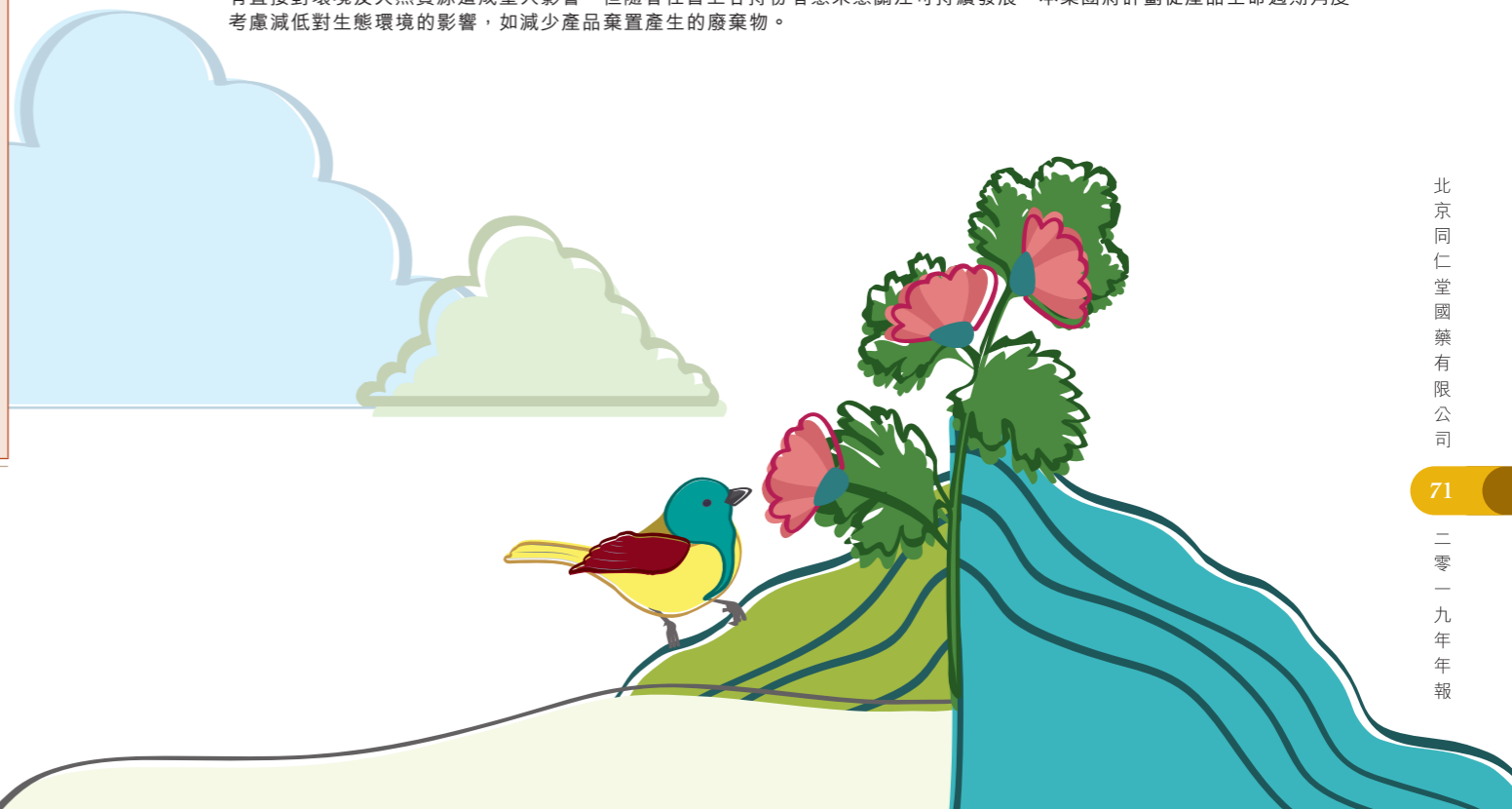
Primary measures to enhance resources efficiency and minimize carbon emission 提升資源效益及減少碳排放的主要措施	
Hong Kong office and retail outlets 香港辦公室及零售終端	<ul style="list-style-type: none"> <li>The air conditioning and lighting system of the office are set at day or night modes to reduce the energy consumption during night time 辦公室的空調及照明系統設日間及夜間模式，減少夜間能源損耗</li> <li>Air-conditioning temperature of office is set at 25.5°C 設定空調系統維持室內溫度 25.5°C</li> <li>Regularly educate the employees on the importance of energy and water conservation and saving 定期向員工灌輸節能節水的重要性</li> <li>Place different green plants in office to adjust the air quality and relieve the monotony and weariness from work 於辦公室放置各種綠色植物，以調節空氣及緩解工作帶來的單調與疲憊</li> <li>Remind employees to turn off all electrical, air conditioning and lighting appliances before leaving for the day or when not in use 提示員工於下班或無人使用時關掉所有設備、空調及照明系統</li> <li>Maximise the use of natural light and adjust lightings based on sunlight conditions 儘量採用自然光，因應日照調整照明系統及亮燈習慣</li> <li>Adopt energy-saving lamps with higher energy efficiency 選用高能源效益的節能燈具</li> <li>Regularly collect and inspect the electricity and water usage for analysis and response 定期收集和檢視用電及用水量以作分析反饋</li> </ul>

ENVIRONMENT AND NATURAL RESOURCES

In compliance with the laws and regulations, the Group regularly supervises each operation site in its daily operation to ensure the emission complies with statutory requirements. During its daily operation, there is no direct impact of material nature on the environment and natural resources. The Group, in view of the growing attention of all stakeholders in community on sustainability, intends to lower the ecological impact of product life cycle by reducing waste generated from the use of products.

環境及天然資源

本集團在日常營運中遵守有關環境的法律法規，定期監察各營運點，確保其排放物符合法定要求。儘管本集團的日常營運沒有直接對環境及天然資源造成重大影響，但隨著社會上各持份者愈來愈關注可持續發展，本集團將計劃從產品生命週期角度，考慮減低對生態環境的影響，如減少產品棄置產生的廢棄物。



We are committed to the corporate spirit of “Nurturing kindness and virtue, Preserving tranquility and wellness” to promote healthy life and TCM culture in the community.

我們秉承「同修仁德，濟世養生」的企業精神，於社區推廣健康生活及傳統中醫藥文化。

As a time-honored enterprise with centuries of history, Tong Ren Tang has always upheld the mission and vision of “Healthy Life Global Choice” to improve the wellness of the community and actively promote TCM culture across the world. While providing quality medicine products to the Chinese medicine market, the Group also actively participates in social welfare business. The Group fully carries out the responsibility of a corporate citizen and gives back to the community. We leverage our expertise in TCM to facilitate cooperation among different sectors of community and encourage employees to care for and serve the community. We promote community investment in four aspects, including “caring for public health”, “supporting the grassroots and the underprivileged”, “promoting TCM culture”, and “boosting TCM education”.

作為一家百年老字號，同仁堂一直以「創造健康，全球共享」為使命願景，提升社區健康水平，並積極於各地推廣中醫藥文化。本集團在為中國醫藥市場提供優質藥品的同時，也積極投身於社會公益事業，全力履行企業公民所肩負的責任，回饋社會。我們運用中醫藥的專長，緊密聯繫社會各界，鼓勵員工關愛和服務社區。我們循四方面推動社區投資，包括「關愛公眾健康」、「扶植貧困基層」、「弘揚中醫藥文化」和「推動中醫藥教育」。

This year, the employees of the Group participated in community activities for around 719 hours, and charitable donations exceeded about HK\$0.1 million. In the future, the Group will continue to understand and focus on the needs of the community, improve policies related to community investment, and create shared value for society and the environment.

本年，本集團的員工參與社區活動時數約719小時，慈善捐款約超過0.1百萬港元。未來，本集團將繼續了解及關注社區需要，完善社區投資相關政策，為社會及環境創造共享價值。



### Care for Public Health 關愛公眾健康

Promoting Chinese medicine healthcare, spreading health knowledge and enhancing health awareness  
推廣中醫養生，普及健康知識及提高健康意識

- Organised Chinese medicine healthcare seminars and free medical consultation activities to offer Chinese medicine services for employees at various enterprises and organisations  
舉辦中醫養生健康講座及義診活動，為多間企業及組織員工提供中醫服務
- Organised seminars and provided free Chinese medical consultation services to promote health knowledge and treatment approach in Hong Kong and overseas from time to time  
於香港及海外各地不定期安排講座及提供義診服務，傳授健康知識，展示治療手法
- Beijing Tong Ren Tang Gulf FZ-LLC sponsored Dubai Holding Burj Al Arab Swim in April 2019  
北京同仁堂海灣有限公司於2019年4月參與贊助迪拜帆船酒店游泳比賽活動
- This Year, the Group provided free consultation services to more than 1,510 people  
本年，本集團共為超過1,510人提供義診服務



### Supporting the Grassroots and the Underprivileged 扶持貧困基層

Providing assistance to people in distress and performing acts of kindness  
扶貧濟困，奉獻愛心

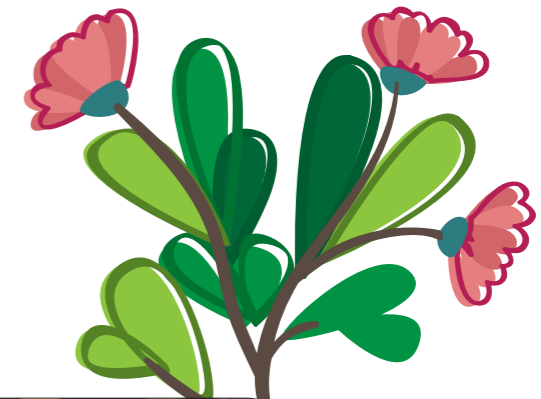
- Donated to various charities, including the Community Chest of Hong Kong and the Polish Food Bank  
慈善捐贈予多間慈善機構，包括香港公益金及波蘭食物銀行
- Participated in “The Community Chest 50th Anniversary Walk for Millions (Central – Wan Chai Bypass)” activity organised by the Community Chest  
參加由香港公益金主辦的「公益金50週年百萬行(中環及灣仔繞道)」步行籌款活動
- Participated in “Christmas Greetings for the Chest 2019” activity organised by the Community Chest  
參加由香港公益金主辦的「聖誕寄語為公益2019」活動
- Participated in the job fair organised by the Hong Kong College of Technology to provide more job opportunities to the grassroots and underprivileged  
參與由香港專業進修學校舉辦的招聘會以提供更多就業機會予貧困基層
- Organised as well as encouraged employees to establish corporate volunteering team and actively participated in social volunteering services. During the Year, our volunteering team joined the “A Day with Food Angel” activity organised by the Mingxi Charity Foundation Association and Food Angel teams. Under the thorough explanation from the working staff, the volunteering team visited the central kitchen of Food Angel in Chaiwan. The team tried the food processing and meal box packaging tasks as well as assisted the working staff to finish the subsequent recycling, sterilisation and cleaning works. From that they personally understood there are still poors not receiving adequate nutrition in developed communities where food wastage and food shortage co-exist  
組織及鼓勵員工成立企業義工團隊，積極參與及投入社會義工服務。本年，本公司義工團隊參加了由明曦公益基金會和「惜食堂」團隊組織的「惜食體驗日」公益活動。義工團隊透過工作人員詳細講解、參觀「惜食堂」位於柴灣的中央廚房，以及親身參與食材處理、包裝飯盒，並協助工作人員完成後續資源回收和消毒清潔工作，從而瞭解到在經濟發達的社區內仍然存在一些貧困人士無法得到足夠的營養保障，並出現食物浪費和食物短缺並存的情況



### Promoting TCM Culture 弘揚中醫藥文化

Promoting TCM Culture to benefit mankind  
弘揚中醫藥文化，造福人群

- Organised the Belt and Road Initiative TCM international development symposium cum overseas working conference 2019 in January 2019 and introduced the deep thoughts on international transmission of TCM and overseas' core development strategy  
於2019年1月舉辦「一帶一路」中醫藥國際化發展研討會暨2019年海外工作會，介紹中醫藥國際傳播的深刻思考與海外中心發展戰略
- Opened the Tai Po Production and R&D Base for public viewing through “The Fourth Capital State-owned Enterprise Open Day”. The Chief Executive of Hong Kong, Mrs Carrie Lam was invited to attend the opening ceremony and gave a speech on the open day. Hundreds of people from Hong Kong visited and attended the open day  
透過「第四屆首都國企開放日」開放大埔生產研發基地予公眾參觀。開放日當天亦邀請到香港特別行政區首長林鄭月娥蒞臨開幕式並致辭，同時吸引了數百名香港市民到場參觀
- Beijing Tong Ren Tang (Macau) Company Limited organised its first “Capital State-owned Enterprise Open Day” activity which included healthcare seminars and free Chinese medical consultation services. Officials from the Macao Special Administrative Region Government, members of the China People’s Political Consultative Conference, the press and citizens of Macao were invited to attend the open day  
北京同仁堂(澳門)有限公司首度舉行「國企開放日」系列活動，包括健康養生講座及免費中醫義診服務。開放日當天更邀請到澳門特別行政區政府官員及中國人民政治協商會議全國委員會委員等眾多嘉賓、媒體及澳門市民出席
- Beijing Tong Ren Tang Gulf FZ-LLC exclusively sponsored “Dubai-Macao TCM exchange program launching ceremony cum TCM and CAM Expo” opening ceremony in May 2019  
北京同仁堂海灣有限公司於2019年5月特約贊助「2019迪拜-澳門中醫藥文化交流計劃啟動儀式暨中醫與CAM展覽會」開幕典禮
- Beijing Tong Ren Tang (Auckland) Company Limited co-organised the 2019 “China Tourism and Culture Week – Recommendations for Traditional Chinese Medicine Culture and Health Tourism in New Zealand” held in Wellington, the capital city of New Zealand, in June 2019. Free TCM consultations were provided and many activities were carried out, including TCM seminars, TCM workshops, TCM culture and product exhibition  
北京同仁堂(奧克蘭)有限公司於2019年6月協辦在新西蘭首都威靈頓舉行的2019年「中國旅遊文化周-中醫藥文化和健康旅遊新西蘭推介活動」，並派出中醫師義診及進行中醫講座、中醫藥工作坊、中醫藥文化產品展示等活動
- In October 2019, Beijing Tong Ren Tang (Macau) Company Limited joined “The 24th Macao International Trade and Investment Fair MIF 2019” in Macao to further promote TCM and overseas reputation of Tong Ren Tang  
北京同仁堂(澳門)有限公司參加於2019年10月在澳門舉行的「第二十四屆澳門國際貿易投資展覽會MIF 2019」以進一步增加和推廣中醫藥和同仁堂於海外的知名度

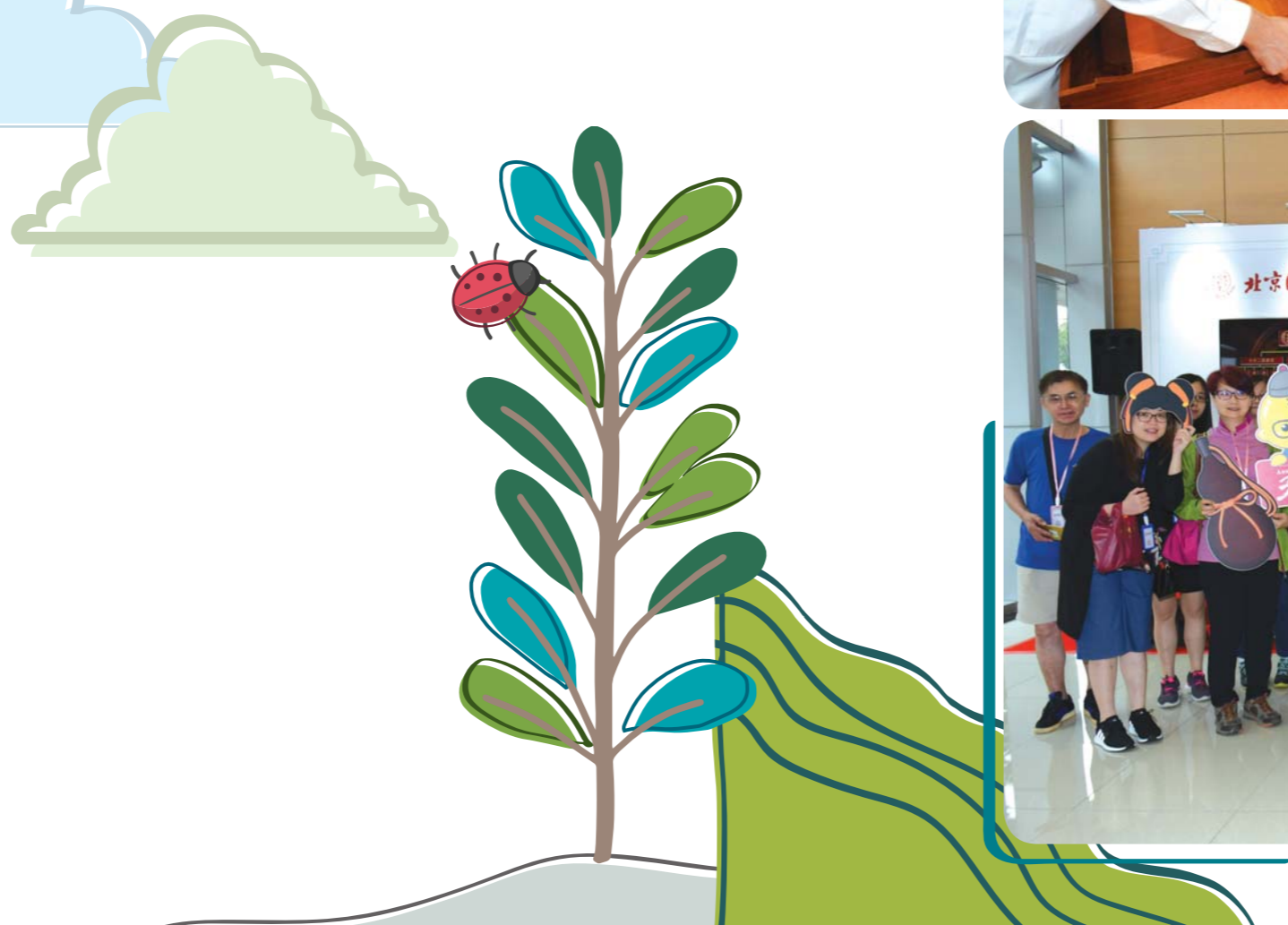




### Boosting TCM Education 推動中醫學教育

Promoting TCM education and development  
推動中醫藥教育，支援醫學發展

- Organised various theme-based talks and public health education seminars to support Chinese medicine development  
支持醫學發展，分別舉辦多種專題講座及公眾健康教育講座
- Supported students of excellence from School of Chinese Medicine, Hong Kong Baptist University and Western Sydney University. Encouraged students to actively explore TCM and give back to the community and help patients with excellent medical practices in the future  
藉獎學金的形式支持香港浸會大學中醫藥學院及 Western Sydney University 的優秀學生，鼓勵學生積極探索傳統中醫藥，將來以精湛的醫術回饋社會、幫助病人



Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
<b>A1: Emissions</b> 排放物		
General Disclosure 一般披露	Information on: Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	49,64
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	65
A1.2	Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。	64-65
A1.3	Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。	66-67
A1.4	Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度。	66-67
A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	64-65, 68, 70-71
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	66-67
<b>A2: Use of Resources</b> 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	64
A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及/或間接能源總耗量及密度。	68-69
A2.2	Water consumption in total and intensity. 總耗水量及密度。	69
A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	68-71
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	69-71
A2.5	Total packaging material used for finished products and with reference to per unit produced. 製成品所用包裝材料的總量及每生產單位佔量。	68
<b>A3: The Environment and Natural Resources</b> 環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	64
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	71

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
<b>B1: Employment</b> 僱傭		
General Disclosure 一般披露	Information on: Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	49, 58-59
B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	60-61
B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	61
<b>B2: Health and Safety</b> 健康與安全		
General Disclosure 一般披露	Information on: Relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	49, 56-57
B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	57
B2.2	Lost days due to work injury. 因工傷損失工作日數。	57
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	56-57
<b>B3: Development and Training</b> 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	62-63
B3.1	The percentage of trained employee by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	63
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	63

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
<b>B4: Labour Standards</b> 勞工準則		
General Disclosure 一般披露	Information on: Relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	47, 49
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	47
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	47
<b>B5: Supply Chain Management</b> 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	54-55
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	55
B5.2	Description of practices relating to engaging suppliers, number of suppliers being implemented with relevant practices and how the practices are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	54-55
<b>B6: Product Responsibility</b> 產品責任		
General Disclosure 一般披露	Information on: Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	47-48, 50-55
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	48
B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	52, 55
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	47
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	50-53
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	47

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
<b>B7: Anti-corruption</b> 反貪污		
General Disclosure 一般披露	Information on: Relating to bribery, extortion, fraud and money laundering. 關於賄賂、勒索、欺詐和洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	46-48
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	48
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	46-47
<b>B8: Community Investment</b> 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	72
B8.1	Focus areas of contribution. 專注貢獻範疇。	72-77
B8.2	Resources contributed. 在專注範疇所動用資源。	72



# INVESTOR RELATIONS REPORT

## 投資者關係報告

### MULTI-CHANNEL INVESTOR COMMUNICATION STRATEGY

We believe that expanding our diversified channels of effective communication will help us to streamline our communication with individuals, institutional shareholders and public investors (collectively named as “Investors” in this investor relations report), facilitate, open and transparent exchange of information. Investors’ understanding and understanding of the Company’s corporate mission and vision, development strategy, industry competition and operational and financial performance will enable investors to make investment decisions in informed circumstances. The Company is responsible for fair, accurate and timely disclosure of company information to ensure a high degree of transparency, enhance the Group’s attention, stabilize our relationship with investors, and strengthen the mutual trust of each other.

In 2019, the Group continued to maintain a positive and effective communication with investors who are concerned about the business development of the Company in a positive and responsive manner. The Group is committed to providing investors with convenient communication channels and endeavored to ensure that all published data are true and accurate and clear and balanced. The Group also collects feedback from investors and analysts and reflects the views to the management and the board of directors. We are committed to maintaining healthy and two-way communication to ensure that investors can fully understand the Group’s long-term development, strategy, industry competition and financial and operational performance.

### INVESTOR RELATIONS ACTIVITIES

The Group strictly follows the principle of fair disclosure to ensure fair communication with investors and the media and does not selectively disclose significant non-public information to any person. We are very supportive of investor relations activities. To facilitate the two-way communication with investors, the Group has adopted different ways, including local and overseas non-deal road shows, investor meetings, annual general meetings, corporate meetings, conference calls and e-mail consultation, to closely and frequently communicate with shareholders, analysts and potential investors.

During the Year, our management also participated in the investment summit organized by the world’s leading investment banks in Hong Kong and Beijing and also organized one-on-one and group investor meetings, teleconferences and non-deal roadshows in Hong Kong, Beijing, Shenzhen and Shanghai, communicating with over 200 investors.

The Group has made use of a number of channels to interact with investors and keep them abreast of the Group’s latest developments.

### Non-deal roadshows and investment forums

We hold non-deal roadshows after the interim and annual results announcement so that investors can obtain first-hand information on the latest release from the management. The Group also actively participates in several investment conferences organized by investment banks of which the management of the Group directly talks with investors and analysts to share our financial results, business strategies and etc..

Major investor conferences participated and roadshows held in 2019 are set out below:

Month 月份	Event 事項	Organizers 主辦機構	Location 地點
January 一月	China New Economy Summit 中國新經濟峰會	Morgan Stanley 摩根士丹利	Beijing 北京
March 三月	Non-Deal Roadshow 非交易路演	Morgan Stanley 摩根士丹利	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	CICC 中金公司	Shanghai 上海
	Non-Deal Roadshow 非交易路演	First Shanghai 第一上海	Shenzhen 深圳
	Non-Deal Roadshow 非交易路演	China Securities 中信建投	Beijing 北京
	Non-Deal Roadshow 非交易路演	Industrial Securities 興業證券	Hong Kong 香港
August 八月	Non-Deal Roadshow 非交易路演	Morgan Stanley 摩根士丹利	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	HSBC 滙豐	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	CICC 中金公司	Shanghai 上海
	Non-Deal Roadshow 非交易路演	First Shanghai 第一上海	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	Industrial Securities 興業證券	Hong Kong 香港
October 十月	Healthcare Corporate Day 醫療行業上市公司推介日	GF Securities 廣發證券	Hong Kong 香港

### 多渠道的投資者溝通策略

我們相信拓展多元化的有效溝通渠道，有助於深化我們與個人、機構股東及公眾投資者（於此投資者關係報告統稱「投資者」）進行暢通、便捷、公開和透明的資訊交流，更能加深投資者對本集團之企業使命及願景、發展策略、業內競爭情況以至營運及財務表現方面之認識及瞭解，從而讓投資者能在知情之情況下作出投資決定。本集團以公平、準確及適時披露公司資料為首任，以確保維持高透明度，提升本集團的關注度，穩固我們與投資者的關係，以及堅固雙方對彼此的信任。

2019年，本集團繼續秉承透明、可信與及時的原則，積極回應，時刻保持與關注公司業務發展的投資者的持續有效溝通。本集團致力為投資者提供便捷的溝通渠道，並盡力確保所公佈的全部數據均為真實無誤並清晰平衡地呈列，客觀披露數據。本集團亦收集投資者及分析員的反饋意見，並將該等意見反映給管理層及董事會。我們致力於保持健康及雙向的溝通，確保投資者能全面並及時地瞭解本集團的長期發展狀況、策略、行業競爭狀況以至財務及營運表現。

### 投資者關係活動

本集團嚴格遵循公平披露原則，確保以公平的方式與投資者及傳媒溝通，且不會選擇性地向任何人士透露重大非公開資料。我們對投資者關係活動十分支持，為促進與投資者之間的雙向溝通，本集團通過本地及國內外的非交易路演、投資者會議、股東週年大會、公司會面、電話會議及電郵諮詢等不同的渠道，與股東、分析師及潛在投資者作緊密及頻繁的交流。

本年，本公司管理層參加由世界著名投資銀行於香港及北京舉辦之投資者峰會，亦組織了單對單和小組投資者會議、電話會議，以及遍及香港、北京、深圳及上海的非交易路演，與逾200名投資者進行溝通。

本集團透過多種渠道與投資者互動交流，令投資者得悉本集團最新的發展動向。

### 非交易路演及投資者研討會

我們於中期及年度業績發佈後舉行非交易路演，以便投資者向管理層取得有關最新發佈業績的資料。本集團還積極參加由投資銀行組織的投資者峰會。本集團管理層於會上會見投資者及分析員，與他們分享本集團財務業績、業務策略等最新資料。

於2019年舉行之路演及參與之大型投資者峰會如下：

## Ongoing communication with the investment community

The Group actively arranged various investor relation activities, including telephone conferences with analysts and investor meetings and etc., in order to keep investors abreast of the Group's latest updates and business operations. Through such activities, we not only maintain close contact with investors so that investors can get more in-depth and meticulous understanding of the Company's situation, but also collect valuable advice from investor's on the Group's business strategy.

## Timely response to investors, analysts and media

Our investor relation representative provides detailed and accurate information in a timely manner in response to various forms of enquiries from Shareholders, investors, analysts and the media via email, fax or telephone.

## Factory visit

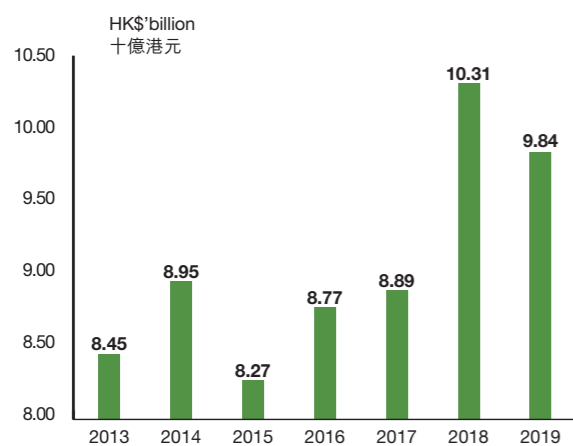
Factory visit is one of the best ways for our investors to understand our business operations. Upon receiving requests of investors from time to time or at the annual general meeting, the Group will arrange the relevant itinerary and reception as soon as possible, facilitating investors taking full advantage of this opportunity to understand the Group's products, historical development, shop display and sales management and other first-hand information.

Besides the above systematic communication activities, the Company website also contains an updated investor relations section to reach out to the investment community and public with the latest information on the Company. We also promote proactive communication through direct contact with our investor relations team via email at ir@tongrentangcm.com.

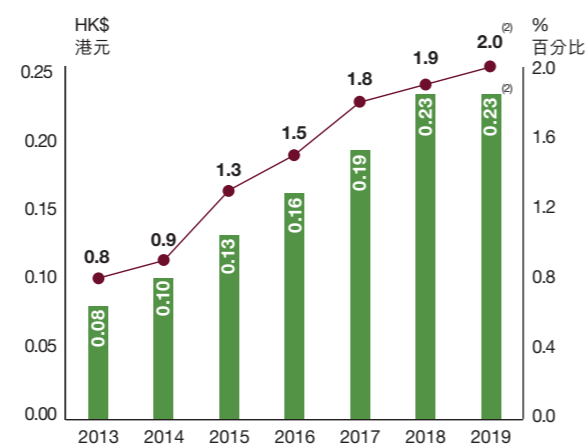
## Share Performance 股價表現

	2019	2018	2017	2016	2015	2014	2013
Closing price as at 31 December (HK\$ per share) 於12月31日的收市價(每股港元)	<b>11.76</b>	12.32	10.62	10.48	9.88	10.78	10.18
Highest price during the year (HK\$ per share) 年度最高價(每股港元)	<b>15.86</b>	17.94	12.00	12.20	14.82	12.50	14.90
Lowest price during the year (HK\$ per share) 年度最低價(每股港元)	<b>9.88</b>	10.54	9.98	7.55	7.71	9.09	4.70
Average daily trading volume (thousand share) 每日平均成交量(千股)	<b>854</b>	925	469	424	883	1,120	4,200

## MARKET CAPITALISATION<sup>(1)</sup> 市值<sup>(1)</sup>



## DIVIDEND PER SHARE AND DIVIDEND YIELD<sup>(1)</sup> 每股股息及股息率<sup>(1)</sup>



<sup>(1)</sup> Market capitalization and dividend yield are calculated based on the closing share price of the Company as at 31 December of the respective years.

市值及股息率是根據當年12月31日的本公司收市股價計算。

<sup>(2)</sup> Not included 2019 Special interim dividend (HK\$0.72 per share).  
不包括2019年特別中期股息(每股0.72港元)。

## 持續與投資界溝通

本集團主動地安排各種投資者溝通活動，包括分析師電話會議、投資者會議等，及時向投資者介紹和分析最新動向和經營情況。透過此類活動，我們既可與投資者維持緊密聯繫，讓投資者更加深入細緻的瞭解公司情況，亦可收集投資者對本集團業務策略的寶貴意見。

## 及時回應投資者、分析員及傳媒查詢

投資者關係負責人透過電郵、傳真或電話方式，及時回應股東、投資者、分析員及傳媒的各種查詢，並提供有關本公司準確詳盡的資料。

## 工廠參觀

親身參觀工廠是投資者瞭解我們業務營運情況的最佳方法之一。本集團在每年股東大會或不時收到投資者參觀工廠的要求後，會有專人儘快安排相關行程與接待，幫助投資者充分利用這機會，瞭解本集團的產品、歷史發展、店舖陳列、銷售管理等第一手資料。

除了以上系統性的溝通活動外，本公司網站的投資者關係網頁也在不斷更新，有助本公司向投資者及公眾人士提供本公司最新消息與及時的業務數據。另外，為了方便利益相關者獲取集團資訊，本公司亦通過投資者關係電子郵件ir@tongrentangcm.com與投資者進行直接聯絡，促進有效溝通。



## ANNUAL GENERAL MEETING

The AGM is a platform for face-to-face communication with Shareholders. Our Board members, senior management, lawyer and external auditor will attend and answer questions on the performance of the Group raised by the Shareholders.

The 2019 AGM was held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on 7 May 2019, for approval of, among others, the re-election of retiring Directors and the general mandates to issue and purchase shares. Particulars of the major items considered at the 2019 AGM are set out in the circular dated 2 April 2019. All proposed resolutions were passed by way of poll voting at the 2019 AGM.

The 2020 AGM will be held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on Friday, 12 June 2020 at 10:30 a.m..

## AWARDS AND RECOGNITION

This Year, the Company participated in presentation activity of the “2019 China Enterprise Excellence Award” jointly organized by Hong-Kong Mainland International Investment Society, Porda Havas International Finance Communications Group and AMO Group. We stood out from hundreds of renowned Mainland and local enterprises and have been awarded “The Best Enterprise”.

## 股東週年大會

股東週年大會是一個親身與股東交流的平台，我們的董事會成員、高級管理人員、公司律師及外聘核數師均會出席，可以就股東提出有關本集團表現的問題作出回應。

2019年股東週年大會於2019年5月7日假座香港新界大埔工業邨大景街3號舉行。2019年股東週年大會上通過之事項，其中包括重選退任董事以及發行及購回股份之一般授權等事宜。2019年股東週年大會上經考慮之主要事項詳情載於日期為2019年4月2日之通函內。所有於2019年股東週年大會上提呈之決議案，均以投票方式獲得通過。

2020年股東週年大會將於2020年6月12日(星期五)早上10時30分假座香港新界大埔工業邨大景街3號舉行。

## 屢獲殊榮

本年，本公司首次參與由香港國際投資總會、博達浩華國際財經傳訊集團及AMO集團聯合主辦的「2019中國企業精英」頒獎禮，從數百家國內外知名企業中脫穎而出，榮獲「最佳企業品牌」獎項。



# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員

### EXECUTIVE DIRECTORS

**Ding Yong Ling**, aged 56, is an executive director and the chairman of the Board of the Company. She is mainly responsible for leading the Board to determine the development strategic direction of the Group and the high-level oversight of the management. Ms. Ding was appointed as a managing director (now namely as chief executive officer) of the Company in September 2004 and the chairman of the Board of the Company on 11 March 2019. Ms. Ding resigned as the chief executive officer of the Company on 18 April 2019. Ms. Ding joined Beijing Tong Ren Tang Group in 1984 and was formerly the head of the foreign trade division of Tong Ren Tang Holdings, manager of the import and export branches and the executive director and the deputy general manager of Tong Ren Tang Technologies and the director of Beijing Tong Ren Tang International Co., Ltd., and also is currently the director and the deputy general manager of Tong Ren Tang Holdings. Ms. Ding graduated from the Party School of the Central Committee of the Communist Party of China in August 1997 with a bachelor's degree in major of economic management, and she further completed an on-the-job postgraduate course in international business administration at the Business School of the University of International Business and Economics in April 2002.

**Zhang Huan Ping**, aged 59, is an executive director and chief executive officer of the Company and is mainly responsible for our day-to-day operation and management. Mr. Zhang joined the Company as a deputy general manager in May 2008. He was appointed as a Director on 1 February 2011 and was also appointed as the chief executive officer of the Company on 18 April 2019. Mr. Zhang joined Beijing Tong Ren Tang Group in May 1979 and formerly served as the deputy manager of Tong Zhou Medicine Factory and Medicine Wine Factory of Tong Ren Tang Ltd., and an executive director of Tong Ren Tang Technologies. Mr. Zhang graduated in major of economic management from the Correspondence Institute of Party School of the Central Committee of the Communist Party of China in December 2000. He is a pharmacist-in-charge conferred by the Beijing Intermediate Professional Technical Titles Evaluation Committee in November 2002.

**Lin Man**, aged 44, is an executive director, the chief financial officer and the company secretary of the Company and is mainly responsible for finance management. Ms. Lin joined the Company in 2004 and was appointed as the company secretary in 2005 and the chief financial officer in 2008. Ms. Lin was appointed as a Director on 1 February 2011. Ms. Lin is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Lin obtained a bachelor's degree in arts in Polish from Beijing Foreign Studies University in July 1999 and a bachelor's degree in accounting and finance from the University of Lancaster in July 2004.

### NON-EXECUTIVE DIRECTOR

**Chen Fei**, aged 49, was appointed as a non-executive director of the Company on 24 March 2020. Mr. Chen currently serves as the manager of Operational Management Department of Tong Ren Tang Holdings. Mr. Chen joined Beijing Tong Ren Tang Group in August 1994, formerly served as the general manager of Beijing Tong Ren Tang (Thailand) Co., Ltd., the deputy manager of Economic Operation Department of Tong Ren Tang Holdings and the deputy manager of Pricing Department of Tong Ren Tang Holdings. Mr. Chen obtained a bachelor's degree in Chinese medicine from School of Chinese Medicine of Beijing Union University in August 1994.

### 執行董事

丁永玲，56歲，本公司執行董事兼董事會主席，主要負責帶領董事會釐定本集團發展策略方向及負責高層次督導管理層。丁女士於2004年9月獲委任為本公司董事總經理（現稱首席執行官），並於2019年3月11日獲委任為本公司董事會主席。於2019年4月18日，丁女士辭任本公司首席執行官。丁女士於1984年加入北京同仁堂集團，歷任同仁堂集團公司外經外貿處處長、進出口分公司經理、同仁堂科技執行董事兼副總經理、北京同仁堂國際有限公司董事總經理及現任同仁堂集團公司董事及副總經理。丁女士1997年8月畢業於中共中央黨校經濟管理專業並獲得大學學歷，其後於2002年4月完成對外經濟貿易大學國際商學院國際企業管理專業在職研究生課程。

張煥平，59歲，本公司執行董事兼首席執行官，主要負責本公司的日常營運及管理事宜。張先生於2008年5月加入本公司擔任副總經理，於2011年2月1日獲委任為本公司董事，並於2019年4月18日獲委任為本公司首席執行官。張先生於1979年5月加入北京同仁堂集團。歷任同仁堂股份通州製藥廠副廠長及藥酒廠副廠長，以及同仁堂科技執行董事。張先生於2000年12月畢業於中共中央黨校函授學院，主修經濟管理。於2002年11月獲北京市中級技術職稱評定委員會授予主管中藥師。

林曼，44歲，本公司執行董事兼財務總監及公司秘書，主要負責財務管理。林女士於2004年加入本公司，於2005年獲委任為公司秘書，於2008年獲委任為財務總監，於2011年2月1日獲委任為董事。林女士為香港會計師公會會員。林女士於1999年7月獲北京外國語大學授予波蘭語文學學士學位，於2004年7月獲蘭卡斯特大學授予會計與財務學士學位。

### 非執行董事

陳飛，49歲，於2020年3月24日獲委任為本公司非執行董事，現任同仁堂集團公司運營管理部部長。陳先生於1994年8月加入北京同仁堂集團，歷任北京同仁堂（泰國）有限公司總經理、同仁堂集團公司經濟運行部副部長、及同仁堂集團公司市場物價管理部副部長。陳先生於1994年8月獲北京聯合大學中醫藥學院授予中醫學學士學位。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Tsang Yok Sing, Jasper, G.B.M., G.B.S., J.P.**, aged 72, was appointed as an independent non-executive director of the Company on 12 September 2017. Mr. Tsang is Honorary Professor of the Faculty of Social Science of The Chinese University of Hong Kong and the Convenor of Hong Kong Vision Research Programme. Mr. Tsang currently serves as an independent non-executive director of Kunlun Energy Company Limited (Stock code: 135) which is listed on the Stock Exchange. Mr. Tsang held a number of posts in public service, including the President of the Fourth and the Fifth Legislative Council of the HKSAR from 2008 to 2016. Prior to his election as President of the Legislative Council of the HKSAR, Mr. Tsang served as a member of the Legislative Council from 1998 to 2016, representing the Kowloon West constituency from 1998 to 2008 and the Hong Kong Island constituency from 2008 to 2016. He served as a member of the Executive Council of the HKSAR from 2002 to 2008. From 1992 to 2003, he served as chairman of the Democratic Alliance for the Betterment of Hong Kong. Mr. Tsang was actively involved in the establishment of the HKSAR. He served as a member of the Preparatory Committee established by the Standing Committee of the Chinese National People's Congress in 1996 and a member of the Provisional Legislative Council of the HKSAR from 1997 to 1998. Mr. Tsang was a member of the National Committee of the Chinese People's Political Consultative Conference from 1993 to 2013, a non-executive director of the Hong Kong Securities and Futures Commission from 2001 to 2007, a member of the Executive Committee of the Commission on Strategic Development from 2005 to 2008, a board member of the Airport Authority Hong Kong from 2005 to 2008, a member of the Independent Commission Against Corruption Complaints Committee from 2003 to 2008 and a member of the Disaster Relief Fund Advisory Committee from 2002 to 2008. Mr. Tsang also served as a member of the Council of The Open University of Hong Kong from 1996 to 2005 and a member of the Standing Committee on Language Education and Research from 1996 to 2000. Mr. Tsang obtained a Bachelor of Arts degree at The University of Hong Kong in 1968, Certificate in Education at the University of Hong Kong in 1981 and a Master of Education degree at the University of Hong Kong in 1983. Mr. Tsang was appointed as a Justice of the Peace (J.P.) in 1998 and was awarded the Gold Bauhinia Star (G.B.S.) in 2002 and the Grand Bauhinia Medal (G.M.B.) in 2015.

**Zhao Zhong Zhen**, aged 62, was appointed as an independent non-executive director of the Company on 15 April 2013. Mr. Zhao is currently a professor of the School of Chinese Medicine of Hong Kong Baptist University. Mr. Zhao has been an associate professor of Hong Kong Baptist University since April 1999. Mr. Zhao is currently a member of the Chinese Pharmacopoeia Commission. From 1985 to 1987, Mr. Zhao was a research assistant of Institute of Chinese Material Medical China Academy of Chinese Medical Sciences. From 1987 to 1988 and 1991 to 1992, Mr. Zhao was a visiting scholar of Tokyo University of Pharmacy and Life Science. Mr. Zhao was a research director of a laboratory for Chinese medicines in Japan during the period from October 1992 to April 1999. From July 2009 to January 2010, Mr. Zhao was a visiting scholar of Osher Research Centre of Harvard Medical School and was a member of Chinese Medicine Development Committee from February 2013 to January 2019. Mr. Zhao obtained a bachelor's degree and a master's degree, both in Chinese medicine, from Beijing University of Chinese Medicine in March 1982, and from China Academy of Chinese Medical Sciences in December 1985, respectively. Mr. Zhao obtained his doctorate degree in pharmacy in Tokyo University of Pharmacy and Life Science in March 1992.

**Chan Ngai Chi**, aged 48, was appointed as an independent non-executive director of the Company on 15 April 2013. Prior to joining the Company, Mr. Chan had more than 20 years of financial management, compliance and auditing experience. Mr. Chan worked in the audit division of PricewaterhouseCoopers Hong Kong and various listed companies in Hong Kong and the U.S.. Mr. Chan worked in Tong Ren Tang Technologies as the financial controller and company secretary from 2004 to 2007. Mr. Chan worked as the principal financial officer of Gushan Environmental Energy Company Limited, which was a company listed on the New York Stock Exchange since December 2007 and privatized in October 2012. Mr. Chan is currently the principal financial officer of China Metal Resources Utilization Limited (Stock code: 1636). Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and also a Chartered Financial Analyst Charterholder. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor's degree in business administration in accounting in 1994 and also obtained a master's degree in Science from the Chinese University of Hong Kong in 2003.

## 獨立非執行董事

曾鈺成，大紫荊勳賢、金紫荊星章、太平紳士，72歲，於2017年9月12日獲委任為本公司獨立非執行董事。曾先生現為香港中文大學社會科學院榮譽教授，香港願景計劃召集人。曾先生目前出任於聯交所上市昆侖能源有限公司(股份代號：135)的獨立非執行董事。曾先生曾擔任多項政府公職，包括自2008年至2016年擔任香港特別行政區第四屆至第五屆立法會主席。在當選香港特別行政區立法會主席之前，曾先生於1998年至2016年擔任立法會議員，1998年至2008年代表九龍西選區、2008年至2016年代表香港島選區，並於2002年至2008年擔任香港特別行政區行政會議成員。自1992年至2003年，曾先生曾任民主建港聯盟主席。曾先生積極參與成立香港特別行政區的工作，曾出任全國人民代表大會常務委員會於1996年成立的香港特別行政區籌備委員會委員，並在1997年至1998年擔任香港特別行政區臨時立法會議員。曾先生分別於1993年至2013年擔任中國人民政治協商會議全國委員會委員，2001年至2007年擔任香港證券及期貨事務監察委員會非執行董事，2005年至2008年擔任策略發展委員會行政委員會委員，2005年至2008年擔任香港機場管理局成員，2003年至2008年擔任廉政公署投訴委員會委員，以及於2002年至2008年擔任賑災基金諮詢委員會委員。曾先生亦曾於1996年至2005年擔任香港公開大學校董，以及於1996年至2000年擔任語文教育及研究常務委員會委員。曾先生分別於1968年獲得香港大學文學士學位，於1981年獲得香港大學教育文憑，及於1983年獲得香港大學教育碩士學位。曾先生於1998年獲委任為太平紳士(J.P.)、於2002年獲頒授金紫荊星章(G.B.S.)及於2015年獲頒授大紫荊勳章(G.B.M.)。

趙中振，62歲，於2013年4月15日獲委任為本公司獨立非執行董事。趙先生現任香港浸會大學中醫藥學院講座教授，自1999年4月起擔任香港浸會大學副教授。目前，趙先生是國家藥典委員會委員。1985年至1987年，趙先生為中國中醫科學院中藥研究所助理研究員。於1987年至1988年及1991年至1992年，趙先生為東京藥科大學的訪問學者。趙先生曾於1992年10月至1999年4月在日本的中藥實驗室擔任主任研究員。於2009年7月至2010年1月，趙先生為哈佛大學醫學院Osher研究中心的訪問學者，並於2013年2月至2019年1月曾任香港中醫中藥發展委員會委員。趙先生於1982年3月獲北京中醫藥大學授予中醫學學士學位，於1985年12月獲中國中醫科學院授予中藥學碩士學位，於1992年3月獲東京藥科大學授予藥學博士學位。

陳毅馳，48歲，於2013年4月15日獲委任為本公司獨立非執行董事。加入本公司前，陳先生累積逾20年財務管理、合規及核數經驗。陳先生曾任職於香港羅兵咸永道會計師事務所核數部，多家香港及美國上市公司，於2004年至2007年擔任同仁堂科技財務總監兼公司秘書。陳先生曾擔任古杉環境能源有限公司(於2007年12月在紐約證券交易所上市且於2012年10月私有化的公司)的首席財務官。陳先生現任中國金屬資源利用有限公司(股份代號：1636)首席財務執行官。陳先生為香港會計師公會及英國特許公認會計師公會的資深會員，亦為特許財務分析師。陳先生於1994年畢業於香港科技大學並獲授工商管理會計學士學位，於2003年獲香港中文大學授予理學碩士學位。

## SENIOR MANAGEMENT

**Hua Ji Hong**, aged 45, is a deputy general manager of the Company, and is mainly responsible for the brand management, marketing, as well as sales and business management in traditional markets of the Company. Ms. Hua joined Beijing Tong Ren Tang Group in 2000. Ms. Hua obtained a bachelor's degree and a master's degree, both in Chinese medicine, from Beijing University of Chinese Medicine in June 1997 and July 2000, respectively.

**Li Xia**, aged 53, is the chief engineer of the Company, and joined the Company in 2008. Ms. Li has been in Beijing Tong Ren Tang Group since 1990 and is mainly responsible for research and development of Chinese medicines and healthcare products. Ms. Li obtained a bachelor's degree in Chinese medicine from Beijing University of Chinese Medicine in July 1989.

## CHANGE IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The change in the information of the Directors and senior management of the Company since the publication of the 2019 interim report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Director and Senior Management	Detail of Changes
<i>Non-executive Director</i>	
Mr. Chen Fei	Appointed as a non-executive director of the Company on 24 March 2020.
<i>Independent Non-executive Directors</i>	
Mr. Tsang Yok Sing, Jasper	Appointed as an independent non-executive director of Kunlun Energy Company Limited on 27 August 2019, a company publicly listed on the Stock Exchange.
Mr. Zhao Zhong Zhen	Not served as an associate dean and held the administrative post of the School of Chinese Medicine of Hong Kong Baptist University since September 2019.
<i>Senior Management</i>	
Mr. Anyang Ma, J.P.	Resigned as the deputy general manager of the Company on 10 October 2019.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors and Senior Management".

## 高級管理人員

花季紅，45歲，本公司副總經理，主要負責本公司的品牌管理、市場推廣、以及傳統市場的銷售及業務管理。花女士於2000年加入北京同仁堂集團。花女士於1997年6月及2000年7月先後獲北京中醫藥大學授予中醫學學士及碩士學位。

李霞，53歲，本公司總工程師，於2008年加入本公司。李女士於1990年加入北京同仁堂集團，主要負責研究與開發中藥及保健品。李女士於1989年7月獲北京中醫藥大學授予中醫學學士學位。

## 董事及高級管理人員資料變更

根據上市規則第13.51B(1)條之規定，本公司須予披露自本公司2019年中期報告刊發以來之董事及高級管理人員資料之變更載列如下：

董事及高級管理人員姓名	變動詳情
<i>非執行董事</i>	
陳飛先生	於2020年3月24日獲委任為本公司非執行董事。
<i>獨立非執行董事</i>	
曾鈺成先生	於2019年8月27日獲委任為昆侖能源有限公司(於聯交所上市的公司)獨立非執行董事。
趙中振先生	於2019年9月起不再擔任香港浸會大學中醫藥學院副院長行政職務。
<i>高級管理人員</i>	
馬安陽太平紳士	於2019年10月10日辭任本公司副總經理。

除上文所披露者外，概無其他資料須根據上市規則第13.51B(1)條之規定而予以披露。本公司董事之更新履歷詳情載於上文「董事及高級管理人員」一節。

# DIRECTORS' REPORT

## 董事會報告

The Directors are pleased to present the report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 29 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated income statement on pages 150 to 151 of this annual report.

The Board has proposed a final dividend of HK\$0.23 (2018: HK\$0.23) per ordinary share for the year ended 31 December 2019. Such final dividend will be proposed for approval by shareholders at the AGM to be held on Friday, 12 June 2020 and if approved, will be payable on or before Monday, 29 June 2020 to shareholders whose names appear on the Register of Members of the Company on Monday, 22 June 2020.

Details of the dividend for the year ended 31 December 2019 are set out in note 13 to the consolidated financial statements. Details of the dividend policy of the Company are also set out in the below section headed "Corporate Governance Report".

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 8 June 2020 to Friday, 12 June 2020 (both days inclusive), for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 5 June 2020; and
- (ii) from Thursday, 18 June 2020 to Monday, 22 June 2020 (both days inclusive), for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at the address as set out in sub-paragraph (i) above for registration no later than 4:30 p.m. on Wednesday, 17 June 2020.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

### SEGMENT INFORMATION

Details of the segment information of the Group are set out in note 5 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

### BORROWINGS

As at 31 December 2019, the Group had borrowings of HK\$1.1 million (2018: HK\$1.2 million), details of which are set out in note 24 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2019 are set out in note 22 to the consolidated financial statements.

董事欣然呈列本集團截至2019年12月31日止年度的報告及經審核合併財務報表。

### 主要業務

本公司主要從事中藥產品和保健品的生產、零售及批發業務，並提供中醫診療服務。本公司主要附屬公司之主要業務及其他詳情載於合併財務報表附註29。

### 業績及股息

本集團截至2019年12月31日止年度之業績載於本年報第150至151頁之合併收益表。

董事會建議就截至2019年12月31日止年度派付末期股息每股普通股0.23港元(2018年：0.23港元)。建議之末期股息將於2020年6月12日(星期五)舉行的股東週年大會上提呈股東批准，倘獲批准，將於2020年6月29日(星期一)或之前派發予2020年6月22日(星期一)登記在本公司股東名冊的股東。

截至2019年12月31日止年度之股息詳情載於合併財務報表附註13。本公司之股息政策詳情亦載於下文「企業管治報告」一節。

### 暫停辦理股份過戶登記手續

本公司將於下列時段暫停辦理股份過戶登記手續：

- (i) 由2020年6月8日(星期一)至2020年6月12日(星期五)(包括首尾兩天)，暫停辦理股份過戶登記手續，以確定股東可出席股東週年大會並於會上投票的權利。為確保合資格出席股東週年大會及於會上投票的權利，所有過戶文件連同有關股票，必須於2020年6月5日(星期五)下午4時30分前，送交本公司香港證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖；及
- (ii) 由2020年6月18日(星期四)至2020年6月22日(星期一)(包括首尾兩天)，暫停辦理股份過戶登記手續，以確定股東享有建議末期股息的資格。凡欲獲派末期股息，所有過戶文件連同有關股票，必須於2020年6月17日(星期三)下午4時30分前，送交本公司香港證券登記處香港中央證券登記有限公司(其地址列於上文分段(i))。

於上文分段(i)及(ii)所述期間內將不會辦理股份過戶登記手續。

### 分部資料

本集團分部資料的詳情載於合併財務報表附註5。

### 物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於合併財務報表附註15。

### 借貸

於2019年12月31日，本集團之借貸為1.1百萬港元(2018年：1.2百萬港元)，詳情載於合併財務報表附註24。

### 股本

本公司於截至2019年12月31日止年度內的股本變動詳情載於合併財務報表附註22。

## RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2019 are set out in notes 31 and 23 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 156 to 157 of the annual report, respectively.

## DISTRIBUTABLE RESERVES

As at 31 December 2019, the reserves of the Company available for distribution amounted to HK\$1,772.1 million (2018: HK\$2,012.0 million).

## DONATIONS

Cash charitable donations made by the Group during the year ended 31 December 2019 amounted to HK\$0.1 million (2018: HK\$1.9 million).

## SEVEN YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last seven financial years is set out on pages 6 to 7 of the annual report.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, revenue received/receivable from the top five customers in aggregate and the single largest customer accounted for approximately 51.7% (2018: 46.0%) and 22.6% (2018: 17.1%) of the Group's revenue, respectively.

During the year ended 31 December 2019, purchases paid/payable to the top five suppliers in aggregate and the largest supplier constituted approximately 54.2% (2018: 70.1%) and 28.4% (2018: 37.0%) of the Group's total purchases, respectively.

For the years ended 31 December 2019, among the Group's top five customers include a subsidiary of the ultimate holding company and subsidiaries of the intermediate holding company. In addition, the Group's top five suppliers include the immediate holding company, the intermediate holding company and their associates.

Save as disclosed above, none of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in any of the top five customers and suppliers.

## RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group values the contributions of employees. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. Details are set out below under the section "Emolument Policy" and note 2(v) to the consolidated financial statements.

To maintain its core competitiveness, the Group aims at delivering constantly high standards of quality in the Chinese medicine products and service to its customers. The Group also understands that it is important to maintain good relationship with its customers and suppliers to fulfil its long term goals and carefully select (including and taking into account their financial position, credit history and other factors) our suppliers to ensure that our commitment to customers of quality and ethics. As at 31 December 2019, majority of the Group's trade receivables are due within 90 days from the date of invoices, and credit periods granted to distributors, including fellow subsidiaries, joint ventures and associates, normally range from 30 days to 90 days. Details are set out in note 20 to the consolidated financial statements. During the year ended 31 December 2019, there was no material and significant dispute between the Group and its customers and/or suppliers.

## 儲備

本公司及本集團截至2019年12月31日止年度的儲備變動詳情分別載於合併財務報表附註31及23及本年報第156至157頁之合併權益變動表。

## 可供分派儲備

於2019年12月31日，本公司的可供分派儲備為1,772.1百萬港元（2018年：2,012.0百萬港元）。

## 捐贈

截至2019年12月31日止年度，本集團慈善現金捐贈為0.1百萬港元（2018年：1.9百萬港元）。

## 七年財務摘要

本集團於過去七個財政年度之業績、資產及負債概要載於本年報第6至7頁。

## 主要客戶及供應商

截至2019年12月31日止年度，來自五大客戶合共及單一最大客戶的已收／應收收益分別佔本集團收入約51.7%（2018年：46.0%）及22.6%（2018年：17.1%）。

截至2019年12月31日止年度，已付／應付五大供應商合共及最大供應商採購額分別佔本集團總採購額約54.2%（2018年：70.1%）及28.4%（2018年：37.0%）。

截至2019年12月31日止年度，本集團的五大客戶中包括了我們的最終控股公司旗下的一家附屬公司及我們的中間控股公司旗下的附屬公司。此外，本集團的五大供應商中包括了我們的直接控股公司、中間控股公司及其聯繫人。

除上文所披露外，本公司董事、彼等的聯繫人或任何股東（就董事所知持有本公司5%以上股本）概無擁有五大客戶及五大供應商的任何權益。

## 與僱員、客戶及供應商關係

本集團重視僱員貢獻。本集團提供有競爭力的薪酬待遇以吸引和激勵僱員。本集團定期檢討員工的薪酬待遇，並進行必要的調整，以符合市場標準。詳情載於下文「酬金政策」一節及合併財務報表附註2(v)。

為保持其品牌核心競爭力，本集團致力於為客戶持續提供高質量的中藥產品和服務。本集團亦了解與客戶和供應商保持良好關係對實現其長期目標的重要性，並審慎挑選我們的供應商（包括考慮其財務狀況、信貸歷史及其他因素）以盡力確保我們對客戶質量及道德的承諾。於2019年12月31日，本集團大部份貿易應收款項於開具發票之日起90天內到期，授予分銷商（包括同系附屬公司、合營企業及聯營公司）的信貸期為30至90天，詳情載於合併財務報表附註20。截至2019年12月31日止年度，本集團與客戶及／或供應商之間沒有重要和重大爭議。



## DIRECTORS

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

### Executive Directors

Ding Yong Ling (*Chairman*) (appointed as chairman of the Board on 11 March 2019)  
Zhang Huan Ping (*Chief Executive Officer*) (appointed as chief executive officer on 18 April 2019)  
Lin Man (*Chief Financial Officer and Company Secretary*)

### Non-executive Directors

Mei Qun (*Chairman*) (retired on 11 March 2019)  
Chen Fei (appointed on 24 March 2020)

### Independent Non-executive Directors

Tsang Yok Sing, Jasper  
Zhao Zhong Zhen  
Chan Ngai Chi

In accordance with Articles 81(B) and 97 of the Articles of Association, Mr. Chen Fei, who was appointed as a non-executive director of the Company with effect from 24 March 2020, shall hold office only until the conclusion of AGM and shall then be eligible for re-election at the AGM. Accordingly, three directors, namely, Ms. Ding Yong Ling, Ms. Lin Man and Mr. Chen Fei shall retire from office by rotation respectively at the forthcoming AGM and, all being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

With effect from 11 March 2019, Mr. Mei Qun has retired as the non-executive director and chairman of the Board of the Company as Mr. Mei Qun has passed the retirement age.

Ms. Ding Yong Ling was appointed as the chairman of the Board with effect from 11 March 2019.

Ms. Ding Yong Ling also wishes to focus on her role as chairman of the Board of the Company to lead the Board to determine the strategic direction of the Group and is responsible for the high-level oversight of the management. She resigned as chief executive officer of the Company with effect from 18 April 2019. Mr. Zhang Huan Ping was appointed as chief executive officer of the Company with effect from 18 April 2019.

The Company has received, from each of the independent non-executive directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive directors are independent. A full list of the names of the directors of the Group's subsidiaries can be found in the Company's website ([www.tongrentangcm.com](http://www.tongrentangcm.com)) under "Investor Relations".

## DIRECTORS' SERVICE AGREEMENTS

All executive directors, Ms. Ding Yong Ling, Mr. Zhang Huan Ping and Ms. Lin Man, have entered into service contracts with the Company for a fixed term of three years commencing from 15 April 2019.

Non-executive director, Mr. Chen Fei, has entered into a service contract with the Company for a fixed term of three years commencing from 24 March 2020.

Mr. Tsang Yok Sing, Jasper, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, being all our independent non-executive directors, has entered into a letter of appointment with the Company for a fixed term of three years commencing from 12 September 2017, 15 April 2019 and 15 April 2019, respectively, unless terminated by either party giving at least two months' notice in writing.

None of the Directors has entered or proposed to enter into any service contracts with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management of the Group are set out on pages 88 to 93 of the annual report.

## 董事

於年內及截至本報告日期止之董事如下：

### 執行董事

丁永玲 (主席) (於2019年3月11日獲委任為董事會主席)  
張煥平 (首席執行官) (於2019年4月18日獲委任為首席執行官)  
林曼 (財務總監兼公司秘書)

### 非執行董事

梅群 (主席) (於2019年3月11日退任)  
陳飛 (於2020年3月24日獲委任)

### 獨立非執行董事

曾鈺成  
趙中振  
陳毅馳

根據本公司之章程81(B)條及第97條，董事陳飛先生獲委任為本公司非執行董事並於2020年3月24日生效，其任職將直至本公司下屆股東週年大會，及倘符合資格，將於應屆股東週年大會上膺選連任。故此，三位董事丁永玲女士、林曼女士及陳飛先生將於應屆股東週年大會輪值退任，而彼等符合資格，並願意於應屆股東週年大會上膺選連任董事。

梅群先生由於已屆退休年齡，自2019年3月11日起退任本公司非執行董事及董事會主席。

丁永玲女士獲委任為董事會主席，自2019年3月11日生效。

丁永玲女士亦希望專注於擔任本公司董事會主席的職務以帶領董事會釐定本集團發展策略方向及負責高層次督導管理層，自2019年4月18日起辭任本公司首席執行官。張煥平先生獲委任為首席執行官，自2019年4月18日生效。

本公司已獲每位獨立非執行董事根據上市規則第3.13條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。本集團下屬子公司之董事完整名單可以從公司網站 ([www.tongrentangcm.com](http://www.tongrentangcm.com)) 中「投資者關係」查詢。

## 董事服務協議

全體執行董事丁永玲女士、張煥平先生及林曼女士與本公司訂立服務合約，自2019年4月15日起為期3年。

非執行董事陳飛先生與本公司訂立服務合約，自2020年3月24日起為期3年。

獨立非執行董事曾鈺成先生、趙中振先生及陳毅馳先生各自與本公司訂立委任書，分別自2017年9月12日、2019年4月15日及2019年4月15日起為期3年，惟任何一方發出至少兩個月的書面通知終止則除外。

董事概無與本公司訂立或擬訂立於1年內終止而須支付補償(法定補償除外)的任何服務合約。

## 董事及高級管理人員履歷

董事及本集團高級管理人員履歷詳情載於本年報第88至93頁。

## EMOLUMENT POLICY

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance. Details of the fee and emolument of the Directors are set out in note 8 to the consolidated financial statements.

## RETIREMENT SCHEMES

The Group operates various retirement schemes. Particulars of these retirement schemes are set out in note 2(v) to the consolidated financial statements.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2019, the interest and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (Chapter 571 of the laws of Hong Kong)) of Directors and chief executives of the Company which would have to be notified to the Company pursuant to of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules of the Exchange, to be notified to the Company and the Exchange, were as follows:

### Long position in shares

	Types of interests 權益性質	Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital 佔已發行股本的 概約百分比
<b>The Company 本公司</b>				
Ding Yong Ling 丁永玲	Personal 個人	Beneficial owner 實益擁有人	350,000	0.041%
Lin Man 林曼	Personal 個人	Beneficial owner 實益擁有人	250,000	0.029%
<b>Tong Ren Tang Technologies 同仁堂科技</b>				
Mei Qun 梅群 (retired on 11 March 2019 於2019年3月11日退任)	Personal 個人	Beneficial owner 實益擁有人	3,000,000 <sup>(1)</sup>	0.234%
<b>Tong Ren Tang Ltd. 同仁堂股份</b>				
Mei Qun 梅群 (retired on 11 March 2019 於2019年3月11日退任)	Personal 個人	Beneficial owner 實益擁有人	93,242 <sup>(2)</sup>	0.007%

#### Notes:

<sup>(1)</sup> These shares represent 0.46% of domestic shares of Tong Ren Tang Technologies.

<sup>(2)</sup> All represent A shares of Tong Ren Tang Ltd..

Save as disclosed above, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the Model Code contained in Appendix 10 of the Listing Rules.

## RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the section "Directors' and chief executives' interests in shares" above, at no time during the year ended 31 December 2019 was the Company, any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or their respective associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## 酬金政策

本集團僱員之薪酬乃經參考市場條款及僱員個人表現、資歷及經驗後釐定。董事之薪酬乃經參照經濟形勢、市場情況、各位董事的職責和個人表現後釐定。董事袍金及酬金詳情載於合併財務報表附註8。

## 退休計劃

本集團實行多項退休計劃。這些退休計劃詳情載於合併財務報表附註2(v)。

## 董事及主要行政人員於股份中的權益

於2019年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）（香港法例第571章）的股份及相關股份中，擁有根據證券及期貨條例第XV部須知會本公司的權益（包括根據證券及期貨條例有關規定彼等當作或視作擁有的權益）及根據證券及期貨條例第352條須予備存的登記冊所記錄或根據上市規則附錄10所載的標準守則之規定須知會本公司及聯交所的權益及淡倉如下：

### 股份好倉

#### 附註：

<sup>(1)</sup> 該等股份佔同仁堂科技內資股的0.46%。

<sup>(2)</sup> 全部為同仁堂股份的A股。

除上文所披露外，概無董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄或根據上市規則附錄10所載的標準守則須知會本公司及聯交所的任何權益及淡倉。

## 收購股份或債權證的權利

除上文「董事及主要行政人員於股份中的權益」一節所披露外，本公司、其任何附屬公司或其任何同系附屬公司於截至2019年12月31日止年度內任何時間，概無訂有任何安排，賦予本公司董事或主要行政人員或彼等各自的聯繫人士（定義見上市規則）任何權利可認購本公司或任何相聯法團（定義見證券及期貨條例）的證券或透過收購本公司或任何其他法人團體的股份或債權證的方式取得利益。

## 董事所持競爭業務權益

董事或彼等各自的聯繫人概無擁有根據上市規則第8.10條須予披露的任何競爭業務權益。

## INTERESTS IN COMPETING BUSINESSES

To ensure that the business classification between the Company and the Controlling Shareholders are properly documented and established, each of the Controlling Shareholders entered into a deed of non-competition (the “Deed of Non-competition”) in favour of the Company on 18 April 2013, details of which are set out in the Prospectus, mainly to the effect that at any time until their collective beneficial interest in the equity interest in the Company is less than 30%, each of them shall not, and shall procure their respective subsidiaries (except through its interests in the Group) not to, without prior written consent of the Company, directly or indirectly:

- (i) engage in the research, development, manufacture and sales of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in the Non-PRC Markets;
- (ii) engage in the research, development, manufacture and sale of any products with “Tong Ren Tang” brands in Non-PRC Markets, except for the manufacture of the Chinese medicine products for the two independent third parties in Japan; for the avoidance of doubt and without prejudice to the generality of the Deed of Non-competition, except for the current excluded business in Japan, engage in arrangement with any other parties in the Non-PRC Markets similar to the excluded business in Japan;
- (iii) carry out any sales or registration (new or renewal) for Angong Niu Huang Wan in the Non-PRC Markets;
- (iv) engage in the distribution of any Chinese medicine products in Non-PRC Markets, except for certain existing arrangements as disclosed in the Prospectus; and
- (v) carry out any new overseas registration of “Tong Ren Tang” branded products ((i) to (v) are collectively known as “Restricted Business”).

In addition, under the Deed of Non-competition, each of the Controlling Shareholders has also undertaken that if each of them and/or any of its associates is offered or becomes aware of any project or new business opportunity (the “New Business Opportunity”) that relates to the Restricted Business, whether directly or indirectly, it shall (i) promptly and in any event not later than seven (7) days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to it and/or its associates.

The Directors (including the independent non-executive directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity within thirty (30) business days of receipt of notice from Controlling Shareholders.

Tong Ren Tang Holdings has also granted the Company rights of first refusal to acquire its interest in Beijing Tong Ren Tang Hong Kong Medicine Management Limited, Beijing Tong Ren Tang (UK) Limited and Beijing Tong Ren Tang Tai Fong Co., Ltd. on terms which are not less favorable than the terms it wishes to sell to other parties.

In this connection, the Group adopted the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of the shareholders of the Company:

- (i) the independent non-executive directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by the Controlling Shareholders; and
- (ii) the Company will disclose the review by the independent non-executive directors with basis on the compliance with and enforcement of the terms of the Deed of Non-competition in its annual report.

In monitoring the competing business of the Parent Group, an executive committee (the “Competition Executive Committee”) comprising two disinterested Directors, namely Mr. Zhang Huan Ping and Ms. Lin Man, has been established with the following major responsibilities:

- (a) conduct quarterly inspection of the distribution channels of the Parent Group, including retail stores and wholesale customers, to check whether any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC) is sold in Non-PRC Markets; and
- (b) conduct quarterly communications with representatives of the Parent Group to confirm whether their research and development portfolio has any products which contain ganoderma lucidum or ganoderma lucidum spores as raw materials.

## 競爭業務權益

為妥善紀錄及界定本公司及控股股東各自的業務分野，各控股股東與本公司於2013年4月18日訂立不競爭契據（「不競爭契據」），其詳情刊載於本公司招股章程，除非彼等共同實際擁有本公司權益少於30%，否則於任何時間均不會、並促使彼等各自的附屬公司不會在未經本公司事先書面同意的情況下，直接或間接（借助本集團權益而進行除外）：

- (i) 於非中國市場從事研發、製造及銷售以靈芝或靈芝孢子為原材料的產品；
- (ii) 於非中國市場研發、製造及銷售任何「同仁堂」品牌的產品，惟為日本兩名獨立第三方製造的中藥產品除外。僅此說明，在不影響不競爭契據一般性原則下，除目前於日本的除外業務外，不會與非中國市場任何其他各方訂立與日本除外業務類似的安排；
- (iii) 於非中國市場銷售或註冊（新註冊或續期）安宮牛黃丸；
- (iv) 於非中國市場從事任何中藥產品的分銷，惟本公司招股章程所披露的若干現有安排除外；及
- (v) 進行任何「同仁堂」品牌產品的新海外註冊（第(i)至(v)項統稱為「受限制業務」）。

此外，根據不競爭契據，各控股股東亦承諾，倘彼等各自及／或其任何聯繫人士直接或間接獲要約進行或得悉任何與受限制業務相關的項目或新業務機會（「新業務機會」），其必須(i)立即且無論如何不得遲於七(7)天向本公司發出有關該等機會的通知書，並向本公司提供其合理要求的資料，以使本公司可在知情情況下對該等機會作出評估；及(ii)盡力促使該等機會按不遜於其及／或其聯繫人獲提供的條款提供予本公司。

董事（包括獨立非執行董事）會審閱新業務機會，並於接獲控股股東通知後三十(30)個營業日內決定是否投資新業務機會。

同仁堂集團公司亦向本公司授予優先認購權，本公司可按不遜於同仁堂集團公司願意向其他人士出售的條款收購其所持北京同仁堂香港藥業管理有限公司、北京同仁堂(英國)有限公司及北京同仁堂太豐股份有限公司的權益。

有見及此，本集團採取下列企業管治措施以應付任何日後潛在競爭業務產生的任何潛在利益衝突及保障本公司股東利益：

- (i) 獨立非執行董事須至少每年審閱控股股東有否遵守及執行不競爭契據的條款；及
- (ii) 本公司將於年報披露獨立非執行董事基於遵守及執行不競爭契據之條款進行的審閱。

為監察母集團的競爭業務，由兩名無權益董事（即張煥平先生及林曼女士）組成之執行委員會（「競爭執行委員會」）已成立，其主要職責如下：

- (a) 對母集團分銷渠道（包括零售店舖及批發客戶）進行季度檢查，以檢查是否有以靈芝或靈芝孢子為原材料的產品（破壁靈芝孢子粉膠囊除外）於非中國市場銷售；及
- (b) 每季與母集團代表溝通，確認彼等的研發產品組合中是否有以靈芝或靈芝孢子為原材料的產品。

A supervisory committee (the "Competition Supervisory Committee"), comprising three independent non-executive directors, namely, Mr. Tsang Yok Sing, Jasper (Chairman), Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, has been established, with the following major responsibilities:

- (a) meet quarterly and review the quarterly inspection record and daily communication records by the Competition Executive Committee (if applicable); and
- (b) report findings during its review of the records provided by the Competition Executive Committee to the Board which will be published in the Company's annual report.

To the best knowledge of the Competition Executive Committee, they are not aware of the distribution channels of the Parent Group selling any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC) in Non-PRC Markets for the year ended 31 December 2019.

## SUBSTANTIAL SHAREHOLDERS

At 31 December 2019, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Exchange pursuant to Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

### Long Position in Shares

Name of shareholder 股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital 佔已發行股本的概約百分比
Tong Ren Tang Technologies 同仁堂科技	Beneficial owner 實益擁有人	318,540,000	38.05%
Tong Ren Tang Ltd. <sup>(1)</sup> 同仁堂股份 <sup>(1)</sup>	Beneficial owner 實益擁有人	281,460,000	33.62%
Tong Ren Tang Holdings <sup>(2)</sup> 同仁堂集團公司 <sup>(2)</sup>	Interest of a controlled corporation 受控制公司的權益	318,540,000	38.05%
	Interest of a controlled corporation 受控制公司的權益	600,000,000	71.67%

Notes:

- (1) Tong Ren Tang Ltd. directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Ltd. is deemed to be interested in 318,540,000 shares of the Company held by Tong Ren Tang Technologies.
- (2) Tong Ren Tang Holdings directly holds 52.45% of the issued share capital of Tong Ren Tang Ltd. which in turn directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Tong Ren Tang Holdings also directly holds 0.74% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Holdings is deemed to be interested in 318,540,000 shares of the Company and 281,460,000 shares of the Company held by Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.

Save as disclosed above, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 December 2019 are set out in note 28 to the consolidated financial statements, certain of these transactions also constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

由三名獨立非執行董事(即曾鈺成先生(主席)、趙中振先生及陳毅馳先生)組成之監察委員會(「競爭監察委員會」)已成立,其主要職責如下:

- (a) 每季開會並審閱競爭執行委員會的季度檢查記錄及每日通訊記錄(如適用);及
- (b) 向董事會報告競爭執行委員會所提供記錄的審閱結果(將刊載於本公司年報)。

就競爭執行委員會所知悉,截至2019年12月31日止年度,母集團並無於非中國市場設立分銷渠道銷售任何以靈芝或靈芝孢子為原材料的產品(破壁靈芝孢子粉膠囊除外)。

## 主要股東

於2019年12月31日,在本公司股份及相關股份中擁有根據證券及期貨條例第XV部已知會本公司及聯交所及登記於本公司所根據證券及期貨條例第336條備存登記冊的權益或知會本公司的權益的人士(董事或本公司主要行政人員除外)如下:

### 股份好倉

附註:

- (1) 同仁堂股份直接持有同仁堂科技已發行股本的46.85%。因此,同仁堂股份視為擁有同仁堂科技所持本公司318,540,000股股份的權益。
- (2) 同仁堂集團公司直接持有同仁堂股份已發行股本的52.45%,而同仁堂股份則直接持有同仁堂科技已發行股本的46.85%。同仁堂集團公司亦直接持有同仁堂科技已發行股本的0.74%。故此,同仁堂集團公司視為擁有同仁堂科技及同仁堂股份分別所持本公司318,540,000股股份及本公司281,460,000股股份的權益。

除上文所披露外,本公司並無獲悉任何人士(董事或本公司主要行政人員除外)知會擁有根據證券及期貨條例第XV部條文須向本公司披露或根據證券及期貨條例第336條本公司須予備存的登記冊所記錄的本公司股份或相關股份權益或淡倉。

## 關聯方交易

本集團截至2019年12月31日止年度的關聯方交易詳情載於合併財務報表附註28,其中若干交易亦為上市規則第14A章規定的關連交易/持續關連交易。本公司確認一直遵守上市規則第14A章的披露規定。

## CONTINUING CONNECTED TRANSACTIONS

The Group has entered into a number of connected transactions/continuing connected transactions with the connected persons (as defined in the Listing Rules) of the Company. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of GEM Listing Rules (applicable to the Company prior to the Transfer of listings and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of listing). Details of the non-exempted continuing connected transactions of the Group during the year ended 31 December 2019 are as follows:

### (1) PRC Distribution Framework Agreement

On 14 December 2016, the Company and Tong Ren Tang Holdings entered into a PRC distribution framework agreement (the "PRC Distribution Framework Agreement") that Tong Ren Tang Group (collectively refer to Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates, other than Tong Ren Tang Technologies and its subsidiaries) act as a non-exclusive distributor of the Group and would purchase the Owned Products (as defined in the announcement of the Company dated 14 December 2016) from the Group and then distribute the same to retailer or end users in the PRC for a period from 1 January 2017 to 31 December 2019.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under Listing Rules. The annual caps for the transactions contemplated under the PRC Distribution Framework Agreement for the years ended 31 December 2017, 2018 and 2019 are HK\$200,000,000 (exclusive of value-added tax in the PRC), HK\$230,000,000 (exclusive of value-added tax in the PRC) and HK\$270,000,000 (exclusive of value-added tax in the PRC), respectively.

As the PRC Distribution Framework Agreement expired on 31 December 2019, the Company entered into a renewed PRC distribution framework agreement on 2 December 2019 with Tong Ren Tang Holdings (the "Renewed PRC Distribution Framework Agreement") to renew the procurement arrangement for a further term of three years from 1 January 2020 to 31 December 2022. The annual caps for the transactions under the Renewed PRC Distribution Framework Agreement for the years ending 31 December 2020, 2021 and 2022 are HK\$273,000,000 (exclusive of value-added tax in PRC), HK\$296,000,000 (exclusive of value-added tax in PRC) and HK\$322,000,000 (exclusive of value-added tax in PRC), respectively.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK\$10,000,000, the Renewed PRC distribution framework agreement and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the independent shareholders' approval under the Listing Rules.

The Renewed PRC Distribution Framework Agreement was approved by the independent shareholders of the Company in the extraordinary general meeting held on 30 December 2019.

### (2) Exclusive Distributorship Framework Agreements with Tong Ren Tang Technologies and Tong Ren Tang Ltd.

On 8 November 2017, the Company entered into new exclusive distributorship framework agreements (the "Exclusive Distributorship Framework Agreements") with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd. whereby TRT International Natural-Pharm, a wholly-owned subsidiary of the Company, was appointed by each of Tong Ren Tang Technologies Group (refer to Tong Ren Tang Technologies, its subsidiaries and its associates (other than the Group)) and Tong Ren Tang Ltd. Group (refer to Tong Ren Tang Ltd., its subsidiaries and its associates (other than Tong Ren Tang Technologies Group and the Group)) as the sole distributor of Tong Ren Tang branded products in Non-PRC markets for the period from 1 January 2018 to 31 December 2020. TRT International Natural-Pharm would purchase Tong Ren Tang branded products from Tong Ren Tang Technologies Group and Tong Ren Tang Ltd. Group and distribute them to the Non-PRC Markets.

Tong Ren Tang Technologies and Tong Ren Tang Ltd. are both the controlling shareholders of the Company and hence are connected persons of the Company for the purpose of the Listing Rules. The annual caps in respect of the transactions under the Exclusive Distributorship Framework Agreements with Tong Ren Tang Technologies Group for the years ended 31 December 2018 and 2019 and the year ending 31 December 2020 are HK\$58,400,000, HK\$76,400,000 and HK\$99,200,000, respectively. The annual caps in respect of the transactions under the Exclusive Distributorship Framework Agreements with Tong Ren Tang Ltd. Group for the years ended 31 December 2018 and 2019 and the year ending 31 December 2020 are HK\$87,600,000, HK\$114,600,000 and HK\$148,800,000, respectively.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK\$10,000,000, the Exclusive Distributorship Framework agreements and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the independent shareholders' approval under the Listing Rules. The Exclusive Distributorship Framework Agreements were approved by the independent shareholders of the Company in the extraordinary general meeting held on 1 December 2017.

## 持續關連交易

本集團與本公司關連人士(定義見上市規則)訂立多項關連交易/持續關連交易。董事確認本公司已遵守 GEM 上市規則第 20 章(適用於本公司轉板上市前)及上市規則第 14A 章(適用於本公司轉板上市後)的相關條款。截至 2019 年 12 月 31 日止年度,本集團非豁免持續關連交易的詳情如下:

### (1) 中國分銷框架協議

於 2016 年 12 月 14 日,本公司與同仁堂集團公司訂立中國分銷框架協議(「中國分銷框架協議」),同仁堂集團(指同仁堂集團公司、其附屬公司、其共同控制實體及其聯繫人(同仁堂科技及其附屬公司除外))於 2017 年 1 月 1 日至 2019 年 12 月 31 日作為本集團非獨家分銷商,向本集團購買自有產品(於本公司 2016 年 12 月 14 日之公告所定義),然後分銷予中國的零售商或終端用戶。

同仁堂集團公司乃本公司的最終控股股東,故根據上市規則屬本公司的關連人士。截至 2017 年、2018 年及 2019 年 12 月 31 日止年度。中國分銷框架協議所涉交易的年度上限分別為 200,000,000 港元(不含中國增值稅)、230,000,000 港元(不含中國增值稅)及 270,000,000 港元(不含中國增值稅)。

由於中國分銷框架協議已於 2019 年 12 月 31 日屆滿,本公司於 2019 年 12 月 2 日與同仁堂集團公司訂立續訂中國分銷框架協議(「續訂中國分銷框架協議」),以進一步重續為期三年的獨家分銷商安排,期限為 2020 年 1 月 1 日至 2022 年 12 月 31 日。截至 2020 年、2021 年及 2022 年 12 月 31 日止年度根據續訂中國分銷框架協議項下之交易的年度上限分別為 273,000,000 港元(不含中國增值稅)、296,000,000 港元(不含中國增值稅)及 322,000,000 港元(不含中國增值稅)。

由於年度上限的一項或多項適用百分比率(溢利比率除外)均超過 5% 且年度上限超過 10,000,000 港元,因此續訂中國分銷框架協議及所涉交易均須遵守上市規則的申報、公告、年度審核及獨立股東批准規定。

此續訂中國分銷框架協議已於 2019 年 12 月 30 日舉行的股東特別大會上獲本公司獨立股東批准。

### (2) 與同仁堂科技及同仁堂股份訂立獨家經銷框架協議

於 2017 年 11 月 8 日,本公司與同仁堂科技及同仁堂股份分別訂立新獨家經銷框架協議(「獨家經銷框架協議」),同仁堂科技集團(指同仁堂科技、其附屬公司及其聯繫人(不包括本集團))及同仁堂股份集團(指同仁堂股份、其附屬公司及其聯繫人(不包括同仁堂科技集團及本集團))均委任本公司全資附屬公司同仁堂國際藥業於 2018 年 1 月 1 日至 2020 年 12 月 31 日為非中國市場同仁堂品牌產品的獨家經銷商。

同仁堂國際藥業從同仁堂科技集團及同仁堂股份集團購買同仁堂品牌產品並分銷至非中國市場。同仁堂科技及同仁堂股份均為本公司控股股東,因此屬上市規則所指本公司的關連人士。截至 2018 年、2019 年及 2020 年 12 月 31 日止年度根據與同仁堂科技集團的獨家經銷框架協議項下之交易的年度上限分別為 58,400,000 港元、76,400,000 港元及 99,200,000 港元。截至 2018 年、2019 年及 2020 年 12 月 31 日止年度根據與同仁堂股份集團的獨家經銷框架協議項下之交易的年度上限分別為 87,600,000 港元、114,600,000 港元及 148,800,000 港元。

由於年度上限的一項或多項適用百分比率(溢利比率除外)均超過 5% 且年度上限高於 10,000,000 港元,因此獨家經銷框架協議及所涉交易均須遵守上市規則的申報、公告、年度審核及獨立股東批准規定。獨家經銷框架協議已於 2017 年 12 月 1 日舉行的股東特別大會上獲本公司獨立股東批准。

### (3) Procurement of Angong Niu Huang Wan Powder from Tong Ren Tang Ltd.

The Company and Tong Ren Tang Ltd. entered into the Angong Niu Huang Wan Powder master purchase agreement on 6 December 2018 (the "Angong Niu Huang Wan Powder Master Purchase Agreement") whereby the Company would purchase Angong Niu Huang Wan Powder, being the raw materials for production of Angong Niu Huang Wan, from Tong Ren Tang Ltd. Group for the period from 1 January 2019 to 31 December 2021.

Tong Ren Tang Ltd. is our controlling shareholder of the Company and hence a connected person of the Company for the purpose of the Listing Rules. The annual caps for the transactions contemplated under the Angong Niu Huang Wan Powder Master Purchase Supplemental Agreement for the year ended 31 December 2019 and years ending 2020 and 2021 are HK\$31,000,000, HK\$42,000,000,000 and HK\$55,000,000, respectively.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Renewed Angong Niu Huang Wan Powder Master Purchase Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

### (4) Master Lease Framework Agreement with Tong Ren Tang Holdings

On 25 January 2017, the Company and Tong Ren Tang Holdings entered into a master lease framework agreement (the "Master Lease Framework Agreement"), pursuant to which, Tong Ren Tang Holdings has agreed to lease and procure other members of the Parent Group to lease certain premises to the Group for its productions and operations so that any member of the Group may continue, amend or renew the Existing Leases with any member of the Parent Group from time to time and as necessary for the future business needs of the Group for a period from 1 January 2017 to 31 December 2019.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The annual caps for the transactions contemplated under the Master Lease Framework Agreement for the years ended 31 December 2017, 2018 and 2019 are HK\$6,200,000, HK\$6,900,000 and HK\$7,000,000, respectively.

As the Master Lease Framework Agreement expired on 31 December 2019, the Company entered into a renewed master lease framework agreement with Tong Ren Tang Ltd. (the "Renewed Master Lease Framework Agreement") on 30 December 2019 to renew the lease arrangement for a further term of three years from 1 January 2020 to 31 December 2022. According to HKFRS 16 which was effective for the Group from 1 January 2019, the Group is required to recognize a right-of-use asset and a lease liability, which are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate in the year of entering into the lease where the Group acts as a lessee. Correspondingly, the Group is required to set annual caps on the total value of right-of-use assets relating to leases to be entered into by the Group as a lessee in each year under the Renewed Master Lease Framework Agreement. The annual caps for the transactions under the Renewed Master Lease Framework Agreement for the years ending 31 December 2020, 2021 and 2022 are HK\$21,000,000, HK\$16,000,000 and HK\$11,200,000, respectively.

As one or more of the applicable percentage ratios (other than the profits ratio and equity capital ratio) of the annual caps exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Renewed Master Lease Framework Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

### (3) 自同仁堂股份採購安宮牛黃丸粉

於2018年12月6日，本公司與同仁堂股份訂立安宮牛黃丸粉總採購協議（「安宮牛黃丸粉總採購協議」），以從同仁堂股份集團購買生產安宮牛黃丸的原材料安宮牛黃丸粉，期限為2019年1月1日至2021年12月31日。

同仁堂股份乃本公司的控股股東，故此屬上市規則所指本公司的關連人士。截至2019年、2020年及2021年12月31日止年度根據安宮牛黃丸粉總採購補充協議進行之交易的相關年度上限分別為31,000,000港元、42,000,000港元及55,000,000港元。

由於年度上限的一項或多項適用百分比率（溢利比率除外）超過0.1%但低於5%，因此續訂安宮牛黃丸粉總採購協議及所涉交易均須遵守上市規則的申報、公告及年度審核，但不需要獨立股東批准。

### (4) 與同仁堂集團公司訂立租賃框架總協議

於2017年1月25日，本公司與同仁堂集團公司訂立租賃框架總協議（「租賃框架總協議」）。據此，同仁堂集團公司已同意租賃並促使母集團的其他成員公司租賃若干物業予本集團作生產及營運之用，故此，自2017年1月1日起至2019年12月31日止期間，本集團的任何成員公司均可不時延續、修訂或重續與母集團的任何成員公司的現有租約，惟受限於年度上限。

同仁堂集團公司乃本公司的最終控股股東，故根據上市規則屬本公司的關連人士。截至2017年、2018年及2019年12月31日止年度，租賃框架總協議所涉交易的年度上限分別為6,200,000港元、6,900,000港元及7,000,000港元。

由於租賃框架總協議已於2019年12月31日屆滿，本公司於2019年12月30日與同仁堂集團公司訂立續訂租賃框架總協議（「續訂租賃框架總協議」），以進一步重續2020年1月1日至2022年12月31日為期三年的租賃安排。根據自2019年1月1日起生效的香港財務報告準則第16號，本集團須確認與本集團作為承租人所訂立的租賃相關的使用權資產和租賃負債，且以剩餘租賃付款額按承租人的增量借款利率折現的現值計量。故此，本集團須根據續訂的租賃框架協議就本集團每年作為承租人訂立的租賃有關的使用權資產的總值設定年度上限。截至2020年、2021年及2022年12月31日止年度根據續訂租賃框架總協議項下之交易的年度上限分別為21,000,000港元、16,000,000港元及11,200,000港元。

由於年度上限的一項或多項適用百分比率（溢利比率及股權資本比率除外）超過0.1%但低於5%，因此續訂租賃框架總協議及所涉交易均須遵守上市規則的申報、公告及年度審核，但不需要獨立股東批准。

Details of the above continuing connected transactions are further summarised as follows:

上述持續關連交易詳情進一步概述如下：

Name of connected party 關聯方名稱	Nature of transaction 交易性質	Transaction amount for the year ended 31 December 2019 截至2019年 12月31日 止年度交易額 HK\$'000 千港元	Annual cap for the year ended 31 December 2019 截至2019年 12月31日 止年度之年度上限 HK\$'000 千港元
(1) Tong Ren Tang Group 同仁堂集團	Sales of the Owned Products 銷售自有產品	204,024	270,000
(2) Tong Ren Tang Technologies Group 同仁堂科技集團	Purchase of Tong Ren Tang branded products for distribution 購買用於分銷的同仁堂品牌產品	31,465	76,400
Tong Ren Tang Ltd. Group 同仁堂股份集團		58,235	114,600
(3) Tong Ren Tang Ltd. Group 同仁堂股份集團	Purchase of Angong Niu Huang Wan Powder 購買安宮牛黃丸粉	24,292	31,000
(4) Parent Group 母集團	Lease of premises 物業租賃	4,959	7,000

The price and the terms of the above transactions have been determined in accordance with the pricing policies and guideline set out in the relevant announcements.

上述交易的價格與條款已根據相關公告所載定價政策與指引釐定。

Confirmation of independent non-executive directors:

獨立非執行董事確認：

The independent non-executive directors have reviewed the above continuing connected transactions and confirmed that these continuing connected transactions have been entered into by the Group:

獨立非執行董事已審閱上述持續關連交易，並確認該等持續關連交易乃本集團：

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or better; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

- 於本集團日常及一般業務過程中訂立；
- 按一般商業條款或更佳條款訂立；及
- 按條款公平合理並符合本公司股東整體利益的有關協議進行。

PricewaterhouseCoopers, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group on pages 104 to 111 of this annual report in accordance with Rule 14A.55 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Exchange.

本公司核數師羅兵咸永道會計師事務所獲委任根據香港會計師公會頒佈的香港核證聘用準則第3000號(新訂)「歷史財務資料審核或審閱以外之核證工作」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。本公司核數師已根據上市規則第14A.55條發出函件，對載於本年報第104至111頁所披露本集團持續關連交易的相關結果及結論無保留意見。本公司已向聯交所呈交核數師函件。

## CONTRACTS OF SIGNIFICANCE

Saved as disclosed above, there is no contract of significance between the Company or any of its subsidiaries, and the Controlling Shareholders or any of its subsidiaries. There is no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of its subsidiaries.

## 重大合約

除上文所披露外，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立重大合約。控股股東或其任何附屬公司概無向本公司或其任何附屬公司提供服務而訂立重大合約。

## DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Details of Directors' interests in contracts of significance in relation to the Group's business are set out in the section headed "Continuing Connected Transactions" in this annual report. Other than as disclosed above, there was no transaction, arrangement or contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director or an entity connected with the Director was materially interested, whether directly or indirectly, subsisting during or at the end of the year ended 31 December 2019.

## 董事所擁有交易、安排或重大合約的權益

董事所擁有與本集團業務相關的重大合約權益詳情載於本年報「持續關連交易」一節。除上文所披露外，截至2019年12月31日止年度期間或於截至該日，本公司或其附屬公司或控股公司或任何同系附屬公司概無訂立任何董事或其關聯實體直接或間接於其中擁有重大權益的交易、安排或重大合約。

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2019.

## INDEMNITY OF DIRECTORS

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout this year.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group considers the importance of environmental affairs and believes business development and environment affairs are highly related. This year, the Group implemented certain environmental protection measures to save energy and reduce the consumption of resources. These policies were supported by our staff and were implemented effectively. The Board of the Company has also reviewed the 2019 ESG Report. For more comprehensive information, please refer to the ESG Report on pages 32 to 81 of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

As a listed company engages business in Hong Kong, the Group is subject to various laws and regulations including Companies Ordinance (Chapter 622), Business Registration Ordinance (Chapter 310), Inland Revenue Ordinance (Chapter 112) and Employment Ordinance (Chapter 57). Our Group has put in place internal controls to ensure compliance of the same. In addition, as the Group also engages business in certain jurisdictions, compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units in the Company and subsidiaries from time to time.

## SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 32 to the consolidated financial statements.

## CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance which it believes is crucial to the development of the Group and safeguard the interests of the shareholders of the Company. Information on the Company's corporate governance principles and practices is set out in the Corporate Governance Report on pages 114 to 143 of this annual report.

## AUDITOR

PricewaterhouseCoopers will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming AGM. The Company has not changed its auditor in any of the preceding three years.

On behalf of the Board  
**Ding Yong Ling**  
Chairman

Hong Kong, 24 March 2020

## 購買、出售或贖回本公司上市證券

截至2019年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 董事彌償

本公司已為董事及高級人員購買適當保險，保障彼等因履行職務而可能承擔之法律訴訟責任。惠及董事的獲准許的彌償條文（根據公司條例第469節）均於現時及貫穿本年生效。

## 環境政策及表現

本集團重視環境保護，認為企業業務發展與環境事務高度相關。於本年，本集團制定了一定的環境保護措施，努力節約能源及減少耗用資源。此等政策獲得我們員工支持並有效實施。本公司董事會亦已審閱2019年環境、社會及管治報告。有關更全面的資料，請參閱本年報第32至81頁環境、社會及管治報告。

## 遵守法律及法規

作為一家在香港經營的上市公司，本集團受多項法律及法規規管，包括公司條例（第622章）、商業登記條例（第310章）、稅務條例（第112章）及僱傭條例（第57章）。本集團已制定內部控制，以確保符合規定。此外，本集團亦在某些司法權區從事經營，已制定合規程序以確保遵守適用的法律、條例及規則，特別是對本集團有顯著影響的法律、條例及規則。相關僱員及公司和子公司經營單位不時檢視適用的法律、條例及規則的任何更改。

## 足夠公眾持股量

在發出本報告之前盡可能最近的日期，根據本公司所獲得的公開資料及就董事所知的情況下，本公司根據上市規則所規定一直保持足夠公眾持股量佔本公司已發行股份25%以上。

## 報告期後事項

報告期後事項詳情載於合併財務報表附註32。

## 企業管治

本公司致力達致及維持高水平企業管治，並相信此舉對本集團發展及保障本公司股東之利益十分重要。有關本公司所採納之企業管治常規及守則資料載列於本年報第114至143頁企業管治報告。

## 核數師

羅兵咸永道會計師事務所即將退任，惟符合資格於應屆股東週年大會重選連任。本公司將於應屆股東週年大會提呈續聘羅兵咸永道會計師事務所為本公司核數師的決議案。本公司過往3年並無更換核數師。

代表董事會  
丁永玲  
主席

香港，2020年3月24日

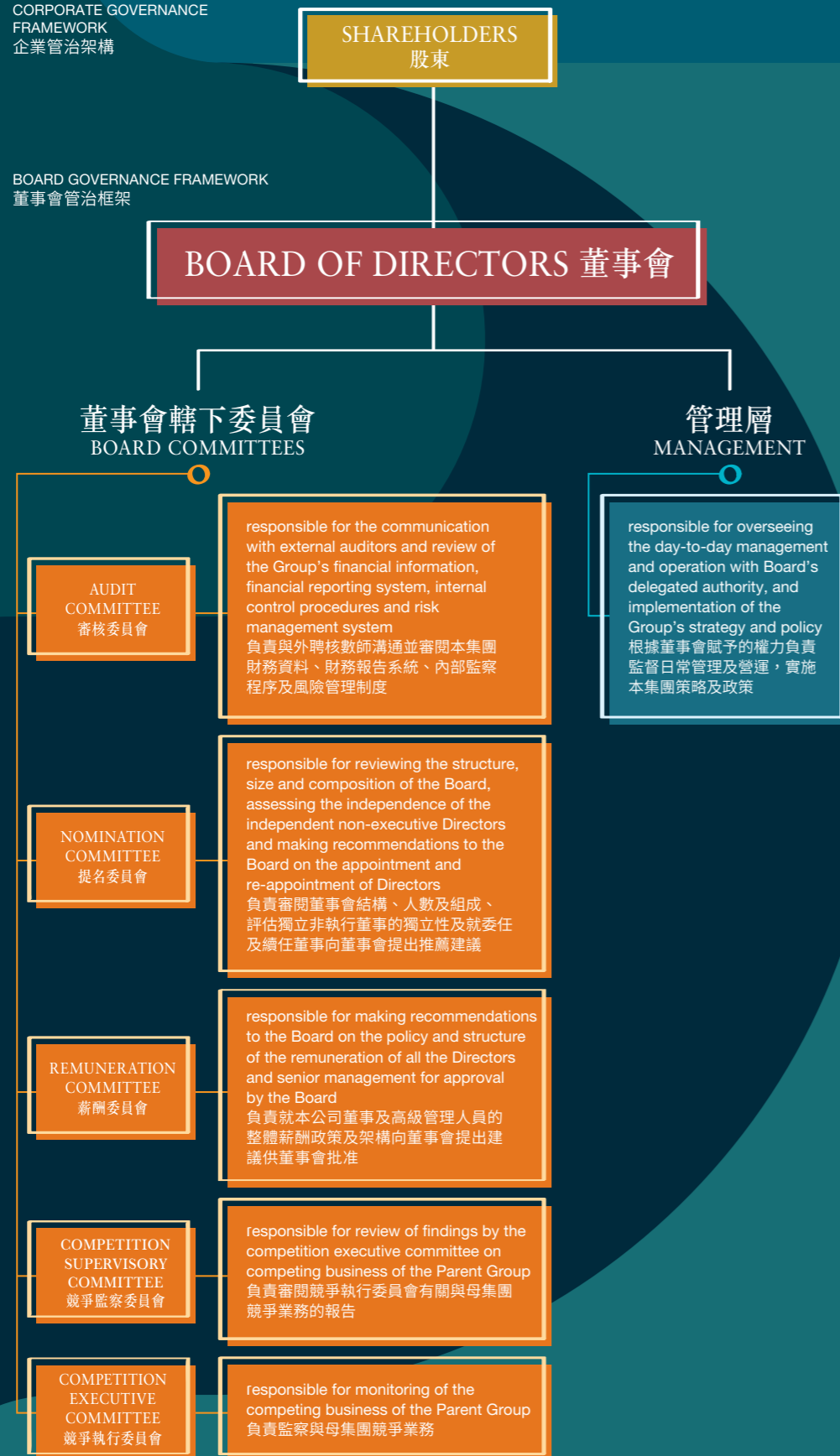


# CORPORATE GOVERNANCE REPORT

## 企業管治報告

CORPORATE GOVERNANCE FRAMEWORK  
企業管治架構

BOARD GOVERNANCE FRAMEWORK  
董事會管治框架



## CORPORATE GOVERNANCE PRACTICES

The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Group firmly believes that strict corporate governance can enhance the Group's credibility and transparency, thus strengthening the confidence of the shareholders and investors in the Group.

For the year ended 31 December 2019, the Group had complied with all applicable provisions of the CG Code with an exception of a deviation from the code provision A.2.1 of CG Code during the interval from 11 March 2019 to 17 April 2019 which provides that the roles of chairman and chief executive officer should be performed by separate individuals with details set out under the paragraph "Chairman and Chief Executive" below.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions of Listed Issuers contained in Appendix 10 of the Listing Rules of the Exchange. Having made specific enquiries to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Period.

## 企業管治常規

董事會全體董事及本公司管理層致力維持良好的企業管治常規與程序。本集團堅信，嚴格的企業管治有利於加強本集團的信譽及透明度，從而提升股東及投資者對本集團的信心。

截至2019年12月31日止年度，本集團一直遵守企業管治守則的所有適用條文，惟於2019年3月11日至2019年4月17日期間涉及偏離管治守則內的守則條文第A.2.1條提出主席及首席執行官應由不同人士擔任，相關原因已詳列於下文「董事會主席及最高行政人員」一段。

## 遵守上市發行人之董事進行證券交易的標準守則

本公司已採納與上市規則附錄10所載的董事進行證券交易的標準守則。經特定查詢後，全體董事確認於本期內已遵守了標準守則內列載的標準及本公司採納的關於董事進行證券交易的行為守則。

### Directors 董事

<b>Executive Directors 執行董事</b>	Ding Yong Ling (Chairman) Zhang Huan Ping Lin Man	丁永玲 (主席) 張煥平 林曼
<b>Non-executive Director 非執行董事</b>	Chen Fei	陳飛
<b>Independent Non-executive Directors 獨立非執行董事</b>	Tsang Yok Sing, Jasper Zhao Zhong Zhen Chan Ngai Chi	曾鈺成 趙中振 陳毅馳

### Audit Committee 審核委員會

Chan Ngai Chi<sup>(1)</sup> 陳毅馳<sup>(1)</sup>  
Tsang Yok Sing, Jasper 曾鈺成  
Zhao Zhong Zhen 陳毅馳

### Nomination Committee 提名委員會

Tsang Yok Sing, Jasper<sup>(1)</sup> 曾鈺成<sup>(1)</sup>  
Chan Ngai Chi 陳毅馳  
Ding Yong Ling 丁永玲

### Remuneration Committee 薪酬委員會

Zhao Zhong Zhen<sup>(1)</sup> 趙中振<sup>(1)</sup>  
Chan Ngai Chi 陳毅馳  
Ding Yong Ling 丁永玲

### Competition Supervisory Committee 競爭監察委員會

Tsang Yok Sing, Jasper<sup>(1)</sup> 曾鈺成<sup>(1)</sup>  
Zhao Zhong Zhen 趙中振  
Chan Ngai Chi 陳毅馳

### Competition Executive Committee 競爭執行委員會

Zhang Huan Ping 張煥平  
Lin Man 林曼

<sup>(1)</sup> Being the chairman of the respective committee 為該委員會主席



## DIRECTORS

### Board composition

The Board consists of 7 Directors, comprising 3 executive directors, 1 non-executive director and 3 independent non-executive Directors. Details of the composition of the Board and the Directors' biographical information are set out on pages 88 to 93 of the annual report, respectively. One-third of the Board are independent non-executive directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise. The structure, size, composition and diversity of the Board are reviewed from time to time to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The independence of the independent non-executive directors is assessed according to the relevant rules and requirements under the Listing Rules.

The composition of the Board, by category and position of Directors including the names of the chairman, the executive directors, the non-executive director and the independent non-executive directors, is disclosed in all corporate communications by the Company. The Company maintains on the Company's website and on the website of the Exchange, (i) an updated list of its Directors identifying their respective roles and functions together with their biographical information and whether they are independent non-executive directors; and (ii) the terms of reference of the Board committees to enable the shareholders to understand the roles played by those independent non-executive directors who serve on the relevant Board committees.

### Board and Committee Meetings

Regular Board meetings are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting. Board meeting documents including supporting analysis and related background information are normally sent to the Directors at least 3 days before regular Board meetings.

The Board meets regularly each year and held meetings in March, April, August and December during the year ended 31 December 2019. In consultation with members of the Board, the company secretary of the Company assists the chairman of the board in preparing the meeting agenda, where applicable, matters proposed by other Directors are included in the agenda. During the year ended 31 December 2019, the Company has arranged for an individual meeting between chairman of the Board and non-executive directors (including independent non-executive directors). The senior management members are also invited to join Board meetings if necessary, to enhance the Board and management communication.

During the year ended 31 December 2019, the Directors actively participated in meetings and a summary of the Directors' attendance records in 2019 are as follows:

Members of the Board 董事會成員	Attendance/Number of Meetings 出席次數/會議次數					
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會	Extra-ordinary General Meeting 股東特別大會
<b>Executive Directors 執行董事</b>						
Ding Yong Ling 丁永玲	4/4	-	1/1	2/2	1/1	1/1
Zhang Huan Ping 張煥平	4/4	3/3	-	-	1/1	1/1
Lin Man 林曼	4/4	3/3	1/1	2/2	1/1	1/1
<b>Non-executive Directors 非執行董事</b>						
Mei Qun 梅群 (retired on 11 March 2019 於2019年3月11日退任)	-	-	-	-	-	-
Chen Fei 陳飛 (appointed on 24 March 2020 於2020年3月24日獲委任)	-	-	-	-	-	-
<b>Independent Non-executive Directors 獨立非執行董事</b>						
Tsang Yok Sing, Jasper 曾鈺成	4/4	3/3	-	2/2	1/1	1/1
Zhao Zhong Zhen 趙中振	4/4	3/3	1/1	-	1/1	1/1
Chan Ngai Chi 陳毅馳	4/4	3/3	1/1	2/2	1/1	1/1

Note: Included a Board meeting where the chairman of the Board met the independent non-executive directors in the absence of the executive directors.

The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board committee meetings. These meetings minutes/resolutions:

- contain sufficient detail the matters considered by the Board/Board committees and decisions reached;
- are sent to the Directors for their comments;
- are sent to all Directors/Board committee members within a reasonable time (generally within 14 days) after such meeting; and
- are available for inspection by Directors/Board committee members.

## 董事

### 董事會組成

董事會由7名董事組成，包括3名執行董事，1名非執行董事及3名獨立非執行董事。董事會組成及各董事履歷詳情分別載於本年報第88至93頁。董事會三分之一的成員為獨立非執行董事，不止1名成員具備相關專業資格、會計或相關財務管理專業知識。本公司不時檢討董事會的架構、人數、組成及多元化，確保維持本公司業務所需專業知識、技能及經驗的平衡。本公司根據上市規則的相關規則與規定評估獨立非執行董事的獨立性。

本公司已於所有公司通訊按董事類別及職務(包括主席、執行董事、非執行董事及獨立非執行董事的姓名)披露董事會的組成。本公司分別在本公司網站及聯交所網站存置(i)一份最新董事名單，列明董事角色、職能與履歷並註明是否獨立非執行董事；及(ii)董事委員會書面職權範圍，以便股東了解獨立非執行董事於相關董事委員會擔任的職務。

### 董事會及委員會會議

董事會定期會議的召開時間通常於前一年度結束前安排，以便全體董事有充足時間規劃出席。各定期會議召開前應發出至少14天正式通知。董事會文件(包括分析證明及相關背景資料)通常於董事會定期會議召開前至少3天發出。

董事會每年定期召開會議，而本年內分別於3月、4月、8月及12月召開會議。與董事會成員協商後，本公司公司秘書協助董事會主席制訂會議議程，其他董事提議的事項亦列入議程(如適用)。截至2019年12月31日止年度，本公司已安排董事會主席與非執行董事(包括獨立非執行董事)作獨立會議。如有需要亦會邀請高級管理人員參加董事會會議以加強董事會與管理層的交流。

截至2019年12月31日止年度，各董事積極參加會議，彼等於2019年出席會議的紀錄概述如下：

附註：其中一次董事會會議是由董事會主席在沒有執行董事在場的情況下，會見了獨立非執行董事。

公司秘書撰寫書面決議案或會議紀錄並記錄所有董事會會議及董事委員會會議討論的實質問題及議決的事項，該等會議紀錄/決議：

- 包括董事會/董事委員會所審議事項詳情及所作決定；
- 送交各董事以作評論；
- 於相關會議後合理時間內(一般為14日內)送交全體董事/董事委員會成員；及
- 可供各董事/董事委員會成員查閱。

Important matters are dealt with by a physical Board meeting rather than written resolutions only. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter. Directors must declare his/her interest in the matters to be passed in the resolution, if applicable.

The Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities undertaken for the Company. During the year ended 31 December 2019, no claim was made against the Directors.

## Chairman and Chief Executive

Ms. Ding Yong Ling, the chairman of the Board, who was appointed as chairman of the Board on 11 March 2019 and resigned as chief executive officer on 18 April 2019, leads the Board in terms of formulating policies and is responsible for business strategic planning and day-to-day management and operation of the Group. The chairman of the Board determines the board strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of the management. With the support of the executive directors and the Company Secretary, the chairman of the Board ensures that all Directors are properly briefed on all key and appropriate issues in a timely manner. The chairman of the Board promotes a culture of openness and encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions, and she may meet and/or communicate with the independent non-executive directors without the presence of the executive directors. During the Year, an individual meeting between Ms. Ding Yong Ling, the chairman of the Board, and independent non-executive directors was held without the presence of the executive directors.

The roles of chairman of the Board and chief executive officer were performed by Ms. Ding Yong Ling at the interval from 11 March 2019 to 17 April 2019, during which there was a deviation from the code provision A.2.1 of CG Code, which provides that the roles of chairman of the Board and chief executive officer should be performed by separate individuals, but due to the following reasons, Ms. Ding Yong Ling was considered the most suitable person to take both roles at that interval. Ms. Ding Yong Ling has made great efforts on oversea business of Tong Ren Tang, and was responsible for business strategic planning and day-to-day management and operation of the Group. She has a rich experience in oversea business operation and is a veteran of the Chinese medicine industry. The Board considered that vesting the roles of chairman of the Board and chief executive officer in the same person was beneficial to the business prospects and management of the Group. In addition, out of 6 Directors of the Board, there were 3 independent non-executive directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board was therefore of the view that there was adequate balance of power and safeguards in place.

On 18 April 2019, Ms. Ding Yong Ling resigned as chief executive officer, and the Board appointed Mr. Zhang Huan Ping as the chief executive officer to be responsible for business strategic planning and day-to-day management and operation of the Group. The Board believes this segregation of duties helps to supervise and balance the power and authority of the Board and enhances the independence and accountability of the Board.

## Appointment, Re-election and Removal

The procedures for appointing and re-electing directors are set out in the Articles of Association. The appointment of a new director must be approved by the Board. The Nomination Committee is responsible for making recommendations to the Board on the selection of individuals nominated for directorship taking into account factors such as appropriate professional knowledge, industry experience, personal ethics, integrity, personal skills, gender, age, cultural and educational background.

Pursuant to Article 97 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. The Directors to retire by rotation will be those Directors who have been Directors longest in office since their last re-election or appointment.

By virtue of Articles 81(B) and 97 of the Articles of Association, Mr. Chen Fei, who was appointed as a non-executive director of the Company with effect from 24 March 2020, shall hold office only until the conclusion of AGM and shall then be eligible for re-election at the AGM. Accordingly, three directors, namely, Ms. Ding Yong Ling, Ms. Lin Man and Mr. Chen Fei will retire at the forthcoming AGM, and being eligible, would offer themselves for re-election at the AGM.

The Company has entered into service agreements with each executive director and non-executive director and also appointment letters with independent non-executive directors. The tenure of all Directors is 3 years.

## Roles and Responsibilities of the Board

The Board is accountable to the shareholders for sustainable development of the Group. The Board is responsible for formulating the overall strategies as well as monitoring and evaluating the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual and interim results, recommendations on Directors' appointment or reappointment, approval of major capital transactions and other significant operational and financial matters. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations and pursue excellence in the interests of the shareholders at all times.

重要事項應舉行由董事親自出席的董事會會議處理，而非只傳閱董事會書面決議。倘董事對董事會將審議且董事會認為重大之事項存在利益衝突，則有關事項根據相關規則與法規處理，如有需要，則設立獨立董事委員會處理。董事須聲明其於決議案將通過事項的權益（如適用）。

本公司已安排適當的責任保險，用以彌償董事為本公司業務活動所承擔的責任。截至2019年12月31日止年度，董事概無遭受任何索償。

## 董事會主席及最高行政人員

董事會主席丁永玲女士（於2019年3月11日獲委任為董事會主席並於2019年4月18日辭任首席執行官），領導董事會制定決策，亦負責本集團業務策略規劃及日常管理與營運。董事會主席與董事會磋商後釐定本集團董事會策略方向，負責高層次督導管理層。在執行董事與公司秘書的協助下，董事會主席確保全體董事及時妥善地了解所有重要及相關問題。董事會主席提倡開明文化，鼓勵持有不同見解的董事提出意見及全面參與董事會事務，進而對董事會的職能作出貢獻。董事會主席亦可於沒有執行董事出席的情況下會見及／或與獨立非執行董事溝通。本年，本公司董事會主席丁永玲女士在沒有執行董事參與的情況下召開與獨立非執行董事的獨立會議。

於2019年3月11日至2019年4月17日，董事會主席兼首席執行官的角色由丁永玲女士擔任，期間涉及偏離管治守則內的守則條文第A.2.1條提出董事會主席及首席執行官應由不同人士擔任，但由於以下原因，丁永玲女士被認為在當時期同時擔任兩職的最合適的人。丁女士長期奮鬥於同仁堂海外事業，負責本集團業務策略規劃及日常管理與營運，具有豐富海外業務經驗，乃中醫藥界之翹楚。董事會認為由同一人出任董事會主席及首席執行官兩職有利於本集團的業務前景及管理。此外，董事會由6名董事組成，其中3名為獨立非執行董事，他們提供不同之經驗、專長、獨立意見及觀點，因此，董事會認為權力分佈是平衡並具備足夠的保障。

於2019年4月18日，丁永玲女士辭任首席執行官，且董事會委任張煥平先生為首席執行官，負責本集團業務策略規劃及日常管理與營運。董事會認為職責獨立有利於監督及平衡董事會權力和權限，亦可增強董事會的獨立性和問責性。

## 委任、重選及罷免

本公司章程載有委任及重選董事的程序。委任新董事必須經董事會批准。提名委員會負責考慮適當專業知識、行業經驗、個人道德、誠信、個人技能、性別、年齡、文化和教育背景等因素，就挑選提名董事的個別人士向董事會提出推薦意見。

根據章程第97條，每屆股東週年大會須有三分之一的董事（如人數並非3或3的倍數則為最接近但不少於三分之一的人數）退任，惟彼等可重選連任。須退任的董事為自上次重選或委任以來任期最長的董事。

根據章程第81(B)條及第97條，董事陳飛先生（獲委任為本公司非執行董事，並於2020年3月24日生效）將任職直至本公司下屆股東週年大會，及倘符合資格，將於應屆股東週年大會上膺選連任。故此，三位董事丁永玲女士、林曼女士及陳飛先生將於應屆股東週年大會退任並合資格於股東週年大會重選連任。

本公司已與各執行董事及非執行董事訂立服務協議，亦與獨立非執行董事訂立委任函，任期均為3年。

## 董事會角色及職責

董事會對股東負責，維持本集團可持續發展。董事會負責制定整體策略及監督和評估本集團之營運及財務表現。須經董事會決定或考慮的事務包括本集團整體策略、主要收購及出售、年度及中期業績、董事任命或續聘推薦、批准主要資本交易與其他重大經營及財務事宜。全體董事均盡忠職守，並遵守適用的法律及法規，一直致力為股東爭取最大利益。

Our executive directors, non-executive directors together with our independent non-executive directors offer diverse industry expertise, serve the important function of advising the management on strategies and ensuring that the Board fulfils high standards of financial and other mandatory reporting requirements as well as providing adequate checks and balances for safeguarding the interests of the shareholders and the Company as a whole.

The non-executive directors and the independent non-executive directors not only exercise their independent judgment and advise on the future business direction and strategic plans of the Company, but also review the financial information and operational performance of the Company on a regular basis.

Every executive director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her area of knowledge and expertise, and his/her global perspective. There is satisfactory attendance at Board meetings during the year ended 31 December 2019.

The Directors have disclosed to the Company at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organizations and other significant commitments, identifying the public companies or organizations involved.

## Continuous Professional Development of the Directors

All Directors receive comprehensive information on appointment, so as to ensure understanding of the business and operations of the Group and Directors' responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Company also updates the Directors on the latest developments and changes of the Listing Rules and the applicable legal and regulatory requirements in the discharge of their duties.

During the year ended 31 December 2019, all the Directors actively participated in continuous professional development, by attending external training or seminars, attending in-house training and/or reading materials on the various topics covering regulations, corporate governance, finance and business, to develop and refresh their knowledge and skills, which ensure that their contribution to the Board remains informed and relevant. The Directors have provided records of training to the Company.

本公司執行董事、非執行董事及獨立非執行董事具備多元化的行業專業知識，主要負責就發展策略向管理層提出意見，確保董事會嚴格遵守財務與其他法定報告要求，以及提供充分監督與制衡以保障股東及本公司的整體利益。

非執行董事及獨立非執行董事不僅就本公司之未來業務方向及策略規劃提供獨立判斷及意見，亦定期審閱本公司的財務資料及營運表現。

各執行董事均具備所負責業務範疇及運作方面的實際知識及相關專長。董事對本公司業務的關注程度，按所投入的時間、服務的質素、本身知識及專長作出貢獻之能力和環球視野衡量。截至2019年12月31日止年度，董事會會議出席率良好。

董事於獲委任時及其後不時向本公司披露所擔任上市公司或組織之職位的數目及性質和其他重大職務，指明涉及的上市公司或組織。

## 董事的持續專業發展

所有董事獲委任時均獲得全面資料，確保了解本集團業務營運及上市規則和相關監管規定的董事責任與義務。

本公司亦向董事提供上市規則及彼等履行職責所適用的法律及監管規定的最新發展及更新。

截至2019年12月31日止年度，全體董事積極參與持續專業發展，參加外界培訓或研討會，參加內部培訓及／或閱讀有關規管、企業管治、財務及業務等各類議題的資料，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。董事已向本公司提供培訓紀錄。

Directors 董事	Types of Continuous Professional Development 持續專業發展類別			
	Attending directors' training, seminars or conferences related to directors' duties or other relevant topics 出席有關董事職責他相關議題的董事培訓	Reviewing legislative or regulatory updates 審閱法律或規管的最新資料	Reviewing information relevant to the Company or its business 審閱與本公司或其業務相關的資料	Attending corporate events or shop visits 出席公司活動或視察店舖
Mei Qun 梅群 (retired on 11 March 2019 於2019年3月11日退休)	-	-	-	-
Ding Yong Ling 丁永玲	✓	✓	✓	✓
Zhang Huan Ping 張煥平	✓	✓	✓	✓
Lin Man 林曼	✓	✓	✓	✓
Chen Fei 陳飛 (appointed on 24 March 2020 於2020年3月24日獲委任)	-	-	-	-
Tsang Yok Sing, Jasper 曾鈺成	✓	✓	✓	✓
Zhao Zhong Zhen 趙中振	✓	✓	✓	✓
Chan Ngai Chi 陳毅馳	✓	✓	✓	✓

## Independence of the Independent Non-executive Directors

During the year ended 31 December 2019, the Company has complied with Rule 3.10 of the Listing Rules relating to the appointment of at least 3 independent non-executive directors representing more than one-third of the Board and they possess professional qualification and experience in the three areas of financial accounting, social science and Chinese medicine industry, respectively. All independent non-executive directors also meet the guidelines for assessment of their independence pursuant to Rule 3.13 of the Listing Rules. Each of the independent non-executive directors makes an annual confirmation of independence pursuant to the requirements of the Listing Rules. The Company is of that view that all the independent non-executive directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines.

## 獨立非執行董事的獨立性

截至2019年12月31日止年度，本公司已遵照上市規則第3.10條的規定，委任至少3名獨立非執行董事且佔董事會至少三分之一，有關獨立非執行董事均具備財務會計、社會科學與中藥行業三方面的專業資格和經驗。所有獨立非執行董事亦符合上市規則第3.13條評估獨立非執行董事獨立性的指引。各獨立非執行董事根據上市規則的規定每年就獨立性發出確認，本公司認為所有獨立非執行董事均符合上市規則所載相關獨立性指引之規定，均屬獨立。

## Supply of and Access to Information

Board/Board committee meeting documents with adequate and reliable information are circulated not less than three days before the regular Board/Board committee meetings to enable the Directors/Board committee members in making informed decisions on matters to be raised at the Board/Board committee meetings.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management of the Company, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations.

The Company Secretary acts as the bridge between the Directors and business units of the Group to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided, as appropriate.

Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director or any Board committee.

## Delegation to Management

Executive directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise.

For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations. Specially, the Board has had in place Guidelines for Investments stating the authority approval limits and procedures.

The Board led by the chairman, is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the management and approval of matters that are of a material or substantial nature. Under the leadership of the chief executive officer, management is responsible for the day-to-day operations of the Group.

## CORPORATE GOVERNANCE DUTIES

The Board has delegated the responsibility of performing the corporate governance duties to the Audit Committee, and is responsible for performing the corporate governance duties according to the Code Provision D.3.1, which includes:

- (1) developing and reviewing the policies and practices on corporate governance of the Group;
- (2) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (3) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;
- (4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) reviewing the Company's compliance with the Code and disclosure in the corporate governance report of the Company.

## 提供及查閱資料

董事會／董事委員會定期會議召開前不少於3天開始傳閱包含充足可靠信息的董事會／董事委員會文件，以便董事／董事委員會成員就董事會／董事委員會會議擬議事宜作出知情決定。

全體董事均可全面及時取得所有相關資料，亦可獲得公司秘書及高級管理人員提供的意見和協助，確保遵守董事會程序及所有適用法律和法規。

公司秘書擔當董事與本集團各部門之間的橋樑，確保董事提出的查詢及疑問得以處理，並提供進一步證明文件(如適用)。

董事獲悉，倘董事或董事委員會認為有必要徵求獨立建議，公司秘書可安排獲取獨立專業意見，費用由本公司承擔。

## 委派管理層

執行董事根據各自專長負責不同業務及職能部門的事務。

一切重大事項或交易均交由董事會審批。根據上市規則或其他適用的規則或規例而須披露之重要事項或交易，均會作出適當披露，並於必要時根據適用規則及規例要求，刊發通函及取得股東批准。董事會制定專門的投資指引列明審批權限及程序。

董事會由主席領導，負責制定本集團未來發展方向、整體策略與政策，評估本集團及管理層表現及審批重要或重大事項。在首席執行官的領導下，管理層負責本集團日常營運。

## 企業管治職責

董事會已委派審核委員會履行企業管治職責的責任，負責根據守則條文第D.3.1條執行企業管治職責，包括：

- (1) 制訂及審閱本集團的企業管治政策及常規；
- (2) 審閱及監督董事和高級管理人員的培訓及持續專業發展；
- (3) 審閱及監督本集團有關遵守法律及監管要求的政策和常規；
- (4) 制訂、審閱及監察董事和僱員適用的行為守則及合規手冊(如有)；及
- (5) 審閱本公司遵守守則的情況及本公司企業管治報告內所披露的資料。

## BOARD COMMITTEES

The Board established an Audit Committee, a Remuneration Committee and a Nomination Committee on 28 March 2013 with written terms of reference which are available for viewing on the websites of the Company and the Exchange. Board committees report to the Board of their decisions and recommendations at the Board meetings.

### Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with Rules 3.21 to 3.24 of the Listing Rules and the CG Code. As at 31 December 2019, the Audit Committee has 3 members (all of them are the independent non-executive directors) comprising Mr. Chan Ngai Chi (Chairman), Mr. Tsang Yok Sing, Jasper and Mr. Zhao Zhong Zhen.

The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position, the financial reporting system, internal control procedures and risk management system of the Company and making recommendations thereof.

Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting. Audit Committee meetings were held in March, August and November of 2019.

The following is a summary of the work of the Audit Committee during 2019:

- (1) Review the financial reports for 2018 annual results and 2019 interim results;
- (2) Review the findings and recommendations of the internal audit department on the work of various departments and related companies;
- (3) Review the effectiveness of the internal control and risk management systems;
- (4) Review the external auditor's audit findings;
- (5) Review the auditor's remuneration;
- (6) Review the control mechanisms for the risks of different business units and advising on action plans for improvement of the situations;
- (7) Perform the corporate governance functions and review the corporate governance policies and practices; and
- (8) Review the connected transactions with the Parent Group.

On 18 March 2020, the Audit Committee met to review the Group's 2019 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2019 complied with the applicable accounting standards and the Listing Rules.

The Group's annual report for the year ended 31 December 2019 has been reviewed by the Audit Committee. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2019. The Audit Committee also recommended to the Board the re-appointment of PricewaterhouseCoopers as the Company's external auditor for 2020 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2020 annual general meeting.

No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the two years after he/she ceased to be a partner of the auditing firm.

## 董事會轄下委員會

董事會於2013年3月28日設立審核委員會、薪酬委員會和提名委員會，並訂立相關書面職權範圍，可於本公司和聯交所網站查閱。董事委員會於董事會會議向董事會報告其決定及建議。

### 審核委員會

董事會根據上市規則第3.21條至第3.24條和企業管治守則設立審核委員會，並訂立書面職權範圍。於2019年12月31日，審核委員會由3名成員組成，包括陳毅馳先生(主席)、曾鈺成先生及趙中振先生，均為獨立非執行董事。

審核委員會主要負責與外聘核數師溝通，檢討其薪酬、聘用條款與外聘核數師是否獨立客觀，審閱本公司的會計政策、財務狀況、財務報告系統、內部控制程序及風險管理系統並提出相關建議。

會議紀錄由公司秘書草擬，於每次會議後一段合理時間內發送給各審核委員會成員閱覽。審核委員會於2019年3月、8月及11月召開會議。

審核委員會於2019年的工作概述如下：

- (1) 審閱2018年年度業績及2019年中期業績之財務報告；
- (2) 審閱內審部提交有關各部門及相關公司工作的審核結果及建議；
- (3) 檢討內部監控及風險管理系統的成效；
- (4) 審閱外聘核數師的審計結果；
- (5) 審閱核數師酬金；
- (6) 審閱不同業務部門之風險監控機制，並就改善有關狀況之行動計劃提出意見；
- (7) 履行企業管治職責及審閱企業管治政策與常規；及
- (8) 審閱與母集團的關連交易。

於2020年3月18日，審核委員會舉行會議，聯同本公司外聘核數師審閱本集團2019年度的合併財務報表，包括本集團採納的會計原則及慣例。審核委員會審閱並與管理層、內審部及外聘核數師討論後，贊同本公司所採納的會計處理方式，並已盡力確保2019年年報披露的財務資料符合適用的會計準則及上市規則之規定。

審核委員會已審閱本集團截至2019年12月31日止年度之年報。因此，審核委員會決議建議董事會批准通過截至2019年12月31日止年度的合併財務報表。審核委員會亦向董事會建議，續聘羅兵咸永道會計師事務所為本公司2020年度的外聘核數師，並建議將有關決議案於2020年度股東週年大會上提交予股東考慮及通過。

本公司現任核數公司概無任何前任合夥人於離任核數公司合夥人日期起計2年內，擔任本公司審核委員會成員。

## Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 to Rule 3.26 of the Listing Rules and the CG Code. The Remuneration Committee has 3 members comprising Mr. Zhao Zhong Zhen (Chairman and independent non-executive director), Mr. Chan Ngai Chi (independent non-executive director) and Ms. Ding Yong Ling (executive director).

The primary duties of the Remuneration Committee are mainly to make recommendations to the Board and review the terms of the remuneration package of each Director and member of senior management of the Company and making recommendations to the Board regarding any adjustment thereof in accordance with the Group's corporate goals and objectives; and to review and evaluate the performance of individual Directors. No Director shall participate in any discussion about his or her own remuneration.

The Remuneration Committee did consult the chairman of the Board and/or the executive director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management of the Company, including but not limited to, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. The human resources department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.

The remuneration of the Directors was determined with reference to their respective experiences, responsibilities with the Group and general market conditions. During the year ended 31 December 2019, the Remuneration Committee had held a meeting to review the remuneration package of the Directors and senior management of the Company. Details of the remuneration of the Directors for the year ended 31 December 2019 are set out in note 8 to the consolidated financial statements.

## Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the code provision A.5.1 and code provision A.5.2 as set out in the CG Code. The Nomination Committee has 3 members comprising Mr. Tsang Yok Sing, Jasper (Chairman and independent non-executive director), Mr. Chan Ngai Chi (independent non-executive director) and Ms. Ding Yong Ling (executive director). During the year ended 31 December 2019, the Nomination Committee held a meeting to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, and also recommend the re-appointment of the Directors standing for re-election at the upcoming annual general meeting.

For the nomination by the Board of Mr. Chan Ngai Chi to stand for re-election as an independent non-executive director at the annual general meeting in 2019, explanatory statements were included in the circular accompanying the relevant notice of meeting to set out reasons why the Board considers him to be independent.

The primary duties of the Nomination Committee are mainly to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection and/or re-appointment of individuals nominated for directorships of the Company and to assess the independence of independent non-executive directors. In reviewing and recommending the appointment of new directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or document of the nominee or candidate will be given to the Nomination Committee for consideration.

The Board adopted a board diversity policy setting out the approach to diversity of members of the Board and the Nomination Committee shall review such policy periodically. The Company recognizes and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members.

## 薪酬委員會

本公司根據上市規則第3.25條至第3.26條和企業管治守則設立薪酬委員會，並訂立書面職權範圍。薪酬委員會由3名成員組成，包括趙中振先生（主席兼獨立非執行董事）、陳毅馳先生（獨立非執行董事）及丁永玲女士（執行董事）。

薪酬委員會主要負責審閱各董事及本公司高級管理人員的薪酬待遇條款並向董事會提出建議，根據本集團的企業目標向董事會提出有關調整薪酬待遇條款的建議，以及審閱和評估個別董事的表現。董事不得參與討論本身的薪酬。

薪酬委員會就有關董事及本公司高級管理人員的薪酬待遇及其他人力資源事宜（包括但不限於連任計劃、主要人員變動及招募與留任合資格人員的政策）的議案諮詢董事會主席及／或執行董事。人力資源部提供行政支持並實施經批准薪酬待遇及薪酬委員會批准的其他人力資源相關決定。董事薪酬參考彼等各自的經驗、於本集團承擔的職責及整體市況釐定。

截至2019年12月31日止年度，薪酬委員會已舉行一次會議審閱董事及本公司高級管理人員的薪酬待遇。有關截至2019年12月31日止年度的董事薪酬詳情載於合併財務報表附註8。

## 提名委員會

本公司根據企業管治守則所載守則條文第A.5.1條和第A.5.2條設立提名委員會，並訂立書面職權範圍。提名委員會由3名成員組成，包括曾鈺成先生（主席兼獨立非執行董事）、陳毅馳先生（獨立非執行董事）及丁永玲女士（執行董事）。截至2019年12月31日止年度，提名委員會已舉行一次會議審閱董事會的架構、規模及組成（包括技能、知識、經驗及多元化方面），以及建議重新委任將在本公司應屆股東週年大會上膺選連任的董事。

董事會提名陳毅馳先生在2019年的股東週年大會上重選連任獨立非執行董事一事的說明已包括在附有相關會議通知的通函內，列出董事會認為彼屬於獨立人士的原因。

提名委員會主要負責至少每年審閱1次董事會的架構、規模和組成（包括技能、知識、經驗及多元化的觀點），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議，亦負責物色具備合適資格可擔任董事的人士，並挑選有關人士出任本公司董事或就此向董事會提供意見，以及評估獨立非執行董事的獨立性。審核及建議委任及／或重新委任新董事時，提名委員會會鑑定相關人士是否具備履行董事會職責所需能力。候選人的簡歷或文件會報送提名委員會審議。

董事會依循董事會成員多元化政策，使董事會有來自不同背景的成員，提名委員會須定期審閱該政策。本公司亦十分認同且重視董事會成員多元化的益處，因此會盡力確保董事會成員具備本公司業務所需的各方面技能、經驗及觀點多樣性。董事會將繼續沿才授職，充分發揮董事會成員多元化的益處。

## CRITERIA FOR NOMINATION AND APPOINTMENT OF DIRECTORS

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender and cultural diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

## NOMINATION PROCEDURE OF DIRECTORS

### 董事提名程序

#### Nomination Committee and/or the Board

提名委員會及／或董事會

#### Appointment of New Director 委任新董事

- May select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.

可從各種途徑招攬董事人選，包括但不限於內部晉升、調任、由管理層其他成員和外部招聘代理人推薦。



- Upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.  
在收到委任新董事的建議及候選人的個人資料(或相關詳情)後，依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事。
- If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).  
如過程涉及一個或多個適合的候選人，應根據本公司的需要及每位候選人的證明審查(如適用)排列他們的優先次序。

#### Re-election of Director 重選董事

- Should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。



## 董事提名及委任準則

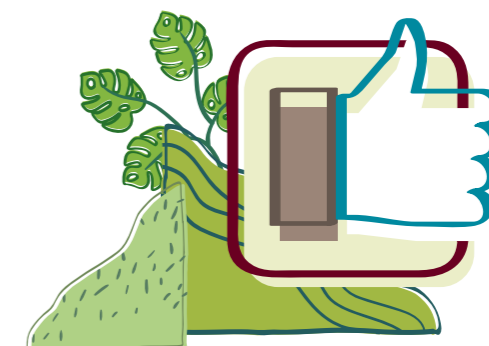
在評估及挑選候選人擔任董事時，提名委員會及／或董事會應考慮下列準則：

- 品格與誠信。
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及董事會成員多元化政策所提及的多元化因素。
- 為達致董事會成員多元化而採納的任何可計量目標。
- 根據上市規則的規定，以及參考上市規則內列明候選人是否被視為獨立的指引。
- 候選人的專業資格、技巧、經驗、獨立性、性別及文化多元化方面可為董事會帶來的任何潛在貢獻。
- 是否願意及是否能夠投足足夠時間履行身為董事會成員及擔任董事會轄下委員會的委員的職責。
- 其他適用於本公司業務及其繼任計劃的其他各項因素，提名委員會及／或董事會可在有需要時修訂有關因素。

#### Nomination Committee 提名委員會

- Should recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

就委任合適人選擔任董事一事向董事會提出建議(如適用)。



#### The Board 董事會

- Should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事。

- Should make recommendation to shareholders of the Company in respect of the proposed election of Director at the general meeting.

應於股東大會上就委任董事的提案向本公司股東提出建議(如適用)。

#### Shareholders 股東

- Proposes a resolution to elect or re-elect a candidate as Director at the general meeting.

在公司的股東大會中通過委任或重選候選董事。

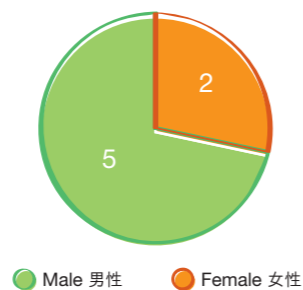




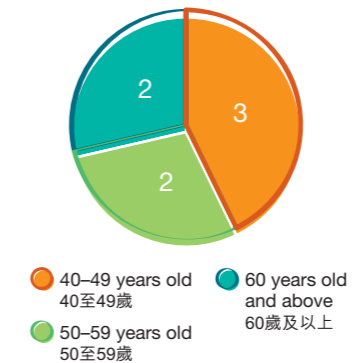
## BOARD DIVERSITY

Selection and appointment of new directors will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, qualifications, skills, knowledge, business and related experience, commitment, ability to contribute to the Board process and such qualities and attributes that may be required by the Board. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

By Gender  
按性別劃分



By Age Group  
按年齡組別劃分



## 董事會多元化

提名委員會將基於多元化的考慮因素選任新董事，包括但不限於性別、年齡、文化及教育背景、資質、技能、知識、業務及相關經驗、承擔、向董事會作出貢獻的能力與董事會可能要求的相關資格及能力，並將根據相關候選人可為董事會帶來的價值及貢獻作出最後決定。

## ACCOUNTABILITY AND AUDIT

Directors are provided with a review of the Group's major business activities and key financial information on a regular basis and the management provide all members of the Board with monthly updates of the Company's performance.

The Board has included the separate statement containing a discussion and analysis of the Group's sustainability strategy in the section headed "Management Discussion and Analysis" of this annual report.

## DIVIDEND POLICY

Stable and sustainable returns to Shareholders to be our goal of the Company. The Board considered that it would be prudent and appropriate to target a dividend payout ratio not less than 30%. In deciding whether to propose a dividend, determining the dividend amount as well as to provide relatively steady dividend payout ratio, the Board takes into account the Group's earnings performance, financial results, cash flow position, investment requirements, business conditions and strategies, future operations and earnings, future operations and earnings, and any other factors that the Board may consider relevant.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the independent auditor of the Company about their reporting responsibilities is set out in the Independent Auditor's Report on pages 144 to 149 of this annual report.

## DIRECTORS' INTERESTS IN SHARES

Details of Directors' interests in the shares of the Company are set out in the Directors' Report on pages 100 to 101 of this annual report.

## 問責及審核

管理層定期向董事報告本集團主要業務活動及重要財務資料的審查結果，並每月向全體董事會成員報告本公司業績。

董事會已在本年報「管理層討論及分析」一節載入討論及分析本集團可持續發展策略的獨立陳述。

## 股息政策

本公司以提供穩定及可持續回報予股東作為目標。董事會認為將股息派發率定於不少於30%是審慎和適當的做法。董事會會考慮本集團之盈利表現、財務業績狀況、現金流量狀況、投資需求、業務狀況及策略、未來營運及收入、任何派付股息的限制、及董事會可能視為相關的任何其他因素，從而決定是否建議派發股息、釐定股息金額並提供相對穩定之派息比率。

## 董事對合併財務報表的責任

財務部協助董事會編製本公司及本集團的財務報表。董事會已根據香港會計師公會頒佈之香港財務報告準則編製財務報表，亦已貫徹應用相應的會計政策。就董事所知，並無任何重大不確定事件或狀況引致本集團持續營運能力可能受重大質疑。

本公司獨立核數師就其申報責任發出的聲明載於本年報第144至149頁的獨立核數師報告。

## 董事所持股份權益

董事所持本公司股份權益詳情載於本年報第100至101頁的董事會報告。

## COMPANY SECRETARY

Ms. Lin Man is an executive director, the chief financial officer and the company secretary of the Company, as well as a full-time employee of the Group, discharges the functions of Company Secretary of the Company with her professional skill and extensive experience. To update her skills and knowledge, Ms. Lin complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules during the year ended 31 December 2019. The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles of Association. The Company Secretary reports to the Board and also to the Chief Executive Officer on day-to-day duties and responsibilities. Company Secretary is responsible for supporting and advising the Board on governance matters. All Directors have access to the advice and service of the Company Secretary to ensure that board procedures, all applicable rules and regulations are followed.

## AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor, PricewaterhouseCoopers in respect of the services rendered for the year ended 31 December 2019 is set out as follows:

Serviced rendered to the Company 為本公司所提供服務	Amount 金額 HK\$'000 千港元
Audit services 核數服務	3,628
Non-audit services 非核數服務	455
Total 總計	4,083

Fee paid/payable to other auditors were approximately HK\$2,968,000.

Non-audit services mainly include tax consultancy services.

## INTERNAL CONTROL AND RISK MANAGEMENT

### Internal Control and Risk Management System

The Group has set up a risk management regulation and internal control procedure to establish a clear structure and procedures for risk management with a systematic and rigorous approach. The Group's risk management and internal control systems are aligned with the internal control framework of international body consisting of the five elements, namely, the control environment, risk assessment, control activities, information and communication, and monitoring. The Group's risk governance structure is based on the "3 lines of defense" model comprised of day-to-day operational management and control, risk and compliance oversight, and independent assurance.

The Board is responsible for overseeing the Group's risk management and internal control systems and reviewing its effectiveness. The management is responsible for implementing and maintaining a robust risk management and internal control systems to protect the Group's assets and interests of stakeholders. The Board annually reviews the adequacy of resources, staff qualifications and experience, and staff training programs together with its relevant budget of the Group's accounting, internal auditing and financial reporting, and also the satisfaction with the adequacy of the parties concerned.

## 公司秘書

林曼女士為本公司執行董事兼財務總監及公司秘書，亦為本集團全職僱員，並具備專業資格及豐富經驗以履行本公司公司秘書職務。截至2019年12月31日止年度，林女士已遵守上市規則第3.29條的相關專業培訓要求，以更新其技能及知識。根據章程相關規定，公司秘書的任免須經董事會批准。公司秘書向董事會匯報，並向首席執行官匯報日常職責及責任。公司秘書負責就管治事宜向董事會提供支持及意見。所有董事均可獲得公司秘書之意見和服務，以確保董事會程序及所有適用規則和規例均獲得遵守。

## 核數師薪酬

截至2019年12月31日止年度已付／應付本公司的外聘核數師羅兵咸永道會計師事務所提供服務的酬金載列如下：

已付／應付其他核數師的費用為約2,968,000港元。

非核數服務主要為稅務諮詢服務費。

## 風險管理及內部監控

### 風險管理及內部監控系統

本集團已設立風險管理制度及內部監控程序，採納系統性及嚴格的方法，為風險管理及內部監控系統建立清晰的架構及程序。本集團之風險管理及內部監控系統符合國際組織之內部監控框架，由五項元素（即監控環境、風險評估、監控活動、資訊與溝通及監督）組成。本集團之風險管理及內部監控架構以「三道防線」模式為基礎，包括日常營運管理及監控、風險及合規監察以及獨立保證。

董事會負責持續監督本集團的風險管理及內部監控系統，以及檢討其有效性，而管理層則負責執行本集團的風險管理制度及內部監控程序，以保障本集團資產及持份者權益。董事會每年審閱本集團的財務、運作及合規情況，同時就本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠作年度檢討，並對有關方面的充足程度表示滿意。

## Identification, Evaluation and Management of the Significant Risks Procedure

The Board is responsible for determining the Group's risk profile within the acceptable tolerance levels for significant risks, overseeing the Group's risk management framework, reviewing the Group's significant existing and potential risks and their response and ensuring risk management effectiveness. The Company has set up a risk management committee, which the team members are mainly composed of the management of the Company. The risk management committee discusses and collects risk monitoring report through meeting to review the management of these risks and effectiveness of response, and to constantly monitor the changes in risks.

Risk assessment is the identification and analysis of existing and emerging risks which identifies, filters and prioritizes the significant risks faced by the Group by the likelihood and degree of impact of the risks to identify risks. The Group has adopted a top-down approach to review and assess if risks are comprehensively identified and prioritised, and properly addressed by the management to accomplish the Group's objectives.

This Year, ten major risks were identified by the Group, which included business/strategic risks, operation risk, and also compliance and regulatory risks. Certain response measures for ten major risks were established, and the relevant functional departments and operation units performed daily monitoring on the identified risks pursuant to the established risk management workflow and response measures, and then submitted a "Risk Control Report", which summarised the overall status of the risks and risk management activities, to the risk management team. The risk management team prepared "Risk Management Report" in accordance with the monitoring status of the ten major risks and the internal audit department reported to the Audit Committee.

The Group's risk management programme is a structured mechanism and a continuous process of identifying, evaluating, responding, controlling, monitoring and reporting of the risks that the Group faces. The significant process of the Group's risk management is illustrated below:



## 識別、評估及管理重大風險的程序

董事會負責釐定本集團可接受風險程度內的風險因素、監察本集團的風險管理框架、審閱本集團的主要現有與潛在風險以及相關應對措施，並確保風險管理的有效性。本集團已設立風險管理小組，小組成員主要由本集團管理層組成，通過會議討論和收集風險監控報告等形式，審閱風險的管理以及應對措施的成效，不斷監察風險的變動。

本集團根據風險發生的可能性及影響程度評估集團面對的風險，並對這些風險加以整理及排序以識別重大風險。本集團利用自上而下的方式評估及檢討管理層於實現本集團的目標時是否已全面識別風險、為風險劃分級別及予以妥善處理。

本年，本集團已識別出十大風險，範疇包括商業／戰略風險、運營風險，以及合規及監管風險。本集團已制定十大風險的應對措施，相關職能部室和業務單位按照既定的風險管理工作流程及應對措施對已識別的風險進行日常監控，向風險管理小組提交風險監控報告，概述風險總體情況及風險管理活動。風險管理小組根據十大風險監控情況形成風險管理報告，通過內部審核部門向審核委員會匯報。

本集團之企業風險管理程序具有結構分明之機制，持續識別、評估、應對、監控及匯報本集團所面對之風險。本集團企業風險管理之主要程序列示如下：

Top Risks of the Group 本集團主要風險	Impact(s) 影響	Control Measure(s) 主要應對措施
<b>Change of Global Economy, Commercial Environment and Market Demand Risk</b> 全球經濟、商業環境變化及市場需求風險	<p>From a macroeconomic perspective, the Group's business covers PRC mainland, Hong Kong and other overseas regions. If there are changes in economies, social environment, politics, laws and regulations of the relevant areas, the Group's business, operating results and financial condition will be affected.</p> <p>從宏觀經濟角度考慮，本集團的業務覆蓋中國內地、香港及其他海外地區，相關區域的經濟、社會環境、政治、法律法規等可能出現變化，影響本集團的業務、經營業績及財務狀況。</p> <p>From a microeconomic perspective, if there is no much improvement on the awareness and demand of Chinese medicine, and the business development fails to keep up with the consumers' changing needs and preference, as well as failure to expand the product portfolio in time or to develop new products or technologies which applied and marketed quickly, it may cause the decline and product shrink of Group's competitiveness and the market share respectively.</p> <p>從微觀經濟角度考慮，如海外市場對中藥認知度與需求未有太大改進，業務發展如果未能追上消費者不斷轉變的需求和喜好，無法及時擴展產品組合或者研發新產品或技術無法迅速在產品上應用並進行市場銷售，可能導致本集團競爭力下降和產品市場份額縮小。</p>	<ul style="list-style-type: none"> <li>The Group assesses the changes of economy and business environment of the relevant regions and their impacts on the Group's business through evaluation of results and new project investment. 本集團透過檢討業績及投資新項目，探討有關區域的經濟和營商環境的轉變，以及其轉變對業務的影響。</li> <li>The Group maintains close internal relationship, understands consumer demand in real time, adjusts product structure in a timely manner, adapts to market change, and maintains the Group's competitiveness. 本集團保持內部緊密聯繫，實時瞭解消費者需求，及時調整產品結構，適應市場變化，維持集團競爭力。</li> </ul>
<b>Counterfeit Risk</b> 假冒風險	<p>Counterfeit appears in the form of imitation of trademarks, brands, trade names, goods packaging, labels or styles. It may make poor consumer experiences and even pose a threat to health, thus adversely affecting Tong Ren Tang's reputation, brand, legitimate business equity and market share.</p> <p>假冒以模仿商標、品牌、貿易商號、貨品包裝、標籤或式樣的形式出現。假冒可能讓消費者的消費體驗差，甚至對健康造成威脅，從而對同仁堂的聲譽、品牌、合法經營權益和市場佔有率造成不利影響。</p>	<ul style="list-style-type: none"> <li>The Group reinforces the brand protection for Tong Ren Tang, formulates relevant brand management systems, and strengthen efforts in fighting against fake registered products, trademarks, font and companies. 本集團加強同仁堂品牌的保護，制定相關品牌管理制度，加大對冒名註冊產品、商標、字號及公司的打擊力度。</li> <li>The Group fights again counterfeit with Parent Group, government, judiciary, professional organizations, business partners to maintain Tong Ren Tang brand's reputation. 本集團通過跟母集團、政府部門、司法機構、專業機構、合作方等合作，共同打擊假冒，維護同仁堂品牌聲譽。</li> </ul>
<b>Rental of Property Risk</b> 租賃物業風險	<p>Due to the reasons of market expansion, expiration of lease agreement and the increase of shop rental etc., the Group will close, remove, newly open shop and make rental adjustment. If there is no suitable shops or the rental cost is too high, it may affect the Group's business and profits.</p> <p>本集團有可能因應市場拓展、租賃合同到期及商鋪租金上漲等原因，需要關閉、搬遷、開發新店鋪及調整租金。若本集團無法找到合適的店鋪或租賃成本過高，可能影響本集團的業務和盈利。</p>	<ul style="list-style-type: none"> <li>The Group regularly monitors the ratio of rental cost and profit. If there is a need of shop closure, removal and newly opened, the Group will conduct detailed assessment and comprehensive consideration. 本集團定期監察租賃成本和盈利租金比例。如需關閉、搬遷或開發新店鋪，本集團會詳細評估並綜合考量。</li> <li>Under the suitable regions and conditions, the Group will consider purchasing property to eliminate the risk of fluctuations in the rental market. 在合適的地區和條件下，本集團會考慮置業，以消除租金市場波動的風險。</li> </ul>

## Evaluation on the effectiveness of the risk management and internal control system

Through the Audit Committee, the Board has conducted review of the effectiveness of the Group's risk management and internal control systems twice a year, covering the changes in the nature and extent of significant risks, the ability to respond to changes in its business and the external environment of the Group, the effectiveness on the measures of significant risks, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, the duties of internal audit department and its effectiveness, and etc..

Based on the results of the above review, for the year ended 31 December 2019, the Board considers that the risk management and internal monitor systems are well effective. Such systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### Internal Control

The Company has set up an independent internal audit department which regularly reports directly to the Audit Committee. The internal audit department is responsible for reviewing all aspects of the Group's activities, risk management, corporate governance processes and constantly supervising the work flow and risk assessment of each department of the Group, and to independently assess the effectiveness of the internal control systems and risk management process in order to seek continuous improvement.

Being an integral part of the risk management to provide assurance on the effectiveness of the Group's risk management process and system of internal control, the internal audit department carries out assessment on the risk management progress. When developing the annual project plan, the internal audit department identifies, prioritises and formulates the audit works by a continuous risk assessment of the Group's business activities with significant risks. The Audit Committee reviews and approves the annual project plan and approve all subsequent major changes (if any) during the regular meeting. In the individual audit project, the internal audit department will further assess the key areas of financial, operational, compliance and fraud risk to evaluate the control effectiveness and the response measures adopted by management.

The internal audit department reports significant risks, material changes and the associated mitigating actions and highlights to the Audit Committee regularly to enhance the accountability and quality of the risk management process. The internal audit department will communicate with management in details on all findings and recommendations on internal control deficiencies identified from each audit work. Management will establish remedial plans to improve those internal control deficiencies within a reasonable time period. The internal audit department will report significant deficiencies of individual engagement to the Audit Committee. During the Year, the Audit Committee held 3 meetings with the internal audit department. The Audit Committee reviewed and discussed the works done and reports submitted by the internal audit department and reported the results of review and discussion to the Board.

## 檢討風險管理及內部監控系統有效性的程序

董事會透過審核委員會就本集團風險管理及內部監控系統成效的調查結果和意見進行審議，每年2次檢討本集團風險管理及內部監控系統的有效性，審議涵蓋了：重大風險的性質及嚴重程度的轉變、本集團應付業務轉變及外在環境轉變的能力、重大風險應對措施的有效性、管理層持續監察風險及內部監控系統的工作範疇及質素、內部審核部門的工作及有效程度等。

根據上述檢討結果，於截至2019年12月31日止年度，董事會認為本集團的風險管理及內部監控系統均有效運作，本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

### 內部監控

本集團設有獨立的內部審核部門，定期直接向審核委員會匯報。內部審核部門負責審閱本集團的業務活動、風險管理及企業管治過程等各方面的資料，持續監察本集團的工作流程及風險評估，獨立評核風險管理及內部監控系統的成效，以致力推動持續的改善。

內部審核部門乃本集團風險管理及內部監控系統不可或缺的一部分，對風險管理流程及內部監控系統的有效性作出分析及獨立評估。內部審核部門對本集團中有重大風險的業務活動，進行持續的風險評估，從而制定年度工作計劃。審核委員會審閱及批准年度工作計劃，並在定期會議內審批其後的一切重大變動（如有）。在個別審核專案中，內部審核部門會進一步評估財務、運作、合規及欺詐風險等重點範疇，從而評核監控成效及管理層所採取的應對措施。

內部審核部門定期向審核委員會報告重大風險及其重要變動、相關緩解行動之摘要，以提升風險管理程序的問責性及質素。各審核專案所得出有關內部監控不足的調查結果及建議，內部審核部門均與管理層詳細討論，並由管理層制訂改善計劃，務求於合理時間內改善內部監控的不足。如遇個別審核專案的重大不足，內部審核部門會向審核委員會匯報。本年，審核委員會與內部審核部門共舉行3次會議。審核委員會審閱及討論內部審核部門的工作及所提交的報告，並向董事會報告審閱及討論結果。

## DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the Listing Rules that inside information should be announced to the public as soon as reasonably practicable. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- The Board shall take reasonable precautions for preserving the confidentiality of inside information and the relevant announcement (if applicable) before publication;
- Before the relevant information is fully disclosed to the public, the Group should ensure that all inside information must be treated strictly confidential; and
- Disclosure must be made in a manner that provides the public with an equal, timely and effective access to the inside information disclosed, such as through the electronic publication system operated by the Exchange.

## EFFECTIVE COMMUNICATIONS WITH SHAREHOLDERS

The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of inside information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises.

The Board adopted a Shareholder's Communication Policy on 8 May 2013 which provides that the Board should endeavour to maintain an ongoing dialogue with the shareholders and in particular, use annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. Such policy is being reviewed from time to time to ensure its effectiveness. During the year ended 31 December 2019, the Company establishes different communication channels with shareholders and investors, including:

- printed copies of corporate communications (including but not limited to financial reports, notices of meetings, circulars and proxy forms) required under the Listing Rules;
- the annual general meeting and other shareholders meetings provide a forum for shareholders to raise comments and exchange views with the Board;
- updated and key information on the Group is available on the website ([www.tongrentangcm.com](http://www.tongrentangcm.com)) of the Company;
- the Company's website ([www.tongrentangcm.com](http://www.tongrentangcm.com)) offers a communication channel between the Company and its shareholders and stakeholders;
- meetings with analysts are arranged from time to time to update on the performance of the Group;
- the executive directors and senior management of the Company hold meetings with institutional investors and analysts and attend investor forums in the PRC, Hong Kong and overseas countries from time to time;
- the Company's Registrar deals with shareholders for share registration and related matters; and
- the investor relations department of the Company handles enquires from shareholders and investors.

In 2019, the Board members, the Company's senior management, external auditor and legal advisor attended the annual general meeting, and were available to answer questions. The Company's notice to shareholders for the 2019 annual general meeting of the Company was sent at least 20 clear business days before the meeting.

## VOTING BY POLL

At the annual general meeting held in 2019, the chairman of the meeting (i) explained the detailed procedures for conducting a poll, and answered questions from shareholders; (ii) exercised his power under the Company's Articles of Association to put each resolution set out in the notice to be voted by way of a poll.

Representatives of the Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the annual general meeting held in 2019. Poll results were then posted on the websites of the Company and the Exchange.

## 披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及上市規則所應履行的責任，內幕消息必須在合理切實可行的範圍內向公眾作出公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 董事會將採取合理措施將內幕消息及有關公佈(如適用)保密，直至公開刊發為止；
- 本集團在向公眾全面披露有關消息前，所有內幕消息均須絕對保密；及
- 披露的方式，須使公眾能平等、適時及有效地取得所披露的內幕消息，如於聯交所之電子登載系統刊登。

## 與股東有效溝通

董事會致力於全體股東交流會上簡明綜合評估本集團的表現和情況。董事會知悉及了解適時披露本公司內幕消息或事宜相關規則及規例的最新規定，並於相關情況出現時授權刊發相關公告。

董事會於2013年5月8日採納股東溝通政策，規定董事會應盡量與股東保持溝通，特別是利用股東週年大會或其他股東大會與股東溝通，鼓勵股東參與。本公司不時檢討該政策，以確保有效。截至2019年12月31日止年度，本公司設有多種溝通渠道與股東及投資者交流，包括：

- 依照上市規則的要求刊發企業通訊印刷本(包括但不限於財務報告、會議通告、通函及代表委任表格)；
- 召開股東週年大會及其他股東會議，提供論壇供股東提出意見與董事會交流；
- 於本公司網站([www.tongrentangcm.com](http://www.tongrentangcm.com))發佈本集團最新及重要信息；
- 於本公司網站([www.tongrentangcm.com](http://www.tongrentangcm.com))開闢溝通渠道供本公司與股東和持份者溝通；
- 不時與分析師會面更新本集團表現；
- 執行董事及本公司高級管理人員不時在中國、香港及海外國家與機構投資者及分析員會面及出席投資者論壇；
- 設立登記處處理股東的股份登記及相關事宜；及
- 設有投資者關係部處理股東與投資者的詢問。

2019年，董事會成員、本公司高級管理人員、外聘核數師及法律顧問出席股東週年大會並回答問題。本公司2019年股東週年大會通告是提前至少20個完整營業日寄予股東。

## 以投票方式表決

於2019年召開的股東週年大會，會議主席(i)闡述了表決的詳細程序，並回答股東提問；(ii)行使本公司章程賦予之權力要求以投票方式表決通知所載各項決議案。

本公司香港股份過戶登記處代表獲委任為於2019年召開的股東週年大會的監票員，負責監察投票及點算票數。投票表決結果其後於本公司及聯交所網站登載。

## SHAREHOLDERS' RIGHTS

### Procedures for convening an extraordinary general meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Any general meeting other than an annual general meeting shall be referred to as an EGM.

Subject to applicable laws and regulations, including the Listing Rules and the Company's Articles of Association, an EGM can be convened to consider proposals in accordance with the following provisions:

The Board may, whenever it thinks fit, convene an EGM, and EGM shall also be convened on such requisition, or in default may be convened by such requisitionist(s), holding at least 5% of the total voting rights of all the members having a right to vote at general meetings. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any 2 shareholders who are entitled to attend and vote at a general meeting may convene an EGM in the same manner as nearly as possible as that in which a meeting may be convened by the Directors.

The requirements and procedures as set out in section 566 to section 569 of the Companies Ordinance are summarised as follows:

- The requisition must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company which is presently situated at Room 1405-1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, and may consist of several documents in like form, each signed by one or more requisitionists.
- If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, 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 3 months from the said date.
- Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

In addition, shareholders are requested to follow section 615 of the Companies Ordinance for including a resolution at an annual general meeting. The requirements and procedures are set out below:

- Any number of shareholders representing not less than 25% of the total voting rights of all shareholders having at the date of the requisition a right to vote at the annual general meeting to which the requisition relates, or not less than 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, may submit a requisition in writing to put forward a resolution which may properly be moved and is intended to be moved at an annual general meeting.
- The Company shall not be bound by the Companies Ordinance to give notice of the proposed resolution to shareholders of the Company entitled to receive notice of an annual general meeting unless a request (a) is sent to the Company in hard copy form or in electronic form; (b) the resolution of which notice is to be given is identified; (c) is authenticated by the person or persons making it; and (d) is received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

### Procedures for sending enquiries to the Board

The Company welcomes shareholders' views and concerns relating to the Group's management and corporate governance. The Company's website ([www.tongrentangcm.com](http://www.tongrentangcm.com)) provides email address (for enquiry purpose only), postal address, fax number and telephone number by which Shareholders may at any time send their enquiries to the Board. Shareholders may also put forward their enquiries to the Board at the general meetings of the Company.

## ARTICLES OF ASSOCIATION

During the year ended 31 December 2019, there was no change to the Articles of Association of the Company.

## 股東權利

### 召開股東特別大會之程序

本公司股東大會提供機會讓股東與董事會溝通交流。本公司須每年召開1次股東週年大會，地點由董事會決定。任何並非股東週年大會的股東大會均為股東特別大會。

在符合相關法律及法規(包括上市規則及公司章程)的情況下，股東特別大會可按下述規定召開以審閱議案：

董事會可於其認為適合時召開股東特別大會，另外亦須應要求召開股東特別大會，如董事會未能應要求召開股東特別大會，則由持有有權於股東大會表決的所有股東之總表決權最少5%的人士召開。倘於任何時間董事人數不足法定人數，則任何1名董事或有權出席股東大會並於會上投票之2名股東可按盡量近似由董事召開大會之方式召開股東特別大會。

公司條例第566條至第569條的要求及程序概述如下：

- 請求書必須列明大會所處理事項的一般性質，包括擬於大會動議之可恰當動議的決議案文本，經請求人士簽署後，遞交至本公司的註冊辦事處，現址為香港灣仔港灣道1號會展廣場辦公大樓1405-1409室。請求書可由經1名或多名請求人士簽署之1式多份文件組成。
- 倘董事並未於請求遞交日期起計21日內正式召開大會(大會日期須為發出召開會議通告日期後28日內)，則所有請求人士或個別持有所有請求人士總投票權一半以上的請求人士可自行召開大會，惟任何以此方式召開的大會舉行日期不可遲於上述日期起計3個月屆滿當日。
- 請求人士因董事未應前述要求舉行會議而自行召集並舉行會議所涉及的合理費用，由本公司承擔。

此外，股東於本公司股東週年大會上提呈決議案須遵照公司條例第615條的規定。相關要求及程序載列如下：

- 在遞交請求書當日，持有不少於有權在與請求相關的股東週年大會上表決的總表決權25%的相關數目股東，或不少於50名有權在與請求相關的股東週年大會上就決議案表決的股東，可遞交一份書面請求，列明擬於股東週年大會上動議之可恰當動議的決議案。
- 除非(a)以硬拷貝形式或電子形式向本公司發出請求書；(b)確認所發出通知當中的決議案；(c)經提出請求的人士簽名證實；及(d)本公司必須於(i)與請求相關之股東週年大會前6個星期；或(ii)大會通知發出的較後時間收到請求書，否則本公司毋須根據公司條例向有權接收股東週年大會通告的本公司股東發出任何建議決議案的通知。

### 向董事會提出查詢之程序

本公司歡迎股東提出有關本集團管理及企業管治的意見及關注事項。本公司的網站([www.tongrentangcm.com](http://www.tongrentangcm.com))提供了電郵地址(僅供查詢用途)、郵寄地址、傳真號碼及電話號碼，股東可隨時用以向董事會提出查詢。股東亦可於本公司股東大會上向董事會直接提問。

## 章程

截至2019年12月31日止年度，本公司之章程並無任何變更。



To the Members of Beijing Tong Ren Tang Chinese Medicine Company Limited  
(incorporated in Hong Kong with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Beijing Tong Ren Tang Chinese Medicine Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 150 to 263, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

## KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is impairment of goodwill.

致北京同仁堂國藥有限公司成員  
(於香港註冊成立的有限公司)

## 意見

### 我們已審計的內容

北京同仁堂國藥有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第150至263頁的合併財務報表，包括：

- 於2019年12月31日的合併資產負債表；
- 截至該日止年度的合併收益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

### 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

## 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項為商譽減值。



Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Impairment of goodwill</p> <p>Refer to note 4 (Critical accounting estimates and judgements) and note 16 to the consolidated financial statements.</p> <p>As at 31 December 2019, the Group had a goodwill of HK\$49,419,000 and it was significant to the consolidated financial statements.</p> <p>Management prepared the value-in-use calculation based on cash flow forecast of the cash-generating unit that included this goodwill to determine whether there was any impairment. We focused on this area due to the size of the goodwill balance and the significant judgments and assumptions the management used in preparation of value-in-use calculation.</p> <p>Management has concluded that there is no impairment of goodwill.</p>	<p>We evaluated management's impairment assessment including cash flow forecast, and the process by which they were drawn up, and tested the underlying calculations.</p> <p>Specific work we performed over the impairment assessment included:</p> <ul style="list-style-type: none"> <li>comparing management's short-term forecasted sales and profit margins with historical performance;</li> <li>comparing the management's key assumptions for discount rate and long-term growth rate in the forecast with industry data; and</li> <li>obtaining management's sensitivity analysis over the key assumptions of the cash flow forecast to analyse the potential impact of a range of possible outcomes.</li> </ul> <p>We found management's assessments that there was no impairment of goodwill is supportable by the evidence we gathered and consistent with our expectation.</p>	<p>商譽減值</p> <p>請參閱合併財務報表附註4(重大會計估計及判斷)及附註16。</p> <p>商譽為 貴集團本年度合併財務報表的重大項目。截至2019年12月31日，其餘額為49,419,000港元。</p> <p>管理層根據此商譽所屬之現金產出單元的現金流預測來準備其使用價值模型，以確認是否存在減值需要。我們集中於此事項皆因其重大餘額及使用價值模型涉及重大的管理層判斷和假設。</p> <p>管理層的結論是，商譽沒有減值的需要。</p>	<p>我們檢視了管理層的減值評估，包括現金流量預測及其制定流程，並且測試了相關計算。</p> <p>我們對減值評估執行了如下的具體工作：</p> <ul style="list-style-type: none"> <li>將管理層對短期銷售預測及利潤率與歷史業績作比較；</li> <li>將該等預測中管理層對折現率及長期增長率的關鍵假設與行業數據進行比較；及</li> <li>取得了管理層對現金流預測的敏感性分析，以分析有可能的潛在影響。</li> </ul> <p>我們發現，根據我們所得的憑證，管理層就商譽並不需要減值的評估，與我們的預期一致。</p>

## OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

## 其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

## 董事及審計委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督 貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Hiu Tung.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 24 March 2020

## 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是吳曉彤。

**羅兵咸永道會計師事務所**  
執業會計師

香港，2020年3月24日

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

# 合併收益表

截至2019年12月31日止年度

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue 收入	5	1,432,632	1,513,873
Cost of sales 銷售成本	6	(419,836)	(435,452)
<b>Gross profit 毛利</b>		<b>1,012,796</b>	<b>1,078,421</b>
Distribution and selling expenses 分銷及銷售開支	6	(199,097)	(233,154)
General and administrative expenses 一般及行政開支	6	(164,824)	(148,326)
Other net gains 其他利得 — 淨額		3,111	1,073
<b>Operating profit 經營利潤</b>		<b>651,986</b>	<b>698,014</b>
Finance income 財務收益	9	43,415	23,392
Finance costs 財務支出	9	(4,207)	(19)
Finance income, net 淨財務收益		39,208	23,373
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損	10	(1,972)	(489)
<b>Profit before income tax 除所得稅前利潤</b>		<b>689,222</b>	<b>720,898</b>
Income tax expense 所得稅開支	11	(112,370)	(119,575)
<b>Profit for the year 年度利潤</b>		<b>576,852</b>	<b>601,323</b>
<b>Profit attributable to:</b> 以下人士應佔利潤：			
Owners of the Company 本公司擁有人		556,118	580,720
Non-controlling interests 非控股權益		20,734	20,603
		576,852	601,323
<b>Earnings per share attributable to owners of the Company for the year</b> (expressed in HK\$ per share) 年內本公司擁有人應佔每股盈利(以每股港元列示)			
<b>Basic and diluted earnings per share</b> 每股基本及攤薄盈利	12	0.66	0.69

The above consolidated income statement should be read in conjunction with the accompanying notes.

以上合併收益表應與隨附附註一併閱讀。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

# 合併綜合收益表

截至2019年12月31日止年度

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
<b>Profit for the year 年度利潤</b>		<b>576,852</b>	601,323
<b>Other comprehensive losses: 其他綜合虧損：</b>			
<i>Items that may be reclassified to profit or loss 可能重新分類至損益的項目</i>			
Currency translation differences 貨幣兌換差額		(1,469)	(14,386)
Release of exchange reserve upon liquidation of a joint venture 一間合營企業清盤而撥回之匯兌儲備		(961)	1,703
<i>Item that will not be reclassified to profit or loss 不會重新分類至損益的項目</i>			
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	17	(4,485)	150
<b>Other comprehensive losses for the year 年度其他綜合虧損</b>		<b>(6,915)</b>	(12,533)
<b>Total comprehensive income for the year 年度綜合收益總額</b>		<b>569,937</b>	588,790
<b>Attributable to: 以下人士應佔：</b>			
Owners of the Company 本公司擁有人		549,119	571,784
Non-controlling interests 非控股權益		20,818	17,006
<b>Total comprehensive income for the year 年度綜合收益總額</b>		<b>569,937</b>	588,790

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上合併綜合收益表應與隨附附註一併閱讀。

# CONSOLIDATED BALANCE SHEET

# 合併資產負債表

As at 31 December 2019

於2019年12月31日

	Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Assets 資產</b>			
<b>Non-current assets 非流動資產</b>			
Leasehold land 租賃土地	2(b)	-	15,465
Property, plant and equipment 物業、廠房及設備	15	194,869	286,303
Right-of-use assets 使用權資產	14	195,057	-
Intangible assets 無形資產	16	60,669	72,487
Investments accounted for using the equity method 按權益法入賬之投資	10	18,544	20,181
Financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	17	10,983	15,468
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		5,447	2,866
Deferred income tax assets, net 遞延所得稅資產，淨值	18	8,937	11,851
		<b>494,506</b>	<b>424,621</b>
<b>Current assets 流動資產</b>			
Inventories 存貨	19	318,187	244,535
Trade receivables and other current assets 貿易應收款項及其他流動資產	20	357,262	236,489
Short-term bank deposits 短期銀行存款	21	911,655	1,715,609
Cash and cash equivalents 現金及現金等價物	21	1,056,711	549,831
		<b>2,643,815</b>	<b>2,746,464</b>
<b>Total assets 總資產</b>		<b>3,138,321</b>	<b>3,171,085</b>
<b>Equity and liabilities 權益及負債</b>			
<b>Equity attributable to owners of the Company 本公司擁有人應佔權益</b>			
Share capital 股本	22	938,789	938,789
Reserves 儲備	23		
— Other reserves 其他儲備		(26,982)	(19,983)
— Retained earnings 保留收益		1,747,694	1,986,821
		<b>2,659,501</b>	<b>2,905,627</b>
<b>Non-controlling interests 非控股權益</b>		<b>106,135</b>	<b>118,600</b>
<b>Total equity 權益總額</b>		<b>2,765,636</b>	<b>3,024,227</b>
<b>Liabilities 負債</b>			
<b>Non-current liabilities 非流動負債</b>			
Borrowings 借貸	24	833	1,053
Lease liabilities 租賃負債		59,395	-
Deferred income tax liabilities, net 遞延所得稅負債，淨值	18	5,376	4,874
		<b>65,604</b>	<b>5,927</b>
<b>Current liabilities 流動負債</b>			
Borrowings 借貸	24	220	166
Trade and other payables 貿易及其他應付款項	25	142,832	119,011
Lease liabilities 租賃負債		39,427	-
Current income tax liabilities 當期所得稅負債		124,602	21,754
		<b>307,081</b>	<b>140,931</b>
<b>Total liabilities 總負債</b>		<b>372,685</b>	<b>146,858</b>
<b>Total equity and liabilities 權益及負債總額</b>		<b>3,138,321</b>	<b>3,171,085</b>

The consolidated financial statements on pages 150 to 263 were approved by the Board of Directors on 24 March 2020 and were signed on its behalf.

第150至263頁的合併財務報表於2020年3月24日獲董事會批准，並由以下代表簽署。

Ding Yong Ling  
Director

Lin Man  
Director

丁永玲  
董事

林曼  
董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

以上合併資產負債表應與隨附附註一併閱讀。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

# 合併權益變動表

截至2019年12月31日止年度

	Attributable to owners of the Company 本公司擁有人應佔									
	Note 附註	Share capital	Merger reserve	Other reserves	Statutory reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	合併儲備	其他儲備	法定儲備	匯兌儲備	保留收益	總額	非控股權益	權益總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2018 於2018年1月1日</b>		938,789	(13,124)	2,360	6,229	(6,512)	1,565,150	2,492,892	115,285	2,608,177
<b>Comprehensive income 綜合收益</b>										
Profit for the year 年度利潤		-	-	-	-	-	580,720	580,720	20,603	601,323
<b>Other comprehensive losses 其他綜合虧損</b>										
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動		-	-	150	-	-	-	150	-	150
Release of exchange reserve upon liquidation of a joint venture 一間合營企業清盤而撥回之匯兌儲備		-	-	-	-	1,703	-	1,703	-	1,703
Currency translation differences 貨幣兌換差額										
- Group 本集團		-	-	-	-	(10,693)	-	(10,693)	(3,597)	(14,290)
- Joint ventures 合營企業		-	-	-	-	(96)	-	(96)	-	(96)
<b>Total comprehensive income 綜合收益總額</b>		-	-	150	-	(9,086)	580,720	571,784	17,006	588,790
<b>Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易</b>										
Dividends paid 已付股息		-	-	-	-	-	(159,049)	(159,049)	(16,404)	(175,453)
Capital injections into subsidiaries 向附屬公司注資		-	-	-	-	-	-	-	3,152	3,152
Liquidation of a subsidiary 一間附屬公司的清盤		-	-	-	-	-	-	-	(439)	(439)
<b>Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>		-	-	-	-	-	(159,049)	(159,049)	(13,691)	(172,740)
<b>At 31 December 2018 於2018年12月31日</b>		938,789	(13,124)	2,510	6,229	(15,598)	1,986,821	2,905,627	118,600	3,024,227
<b>At 1 January 2019 於2019年1月1日</b>		938,789	(13,124)	2,510	6,229	(15,598)	1,986,821	2,905,627	118,600	3,024,227
<b>Comprehensive income 綜合收益</b>										
Profit for the year 年度利潤		-	-	-	-	-	556,118	556,118	20,734	576,852
<b>Other comprehensive losses 其他綜合虧損</b>										
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動		-	-	(4,485)	-	-	-	(4,485)	-	(4,485)
Release of exchange reserve upon liquidation of a joint venture 一間合營企業清盤而撥回之匯兌儲備		-	-	-	-	(961)	-	(961)	-	(961)
Currency translation differences 貨幣兌換差額										
- Group 本集團		-	-	-	-	(1,888)	-	(1,888)	84	(1,804)
- Joint ventures 合營企業		-	-	-	-	335	-	335	-	335
<b>Total comprehensive income 綜合收益總額</b>		-	-	(4,485)	-	(2,514)	556,118	549,119	20,818	569,937
<b>Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易</b>										
Dividends paid 已付股息		-	-	-	-	-	(795,245)	(795,245)	(33,283)	(828,528)
<b>Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>		-	-	-	-	-	(795,245)	(795,245)	(33,283)	(828,528)
<b>At 31 December 2019 於2019年12月31日</b>		938,789	(13,124)	(1,975)	6,229	(18,112)	1,747,694	2,659,501	106,135	2,765,636

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上合併權益變動表應與隨附附註一併閱讀。

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

# 合併現金流量表

截至2019年12月31日止年度

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
<b>Cash flows from operating activities 經營活動所產生的現金流量</b>			
Cash generated from operations 經營所產生的現金	26(a)	557,155	710,857
Income tax paid 已付所得稅		(6,145)	(133,154)
Interest paid 已付利息		-	(19)
Net cash generated from operating activities 經營活動所產生的現金淨額		551,010	577,684
<b>Cash flows from investing activities 投資活動所產生的現金流量</b>			
Interest received 已收利息		48,274	23,392
Dividends received 已收股息		195	165
Decrease/(increase) in short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款減少/(增加)		803,954	(568,271)
Proceeds from sale of property, plant and equipment 出售物業、廠房及設備所得款	26(b)	108	10
Purchase of property, plant and equipment 購買物業、廠房及設備		(11,478)	(47,215)
Deposit paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		(5,512)	(6,013)
Net cash generated from/(used in) investing activities 投資活動所產生/(所用)現金淨額		835,541	(597,932)
<b>Cash flows from financing activities 融資活動所產生的現金流量</b>			
Principal elements of lease payments 租賃付款額的本金部分		(45,775)	-
Capital injections by non-controlling interests 非控股權益注資		-	3,152
Payment to non-controlling interests upon liquidation of a subsidiary 一間附屬公司清盤而向非控股權益付款		-	(439)
Dividends paid to the Company's shareholders 已付本公司股東的股息		(795,238)	(159,049)
Dividends paid to non-controlling interests 已付非控股權益的股息		(33,283)	(17,314)
Interest paid 已付利息		(4,207)	-
Proceeds from borrowings 借貸所得款		-	1,165
Repayment of borrowings 償還借貸		(166)	(522)
Net cash used in financing activities 融資活動所用現金淨額		(878,669)	(173,007)
<b>Net increase/(decrease) in cash and cash equivalents 現金及現金等價物增加/(減少)淨額</b>		<b>507,882</b>	<b>(193,255)</b>
Cash and cash equivalents at beginning of year 年初之現金及現金等價物		549,831	750,443
Exchange losses on cash and cash equivalents 現金及現金等價物匯兌損失		(1,002)	(7,357)
<b>Cash and cash equivalents at end of year 年終之現金及現金等價物</b>		<b>1,056,711</b>	<b>549,831</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上合併現金流量表應與隨附附註一併閱讀。

## 1 GENERAL INFORMATION

Beijing Tong Ren Tang Chinese Medicine Company Limited (the “Company”) and its subsidiaries (together the “Group”) are engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The immediate holding company of the Company is Tong Ren Tang Technologies Co. Ltd. (“Tong Ren Tang Technologies”) which is a joint stock limited company established in the People’s Republic of China (the “PRC”) and is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company is Beijing Tong Ren Tang Company Limited. (“Tong Ren Tang Ltd.”) which is a joint stock limited company incorporated in the PRC and is listed on the Shanghai Stock Exchange. The ultimate holding company of the Company is China Beijing Tong Ren Tang Group Co., Ltd. (“Tong Ren Tang Holdings”) which is a company incorporated in the PRC.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The shares of the Company were listed on GEM of the Stock Exchange starting from 7 May 2013 and were transferred to be listed on the Main Board of the Stock Exchange starting from 29 May 2018.

These consolidated financial statements are presented in Hong Kong dollars (HK\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2020.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial asset at fair value through other comprehensive income, which is carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### (i) Adoption of new standards, interpretation and amendments to standards

The Group has adopted the following new standard, interpretation and amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 January 2019:

HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC)-Int23	Uncertainty over income tax treatments
Amendments to HKFRSs	Annual improvements to HKFRSs 2015–2017 cycle

The Group had to change its accounting policies as a result of adopting HKFRS 16 “Lease”. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 2(b). Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

Except for the impact for HKFRS 16 which have been disclosed in note 2(b), the adoption of the above new standard, interpretation and amendments to standards did not have any significant financial impact on these consolidated financial statements.

## 1 一般資料

北京同仁堂國藥有限公司(「本公司」)及其附屬公司(統稱「本集團」)從事中藥產品和保健品的生產、零售及批發並提供中醫診療。本公司直接控股公司北京同仁堂科技發展股份有限公司(「同仁堂科技」)為於中華人民共和國(「中國」)成立的股份有限公司，於香港聯合交易所有限公司主板上市。本公司中間控股公司北京同仁堂股份有限公司(「同仁堂股份」)為於中國成立的股份有限公司，於上海證券交易所上市。本公司最終控股公司中國北京同仁堂(集團)有限責任公司(「同仁堂集團公司」)為於中國註冊成立的公司。

本公司為在香港註冊成立的有限公司，註冊辦事處地址為香港灣仔港灣道1號會展廣場辦公大樓1405–1409室。

本公司股份於2013年5月7日在聯交所GEM上市，並於2018年5月29日轉至於聯交所主板上市。

除另有註明外，該等合併財務報表以港元(「港元」)列賬。該等合併財務報表已於2020年3月24日獲董事會批准刊發。

## 2 主要會計政策概要

編製該等合併財務報告所採用的主要會計政策如下。除另有註明外，該等政策貫徹應用於呈列的所有年度。

### (a) 編製基準

合併財務報表已按香港財務報告準則(「香港財務報告準則」)及香港《公司條例》(第622章)編製。合併財務報表根據歷史成本法編製，並已就以公允價值計量且其變動計入其他綜合收益的金融資產的重估作出修訂。

編製符合香港財務報告準則的財務報表需採用若干關鍵會計估計。此亦需管理人員在應用本集團的會計政策時行使判斷。涉及高度判斷或複雜性的範疇，或涉及對合併財務報表屬重大假設及估計的範疇已於附註4披露。

### (i) 採納新訂準則、新解釋及準則之修訂

本集團所採納與本集團業務相關且於2019年1月1日或之後開始之財政年度須強制採用的新訂準則、新解釋及準則之修訂如下：

香港會計準則第19號(修訂本)	計劃修正、縮減或清償
香港會計準則第28號(修訂本)	對關聯企業及合資之長期權益
香港財務報告準則第9號(修訂本)	具有負補償的其他應收款特性
香港財務報告準則第16號	租賃
香港財務報告準則解釋第23號	所得稅處理的不確定性
香港財務報告準則的修訂	香港財務報告準則2015–2017年週期的年度改進

本集團因採用《香港財務報告準則第16號 — 租賃》而作出了會計政策變更。本集團選擇追溯採用新準則，但在2019年1月1日確認初始應用新準則的累計影響。詳見附註2(b)的披露。上述其他修訂對前期入賬金額沒有任何影響，預計也不會對當期或未來期間產生重大影響。

除了已於附註2(b)披露了影響的香港財務報告準則第16號以外，採納上述新訂準則、新解釋及準則之修訂對該等合併財務報表並無任何重大財務影響。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (a) Basis of preparation (Continued)

#### (ii) New standard, revised framework and amendments to standards which are not yet effective

The following are new standard, revised framework and amendments to standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2020 or later periods, but have not been early adopted by the Group.

Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting <sup>(1)</sup>
HKAS 1 and HKAS 8 (Amendments)	Definition of Material <sup>(1)</sup>
HKFRS 3 (Amendments)	Definition of a Business <sup>(1)</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(3)</sup>
HKFRS 17	Insurance Contracts <sup>(2)</sup>

<sup>(1)</sup> Effective for the accounting period beginning on 1 January 2020

<sup>(2)</sup> Effective for the accounting period beginning on 1 January 2021

<sup>(3)</sup> Effective date to be determined

The Group will apply the above new standard, revised framework and amendments to standards when they become effective. No new standard, revised framework and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

### (b) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Lease on the Group's consolidated financial statements.

The Group elects to adopt HKFRS 16 without restating comparatives. The reclassification and the adjustments arising from the adoption of HKFRS 16 are therefore not reflected in the consolidated balance sheet as at 31 December 2018, but are recognised in the opening of the consolidated balance sheet on 1 January 2019.

The Group is a lessee of various properties. Upon the adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases except for short-term and low value leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 ranged between 4% to 6%. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

## 2 主要會計政策概要(續)

### (a) 編製基準(續)

#### (ii) 尚未生效的新訂準則、新修訂框架及準則之修訂

下列新訂準則、新修訂框架及準則之修訂與本集團於2020年1月1日或之後開始的會計期或較後期間強制實行，惟本集團並無提早採納。

財務報導之觀念性架構2018	新訂財務報導之觀念性架構 <sup>(1)</sup>
香港會計準則第1號及第8號(修訂本)	重大的定義 <sup>(1)</sup>
香港財務報告準則第3號(修訂本)	企業的定義 <sup>(1)</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者及其聯營或合營企業的資產出售或投入 <sup>(3)</sup>
香港財務報告準則第17號	保險合約 <sup>(2)</sup>

<sup>(1)</sup> 於2020年1月1日開始的會計期間生效

<sup>(2)</sup> 於2021年1月1日開始的會計期間生效

<sup>(3)</sup> 生效日期待定

當上述新訂準則、新修訂框架及準則之修訂生效時，本集團將應用此等準則、新修訂框架及準則之修訂。沒有新訂準則、新修訂框架及準則之修訂預期會對本集團的合併財務報表有重大影響。

### (b) 會計政策變動

本附註解釋了採納香港財務報告準則第16號租賃對本集團合併財務報表的影響。

本集團選擇在不重述比較數據下採納香港財務報告準則第16號。故採用香港財務報告準則第16號產生的重分類和調整未於2018年12月31日的合併資產負債表中反映，但於2019年1月1日合併資產負債表期初結餘中確認。

本集團為多個物業的承租人。因採用香港財務報告準則第16號，除短期和低價值租賃外，本集團為之前根據《香港會計準則第17號—租賃》的原則歸入「經營租賃」的租賃確認了租賃負債。該等租賃負債以剩餘租賃付款額按2019年1月1日的承租人增量借款利率折現的現值計量。2019年1月1日租賃負債適用的承租人加權平均增量借款利率為4%到6%。租賃負債的重新計量結果在首次執行日後立即確認為相關使用權資產的調整。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (b) Changes in accounting policies (Continued)

The reconciliation of operating lease commitments to lease liabilities is set out below:

	2019
	HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018 2018年12月31日披露的經營租賃承擔	113,543
Discounted using the lessee's incremental borrowing rate of at the date of initial application 首次執行日使用承租人的增量借款利率進折現	105,825
(Less): short-term leases recognised on a straight-line basis as expense (減): 按直線法作為費用確認的短期租賃	(18,078)
(Less): contracts reassessed as service agreements (減): 被重新評估為服務協定的租賃合同	(663)
Add: adjustments as a result of a different treatment of extension and termination options 加: 因對續租選擇權和終止選擇權採用不同的會計處理而進行調整	33,997
	121,081
<b>Lease liabilities recognised as at 1 January 2019 2019年1月1日確認的租賃負債</b>	
Of which are: 其中包括:	
Current lease liabilities 流動租賃負債	40,124
Non-current lease liabilities 非流動租賃負債	80,957
	121,081

The Group has applied HKFRS 16 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policies.

The adoption of HKFRS 16 Lease from 1 January 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in notes 2(aa) below. There is no impact on the Group's retained earnings as at 1 January 2019 and no restatement is made.

The associated right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required a significant adjustment to the right-of-use assets at the date of initial application.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

## 2 主要會計政策概要(續)

## (b) 會計政策變動(續)

經營租賃承擔與租賃負債的對賬呈列如下:

	2019
	HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018 2018年12月31日披露的經營租賃承擔	113,543
Discounted using the lessee's incremental borrowing rate of at the date of initial application 首次執行日使用承租人的增量借款利率進折現	105,825
(Less): short-term leases recognised on a straight-line basis as expense (減): 按直線法作為費用確認的短期租賃	(18,078)
(Less): contracts reassessed as service agreements (減): 被重新評估為服務協定的租賃合同	(663)
Add: adjustments as a result of a different treatment of extension and termination options 加: 因對續租選擇權和終止選擇權採用不同的會計處理而進行調整	33,997
	121,081
<b>Lease liabilities recognised as at 1 January 2019 2019年1月1日確認的租賃負債</b>	
Of which are: 其中包括:	
Current lease liabilities 流動租賃負債	40,124
Non-current lease liabilities 非流動租賃負債	80,957
	121,081

本集團已追溯應用香港財務報告準則第16號，但選擇不重述比較數據。因此，本集團將繼續按照之前的會計政策對提供的比較數據進行會計處理。

自2019年1月1日起採納香港財務報告準則第16號租賃導致會計政策的變動和對財務報表中確認金額的調整。新會計政策載於下文附註2(aa)。會計政策變更對本集團於2019年1月1日的保留收益未產生影響，因此未進行重述。

物業租賃的相關使用權資產根據與租賃負債相等的金額計量，並與2018年12月31日資產負債表內確認的該租賃相關的預付或計提的租賃付款額予以調整。本集團的租賃合同均為非虧損合同，不需要在首次執行日對使用權資產進行重大的調整。

每筆租賃付款額均在相應負債與財務費用之間分攤。財務費用在租賃期限內計入損益，以使各期負債餘額產生的利息率保持一致。使用權資產按照直線法在租賃期內計提折舊。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (b) Changes in accounting policies (Continued)

The adoption of HKFRS 16 affected the following items in the consolidated balance sheet at 1 January 2019:

	Increase/ (decrease) by 增加/(減少)
	HK\$'000 千港元
Non-current assets 非流動資產	
Right-of-use assets 使用權資產	
– Leasehold land 租賃土地	100,807
– Buildings 物業租賃	122,017
Leasehold land 租賃土地	(15,465)
Property, plant and equipment 物業、廠房及設備	(85,342)
Current assets 流動資產	
Trade receivables and other current assets 貿易應收款項及其他流動資產	(1,646)
Non-current liability 非流動負債	
Lease liabilities 租賃負債	80,957
Current liabilities 流動負債	
Lease liabilities 租賃負債	40,124
Trade and other payables 貿易及其他應付款項	(710)
Deferred income tax assets (Note) 遞延所得稅資產(附註)	23,819
Deferred income tax liabilities (Note) 遞延所得稅負債(附註)	23,819

Note: pursuant to set-off provision, deferred income tax assets of HK\$23,819,000 was set-off against the deferred income tax liabilities as at 1 January 2019.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review, there were no onerous contract as at 1 January 2019;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

## (c) Subsidiaries

## (i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

**Business combinations**

Except for business combination under common control, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## 2 主要會計政策概要(續)

## (b) 編製基準(續)

於2019年1月1日採納香港財務報告準則第16號影響合併資產負債表下列項目：

	Increase/ (decrease) by 增加/(減少)
	HK\$'000 千港元
Non-current assets 非流動資產	
Right-of-use assets 使用權資產	
– Leasehold land 租賃土地	100,807
– Buildings 物業租賃	122,017
Leasehold land 租賃土地	(15,465)
Property, plant and equipment 物業、廠房及設備	(85,342)
Current assets 流動資產	
Trade receivables and other current assets 貿易應收款項及其他流動資產	(1,646)
Non-current liability 非流動負債	
Lease liabilities 租賃負債	80,957
Current liabilities 流動負債	
Lease liabilities 租賃負債	40,124
Trade and other payables 貿易及其他應付款項	(710)
Deferred income tax assets (Note) 遞延所得稅資產(附註)	23,819
Deferred income tax liabilities (Note) 遞延所得稅負債(附註)	23,819

附註：按照抵銷規定，於2019年1月1日，遞延所得稅資產23,819,000港元與遞延所得稅負債抵銷。

在首次執行香港財務報告準則第16號的過程中，本集團使用了該準則允許採用的下列實務簡易處理方法：

- 對具有合理相似特徵的租賃組合採用單一折現率；
- 依賴前期關於租賃是否為虧損合同的評估，來替代減值測試2019年1月1日不存在虧損合同；
- 截至2019年1月1日的剩餘租賃期短於12個月的經營租賃作為短期租賃處理；
- 首次採用日計量使用權時扣除初始直接費用；以及
- 如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

## (c) 附屬公司

## (i) 合併

附屬公司為本集團對其有控制權的實體(包括結構實體)。當本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，則本集團對該實體具有控制權。附屬公司自控制權轉至本集團當日起合併計算，並自該控制權終止當日起不再合併計算。

**業務合併**

除共同控制下的業務合併外，收購法用作本集團業務合併的入賬方法。就收購附屬公司所轉讓的代價為所轉讓資產、被收購方前擁有的產生的負債及本集團所發行股權的公允價值。所轉讓的代價包括或有代價安排產生的任何資產或負債的公允價值。業務合併中所收購可識別資產與所承擔負債及或有負債，初步以彼等於收購日期的公允價值計量。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (c) Subsidiaries (Continued)

#### (i) Consolidation (Continued)

##### **Business combinations** (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

##### **Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### **Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint ventures or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### (ii) Separate financial statements

Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment. Cost includes directly attributable costs of investment. The results of subsidiaries, joint ventures and associates are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries, joint ventures and associates are required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary, joint ventures and associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 主要會計政策概要(續)

### (c) 附屬公司(續)

#### (i) 合併(續)

##### **業務合併(續)**

本集團按逐項收購基準確認被收購方的任何非控股權益。屬現時所有權益且賦予持有人權利於清盤時按比例享有實體資產淨值的被收購方非控股權益按公允價值或現時所有權益按比例應佔被收購方可識別資產淨值的確認金額計量。除非香港財務報告準則要求採用其他計量基準，否則其他所有非控股權益部份均按收購日期的公允價值計量。

收購相關成本在產生時支銷。

倘業務合併分階段進行，則收購方先前所持被收購方股權於收購日期的賬面值按收購日期的公允價值重新計量，重新計量所產生的任何收益或虧損於損益確認。

商譽按所轉撥代價、被收購方非控股權益金額及被收購方先前股權於收購日的公允價值超出所收購可識別資產淨值公允價值的部分計量。倘所轉讓代價、已確認非控股權益及計量的先前所持權益總額低於議價購買所收購附屬公司資產淨值之公允價值，則差額直接於合併收益表確認。

集團內交易、結餘及集團及公司間交易所未變現收益予以對銷。未變現虧損亦予以對銷。必要時，附屬公司之呈報數額已予以調整，以與本集團會計政策保持一致。

##### **不導致控制權變動之附屬公司所有權權益變動**

不導致失去控制權之非控股權益交易入賬列作權益交易 — 即以彼等為擁有人之身份與附屬公司擁有人進行交易。任何已付代價的公允價值與應佔所收購附屬公司資產淨值賬面值相關部分的差額於權益列賬。向非控股權益出售的收益或虧損亦於權益列賬。

##### **出售附屬公司**

倘本集團不再有控制權，則其於該實體之任何保留權益按失去控制權當日之公允價值重新計量，而賬面值變動則於損益確認。對於其後入賬列作聯營公司、合營企業或金融資產的保留權益，公允價值指初始賬面值。此外，先前於其他綜合收益確認與該實體有關的任何金額按猶如本集團已直接出售相關資產或負債的方式入賬。這可能意味著先前於其他綜合收益確認的金額重分類至損益。

#### (ii) 獨立財務報表

於附屬公司、聯營公司和合營企業的投資以成本扣除減值入賬。成本包括投資的直接應佔成本。本公司將來自附屬公司、聯營公司和合營企業的業績按已收及應收股息入賬。

倘投資附屬公司、聯營公司和合營企業收取之股息超過附屬公司、聯營公司和合營企業於股息宣派期之綜合收益總額或獨立財務報表之投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)之賬面值，則須對該等投資進行減值測試。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (d) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/loss of investments accounted for using equity method", in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

In the balance sheet of the Company, its investments in associates are stated at cost less provision for any impairment losses. Income from associates is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 主要會計政策概要(續)

### (d) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權的實體，一般附帶擁有其20%至50%投票權的股權。於聯營公司的投資採用權益會計法列賬。根據權益法，投資初始以成本確認，於收購日期後，賬面值增加或減少，確認投資者應佔被投資方利潤或虧損。本集團於聯營公司的投資包括收購時識別的商譽。收購聯營公司的所有權權益後，聯營公司的成本與本集團應佔聯營公司可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，則僅須將過往按比例於其他綜合收益確認金額的部份，於適當情況下重新劃分至損益入賬。

本集團應佔收購後的利潤或虧損於收益表確認，而應佔收購後的其他綜合收益變動在其他綜合收益確認，並相應調整投資的賬面值。本集團應佔聯營公司虧損等於或超過所持聯營公司權益(包括任何其他無抵押應收款項)時，本集團不再確認虧損，除非本集團因此產生法定或推定責任或代聯營公司支付款項。

本集團於各報告日釐定有否客觀證據顯示於聯營公司的投資出現減值。倘證實為減值，則本集團會計算出減值金額(於聯營公司可收回金額與其賬面值之差額)並於收益表的「應佔按權益法入賬之投資利潤/虧損」確認該金額。

本集團及其聯營公司間之上下游交易所產生利潤及虧損於本集團財務報表確認，惟僅以非關連投資方於聯營公司的權益為限。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦應予以對銷。聯營公司會計政策已於必要時變更，以確保與本集團採納的政策一致。

於聯營公司股權的攤薄收益或虧損於收益表確認。

在本公司的資產負債表中，於聯營公司的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自聯營公司的收益。

在本公司的資產負債表中，如投資聯營企業收取之股息超過宣派股息期內聯營公司的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)的賬面值，則必須對聯營公司投資作減值測試。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (e) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the balance sheet of the Company, its investments in joint ventures are stated at cost less provision for any impairment losses. Income from joint ventures is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the joint ventures in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### (f) Segment reporting

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 Company's executive directors that makes strategic decisions.

### (g) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## 2 主要會計政策概要(續)

### (e) 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，於合營安排的投資視乎各投資方的合約權利及責任分類為合營業務或合營企業。本集團已評估合營安排的性質，將其釐定為合營企業。合營企業按權益法入賬。

根據權益會計法，於合營企業之權益初步按成本確認，隨後調整以確認本集團應佔收購後利潤或虧損及其他綜合收益之變動。本集團於合營企業的投資包括收購時產生的商譽。收購合營企業的所有權權益時，合營企業的成本與本集團應佔合營企業可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。倘本集團應佔合營企業之虧損等於或超過所持合營企業之權益(包括實際屬於本集團於合營企業投資淨額之任何長期權益)，本集團不再確認虧損，除非本集團產生責任或代合營企業付款，則作別論。

本集團與其合營企業交易之未變現收益會對銷，以本集團所持合營企業之權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業的會計政策如有需要已改變以符合集團採納的政策。

在本公司的資產負債表中，於合營企業的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自合營企業的收益。

在本公司的資產負債表中，如投資合營企業收取之股息超過宣派股息期內合營企業的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)的賬面值，則必須對合營企業投資作減值測試。

### (f) 分部報告

營運分部的呈報方式與向主要經營決策者提供的內部報告一致。主要經營決策者負責分配資源及評估營運分部表現，已確定為作出策略決定的本公司執行董事。

### (g) 外幣換算

#### (i) 功能及呈報貨幣

本集團旗下各實體之財務報表所列項目均採用有關實體營業所在主要經濟環境之貨幣(「功能貨幣」)為計算單位。合併財務報表以港元(「港元」)列賬。港元乃本公司之功能貨幣及本集團之呈報貨幣。

#### (ii) 交易及結餘

外幣交易按交易當日或項目重新計量估值當日通行之匯率換算為功能貨幣。該等交易結算和以外幣計值的貨幣資產及負債按年結匯率換算產生之外幣匯兌損益，於收益表確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (g) Foreign currency translation (Continued)

## (iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

## (iv) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

## (h) Property, plant and equipment

Buildings comprise mainly a factory, offices and retail shops. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is 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 charged to the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Buildings	25 to 50 years
— Leasehold improvement	Shorter of remaining lease term or useful life
— Plant and machinery	3 to 12 years
— Motor vehicles	5 to 8 years
— Furniture, fittings and equipment	2.5 to 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(k)).

## 2 主要會計政策概要(續)

## (g) 外幣換算(續)

## (iii) 集團公司

所有集團實體(並無惡性通貨膨脹經濟的貨幣)的業績及財務狀況的功能貨幣如有別於呈報貨幣,均按以下方式換算為呈報貨幣:

- 於各資產負債表呈列的資產及負債按有關資產負債表結算日的收市匯率換算;
- 各收益表的收支按平均匯率換算(除非該平均匯率並非在有關交易當日通行的匯率累積影響的合理估計內,在該情況下,收支按有關交易當日的匯率換算);及
- 所有因此而產生的貨幣兌換差額於其他綜合收益確認。

因收購海外實體而產生的商譽及公允價值調整,均視作有關海外實體的資產與負債,並按收市匯率換算。所產生的貨幣兌換差額在其他綜合收益確認。

## (iv) 出售海外業務

對於出售海外業務(即出售本集團一項海外業務的全部權益、或涉及失去對一間附屬公司(包括一項海外業務)之控制權的出售、涉及失去對一間合營企業(包括一項海外業務)之共同控制權的出售、或涉及失去對一間聯營公司(包括一項海外業務)之重大影響力的出售),本公司擁有人就該業務於權益累計的所有貨幣兌換差額均重新分類至損益。

## (h) 物業、廠房及設備

樓宇主要為廠房、辦公室及零售商舖。所有物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接引致的開支。

其後成本僅在與該項目有關的未來經濟利益可能流入本集團而且該項目成本能可靠計量時,方會計入資產賬面值或確認為獨立資產(如適用)。已更換零件的賬面值會終止入賬。所有其他維修及保養支出在其發生的財政期內於收益表支銷。

永久業權土地並無計提折舊。物業、廠房及設備的折舊以直線法計算,以於估計可使用年期將其成本分配至剩餘價值,有關估計可使用年期如下:

— 樓宇	25至50年
— 租賃物業裝修	剩餘租期或可使用年期的較短者
— 廠房及機器	3至12年
— 汽車	5至8年
— 傢俱及設備	2.5至12年

資產的剩餘價值及可使用年期均在各報告期末檢討及調整(如適用)。

倘資產的賬面值高於其估計可收回金額,其賬面值將即時撇減至可收回金額(附註2(k))。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (i) Leasehold land — accounting policies applied until 31 December 2018

Leasehold land classified as finance lease is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Leasehold land held under finance lease                      Over the lease term of 34 to 47 years

In the previous year, the Group only recognised leased assets in relation to leases that was classified as “finance leases” under HKAS 17 Leases. The assets were presented in leasehold land and leasehold land under finance lease as included in property, plant and equipment. For adjustment recognised on adoption of HKFRS 16 on 1 January 2019, please refer to note 2(b).

### (j) Intangible assets

#### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

#### (ii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships of ten years.

#### (iii) Other intangible assets

Within the Group there are two types of other intangible assets: management contract and exclusive supply contract. These intangible assets acquired have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected useful lives.

### (k) Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2 主要會計政策概要(續)

### (i) 租賃土地 — 截至2018年12月31日前採用的會計政策

分類為融資租賃的租賃土地按歷史成本減折舊列賬。歷史成本包括收購該等項目直接引致的開支。

分類為融資租賃的租賃土地由土地權益可供用作擬定用途時開始攤銷。分類為融資租賃的租賃土地攤銷及其他資產的折舊以直線法計算，以於估計可使用年期將其成本分配至剩餘價值，有關估計可使用年期如下：

— 根據融資租賃持有的租賃土地                      介乎34至47年的租期內

在上一年，本集團僅對根據《香港會計準則第17號 — 租賃》分類為「融資租賃」的租賃確認租賃資產。該資產包括租賃土地以及包括在物業、廠房及設備的融資租賃土地。因2019年1月1日採用《香港財務報告準則第16號 — 租賃》而確認的調整，請參見附註2(b)。

### (j) 無形資產

#### (i) 商譽

商譽產生自收購子公司，並相當於所轉讓對價，被收購方的非控制性權益金額以及享有的被收購方過往的權益在收購日的公允價值超過本集團獲得的被收購方的可辨認淨資產公允價值的數額。

商譽不攤銷，但對商譽的減值檢討每年進行，如事件或情況轉變顯示可能存在減值，則更頻密地檢討。出售一間企業之損益包括與該售出企業有關之商譽之賬面值。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組（預期可從合併中獲取協同利益）。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

#### (ii) 客戶合同關係

在業務合併中購入的客戶合同關係按購買日的公允價值列賬。客戶合同關係有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按客戶關係的十年預計可使用年期利用直線法分攤計算。

#### (iii) 其他無形資產

本集團的其他無形資產中，管理合同及獨家供貨合同均有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按之預計可使用年期利用直線法分攤計算。

### (k) 非金融資產的減值

無確定使用年期的資產或尚未可供使用的無形資產毋須作攤銷，並每年進行減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時，則須檢討須攤銷的資產有否減值。倘資產的賬面值高於其可收回金額，則按差額確認減值虧損。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之較高者為準。評估減值時，資產按可分開識別現金流量的最低層次組合（現金產出單元）分組。除商譽外，已減值的非金融資產均在每個報告日檢討減值是否可以撥回。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (1) Financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (“OCI”); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

##### (a) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### (b) 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. The Group classified its debt instruments into financial assets at amortised cost:

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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

#### (iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3(a) for further details.

## 2 主要會計政策概要(續)

### (1) 金融資產

#### (i) 分類

本集團按以下計量類別對金融資產進行分類：

- 後續以公允價值計量且其變動計入其他綜合收益的金融資產；及
- 以攤餘成本計量的金融資產。

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

對於非交易性的權益工具投資，其分類將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他綜合收益。

僅當管理該等資產的業務模式發生變化時，本集團才對債權投資進行重分類。

#### (ii) 確認和終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已經轉移了金融資產所有權上幾乎所有的風險和報酬，金融資產即終止確認。

#### (iii) 計量

對於不被分類為以公允價值計量且其變動計入損益的金融資產，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。

##### (a) 權益工具

本集團以公允價值對所有權益投資進行後續計量。如果本集團管理層選擇將權益投資的公允價值利得和損失計入其他綜合收益，則當終止確認該項投資時，不會將公允價值利得和損失重分類至損益。對於股利，當本集團已確立收取股利的權利時，該等投資的股利才作為其他收益而計入損益。

對於以公允價值計量且其變動計入其他綜合收益的權益投資，其減值損失(以及減值損失轉回)不在其他公允價值變動外單獨列示。

##### (b) 債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以攤餘成本計量的金融資產：

以攤餘成本計量：對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤餘成本計量。該等金融資產的利息收入以實際利率法計算並計入財務收入。終止確認時產生的利得或損失直接計入損益，並與匯兌利得和損失一同列示在其他利得/(損失)中。減值損失作為單獨的科目在損益表中列報。

#### (iv) 減值

對於以攤餘成本計量的債務工具，本集團就其預期信用損失做出前瞻性評估。減值方法取決於其信用風險是否顯著增加。

對於貿易應收款項，本集團採用香港財務報告準則第9號允許的簡化方法，在初始確認時計量貿易應收款項整個存續期的預期信用損失，詳見附註3(a)。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### (n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### (o) Trade receivables and other current assets

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other current assets include prepayment, deposits and other receivables. If collection of trade receivables and other current assets is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other current assets, excluding prepayments, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### (p) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

### (q) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### (r) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### (s) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

## 2 主要會計政策概要(續)

### (m) 抵銷金融工具

當有法定可執行權利抵銷金融資產與金融負債的已確認金額，且有意以淨額基準結算或同時變現資產及結清負債，則可將金融資產與金融負債互相抵銷，並在資產負債表呈報淨額。法定可執行權利不得視乎未來事件而定且於日常業務過程中及公司或交易對手違約、無力償債或破產時須可執行。

### (n) 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按加權平均法釐定。製成品及在製品成本包括原材料、直接勞工、其他直接成本及相關生產費用(以正常產能計算)。可變現淨值按日常業務過程中的估計售價減適用浮動銷售開支計算。

### (o) 貿易應收款項及其他流動資產

貿易應收款項為日常業務過程中就已出售商品或所履行服務應收客戶的款項。其他流動資產包括預付款項、按金及其他應收款項。倘預期於一年或以內(倘時間較長，則於業務的正常營運週期內)追收貿易應收款項及其他流動資產，則該等款項分類為流動資產，否則呈列為非流動資產。

貿易應收款項及其他流動資產，預付款項除外，初步以公允價值確認，其後按攤銷成本以實際利率法計量，並扣除減值撥備。

### (p) 現金及現金等價物

合併現金流量表中，現金及現金等價物包括庫存現金、銀行活期存款及其他原期限為三個月或以內之短期高流動性投資。

### (q) 股本

普通股分類為權益。

直接歸屬於發行新股份的新增成本於權益列賬為所得款項的扣減(已扣除稅項)。

### (r) 貿易及其他應付款項

貿易應付款項為在日常業務過程中就自供應商購入貨品或服務的付款責任。倘預期貿易及其他應付款項於一年或以內(倘時間較長，則於業務的正常營運週期內)到期，則該等款項分類為流動負債，否則呈列為非流動負債。

貿易及其他應付款項初步以公允價值確認，其後按攤銷成本以實際利率法計量。

### (s) 借貸

借貸按公允價值並扣除產生的交易費用為初始確認。借貸其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借貸期間內在合併收益表確認。

設立融資額度時支付的費用在部份或全部融資將會很可能提取時確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資額度將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資額度期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借貸分類為流動負債。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (t) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (u) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

#### (iii) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2 主要會計政策概要(續)

### (t) 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及指定借貸成本,加入該等資產的成本內,直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸,因有待合資格資產的支出而臨時投資賺取的投資收入,應自合資格資本化的借貸成本中扣除。

所有其他借貸成本在產生期內的損益中確認。

### (u) 即期及遞延所得稅

期內所得稅開支或抵免按當期應課稅收入與按各司法權區的適用稅率計算,並就由於暫時性差異及未抵扣稅務虧損而導致的遞延稅項資產及負債作出調整。

#### (i) 即期所得稅

即期所得稅支出乃根據本公司的附屬公司營運及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務規例受詮釋所規限的情況定期評估報稅表的狀況,並在適當情況下根據預期須向稅務機關支付的金額設定撥備。

#### (ii) 遞延所得稅

遞延所得稅利用負債法按資產及債的稅基與資產及負債在合併財務資料的賬面值之間產生的暫時性差額悉數撥備。然而,倘遞延稅項負債來自對商譽的初步確認,則不會確認遞延稅項負債。倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認,而在交易時不影響會計或應課稅溢利或虧損,則亦不會將遞延所得稅列賬。遞延所得稅採用於報告期末或之前已頒佈或實質上已頒佈,並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延稅項資產僅於可能有未來應課稅溢利用作抵銷暫時性差額及虧損時確認。

倘本公司有能力控制撥回暫時性差額的時間及該等差額很可能不會於可見將來撥回,則不會就海外業務投資的賬面值及稅基之間的暫時性差額確認遞延稅項負債及資產。

#### (iii) 抵銷

倘有法定可執行權力將即期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機關,則遞延稅項資產及負債可予相互抵銷。倘有關實體有法定可執行權力可抵銷及有意按淨值基準結算,或有意同時變現資產及結算負債,則即期稅項資產及稅項負債可相互抵銷。

即期及遞延所得稅於損益確認,惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下,稅項亦分別於其他全面收益或直接於權益確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (v) Employee benefits

The Group operates various post-employment schemes which are defined contribution plans and are generally funded through payments to insurance companies or trustee-administered funds. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance, and has also participated in employee pension schemes organised and governed by the relevant local authorities for its employees in the PRC and overseas countries/regions.

#### (i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### (ii) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### (w) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### (x) Revenue recognition

#### (i) Sales of goods

The Group sells healthcare products and Chinese medicine to wholesalers and individual customers. Sales of goods are recognised when control of the products has been transferred to the wholesaler or customer, being when the products are delivered to the wholesaler or customer.

##### Wholesales

For wholesales, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on the price specified in the sales contracts.

No element of financing is deemed present as the sales are made with a credit term within 90 days, which is consistent with market practice.

Receivable is recognised when the goods are delivered at the point in time that the consideration is unconditional, which only the passage of time is required before the payment is due.

##### Retail sales

For retail sales, the Group operates a chain of retail outlets for selling products. Sales of goods are recognised when a Group entity sells a product to the customer. Payment of the transaction price is due immediately. Retail sales are usually in cash or by credit card.

## 2 主要會計政策概要(續)

### (v) 僱員福利

本集團公司實施多項退休後計劃，該等計劃為定額供款計劃，一般透過向保險公司或受託人管理基金付款而獲得資金。本集團已根據強制性公積金計劃條例為香港僱員訂立強積金計劃，及亦為中國及海外國家／地區的僱員參與當地相關部門組織及規管的僱員退休金計劃。

#### (i) 退休金責任

定額供款計劃為本集團向獨立實體支付固定供款的退休金計劃。倘基金並無持有足夠資產以於本期間及過往期間就僱員服務向全體僱員支付福利，則本集團並無作出進一步供款的法定或推定責任。

#### (ii) 獎金計劃

本集團於合約規定或因過往慣例產生推定責任時確認撥備。

### (w) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，資源很可能流出以履行有關責任，而相關金額能可靠估計，則會確認撥備。未來的營運虧損則不會確認撥備。

倘出現多項類似責任，經考慮整體責任類別釐定是否須支出資金以解除責任。即使同類責任內任何一個項目支出資金的可能不大，仍會確認撥備。

撥備按照預期須償付有關責任的開支以稅前利率貼現的現值計量，該利率反映當時市場對貨幣時間價值和有關責任特定風險的評估。隨時間流逝而增加的撥備確認為利息開支。

### (x) 收入確認

#### (i) 銷售貨品

本集團銷售保健品及中藥予批發商及個別客戶。銷售貨品於集團實體向批發商或客戶交付產品時確認。

##### 批發

批發方面，批發商對出售產品的管道及價格有充分酌情權，且並無未履行的責任可影響批發商接受產品。在產品到達指定地點、陳舊過時及虧損風險已轉嫁批發商，而批發商已根據銷售合約接受產品、接納規定已失效或本集團有客觀證據顯示符合接納的所有標準時，方會確認交付。銷售按銷售合約指定的價格入賬。

在於銷售存在90天內的信用期，與市場慣例相同，故沒有融資成分。

本集團在貨品交付時確認應收款，因為此時收回對價的權利是無條件的，本集團僅需等待客戶付款。

##### 零售

零售方面，本集團透過連鎖零售商鋪銷售產品。銷售貨品於集團實體向客戶銷售產品時確認。交易價款應立即支付。零售通常以現金或信用卡結付。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (x) Revenue recognition (Continued)

#### (ii) Service income

The Group mainly provides Chinese medical consultation and treatments in retail outlets. Service income is recognised over-time in which the service is provided to the customer and it is settled in cash or by credit card.

#### (iii) Royalty fee income

Royalty fee income is based on pre-determined rates on the total turnover of overseas entities for them to use the “Tong Ren Tang” brand name. Royalty fee is recognised in the income statement on an accrual basis upon sales recognised by the overseas entities.

#### (iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### (y) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of income statement as part of finance income, net.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 9 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### (z) Dividend income

Dividends are received from a financial asset measured at fair value through other comprehensive income (“FVOCI”). Dividends are recognised as other net gain in consolidated income statement when the right to receive payment is established.

### (aa) Leases

As explained in note 2(b) above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2(b).

Until 31 December 2018, leasehold land where the group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases (note 15). Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leasehold land acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

## 2 主要會計政策概要(續)

### (x) 收入確認(續)

#### (ii) 服務收益

本集團於其零售商舖提供中醫診療。服務收益於向客戶提供服務的會計期間確認，以現金或信用卡結付。

#### (iii) 品牌使用費收益

品牌使用費收益乃就海外實體使用「同仁堂」品牌根據總營業額按預定費率收取。品牌使用費於海外實體確認銷售時按應計基準於收益表確認。

#### (iv) 融資組成部分

本集團預計合同中承諾向客戶交付貨品或提供服務的時間與客戶付款的時間間隔不會超過一年。因此，本集團不因貨幣時間價值而調整任何交易價格。

### (y) 利息收益

按實際利率法計算的以攤餘成本計量的金融資產利息收益於合併利潤表中確認為財務收益 — 淨額的一部分。

出於現金管理目的而持有的金融資產的利息收益列示為財務收益，參見下文附註9。所有其他利息收益計入其他收益。

除後續會發生信用減值的金融資產外，按金融資產的賬面餘額和實際利率計算利息收益。對已發生信用減值的金融資產，按照其扣除減值準備的賬面餘額和實際利率計算利息收益。

### (z) 股利收益

股利源自以公允價值計量且其變動計入其他綜合收益的金融資產。當本集團已確定收取股利的權利時，股利於合併利潤表中確認為其他淨利得。

### (aa) 租賃

如上文附註2(b)所述，本集團已變更作為承租人的租賃會計政策。新政策見下文所述，關於此項會計政策變更的影響請參見附註2(b)。

截至2018年12月31日，本集團作為承租人承擔與租賃土地相關的幾乎全部風險和報酬的租賃被分類為融資租賃(附註15)。融資租賃在租賃期開始日按租入不動產的公允價值與最低租賃付款額的現值兩者孰低的金額予以資本化。相應的租金支付義務，在扣除融資費用後，計入其他短期應付款和其他長期應付款中。每筆租賃付款額在負債和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。如本集團無法合理確定是否將在租賃期屆滿時取得融資租入租賃土地的所有權，則在資產的使用壽命或資產的使用壽命與租賃期兩者孰短的期間內計提折舊。

與所有權有關的風險和報酬中的很大比例未轉移至本集團(作為承租人)的租賃被分類為經營租賃。經營租賃付款額(扣除出租人給予的任何租賃激勵)在租賃期內按直線法計入損益。

自2019年1月1日起，本集團在租賃資產可供其使用的當日將租賃確認為使用權資產和相應的負債。

合同可能同時包含租賃組成部分和非租賃組成部分。本集團基於各租賃組成部分與非租賃組成部分的單獨價格相對比例分攤合同對價。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (aa) Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- (i) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (ii) variable lease payment that are based 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 Group under residual value guarantees;
- (iv) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- (i) where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- (ii) uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- (iii) makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- (i) the amount of the initial measurement of lease liability;
- (ii) any lease payments made at or before the commencement date less any lease incentives received;
- (iii) any initial direct costs; and
- (iv) restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of properties and equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## 2 主要會計政策概要(續)

### (aa) 租賃(續)

租賃產生的資產和負債按現值進行初始計量。租賃負債包括以下租賃付款額的淨現值：

- (i) 固定付款額(包括實質固定付款額)，扣除任何應收的租賃激勵；
- (ii) 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量；
- (iii) 餘值擔保預計應付的金額；
- (iv) 如果本集團合理確定將行使的購買選擇權的行權價格；以及
- (v) 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。

租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

為確定增量借款利率，本集團應：

- (i) 在可能的情況下，以承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- (ii) 對於近期未獲得第三方融資持有的租賃，採用以無風險利率為起點的累加法，並按照租賃的信用風險進行調整；並
- (iii) 針對租賃做出特定調整，如租賃期、國家、貨幣及抵押。

本集團未來可能會面臨基於指數或利率確定的可變租賃付款額增加的風險，這部分可變租賃付款額在實際發生時納入租賃負債。當基於指數或利率對租賃付款額進行調整時，租賃負債應予以重估並根據使用權資產調整。

租賃付款額在本金和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

使用權資產按成本計量，包括：

- (i) 租賃負債的初始計量金額；
- (ii) 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵；
- (iii) 初始直接費用；以及
- (iv) 復原成本。

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

與短期物業和設備租賃及所有低價值資產租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為12個月或者小於12個月的租賃。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (ab) 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 period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

## 3 FINANCIAL RISK MANAGEMENT

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity 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. Risk management is carried out by management of each individual entity within the Group.

#### (i) Market risk

##### (1) Foreign exchange risk

Each individual Group entity has its own functional currency. Foreign exchange risk to each individual Group entity arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currencies risk by closely monitoring the movement of the foreign currency rates.

At 31 December 2019, if Renminbi had strengthened/weakened by 5% against Hong Kong dollar, with all other variables held constant, the profit before income tax for the year ended 31 December 2019 would have been HK\$10,590,000 (2018: HK\$6,726,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Hong Kong dollar-denominated trade payables held by a PRC subsidiary whose functional currency is Renminbi. Whereas, the exposure arising from the other foreign currencies is not significant to the Group.

##### (2) Cash flow interest rate risk

Other than short-term bank deposits and bank balances, the Group does not have significant interest-bearing assets or liabilities. The Group's exposure to interest rate risk associated with the effects of fluctuations in the prevailing levels of the market interest rates on its cash flows are not deemed to be substantial in the view of the Directors based on the nature of the assets and liabilities.

At 31 December 2019, if the interest rates on bank deposits had been 50 basis-points higher/lower with all other variables held constant, profit before income tax for the year would have been HK\$9,837,000 (2018: HK\$11,319,000) higher/lower, respectively, mainly as a result of higher/lower interest income on bank deposits.

## 2 主要會計政策概要(續)

### (ab) 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(如適用)批准的期間於本集團及本公司財務報表確認為負債。

## 3 財務風險管理

### (a) 財務風險因素

本集團業務面對多項財務風險：市場風險(包括貨幣風險及現金流利率風險)、信貸風險及流動資金風險。本集團的整體風險管理方案專注於金融市場的不可預測性，致力減低對本集團財務表現的潛在不利影響。風險管理由本集團內各個別實體的管理人員進行。

#### (i) 市場風險

##### (1) 外匯風險

各個別集團實體擁有自身的功能貨幣。各個別集團實體的外匯風險來自以非集團實體功能貨幣的貨幣計值的未來商業交易或已確認資產或負債。

本集團經營國際業務，故面對不同貨幣產生的外匯風險，主要涉及人民幣。本集團現時並無任何外幣對沖政策。本集團通過嚴密監控外幣匯率波動控制外匯風險。

2019年12月31日，倘人民幣兌港元升值/貶值5%，而所有其他變量保持不變，則截至2019年12月31日止年度的除所得稅前利潤增加/減少10,590,000港元(2018年：6,726,000港元)，主要是由於換算中國附屬公司(其功能貨幣為人民幣)所持港元計值的貿易應付款項的外匯收益/損失所致。管理層認為其他外幣產生的風險對本集團並不重大。

##### (2) 現金流利率風險

除短期銀行存款及銀行結餘外，本集團並無重大計息資產或負債。基於資產及負債的性質，董事認為本集團因現金流的當前市場利率波動而須承擔的利率風險並不重大。

於2019年12月31日，倘銀行存款利率上升/下降50個基點，而所有其他變量保持不變，則主要由於銀行存款利息收益增加/減少，年度除所得稅前利潤將增加/減少9,837,000港元(2018年：11,319,000港元)。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Financial risk factors (Continued)

##### (ii) Credit risk

Credit risk arises from bank deposits and trade receivables (including trade receivables from fellow subsidiaries, joint ventures and an associate) and other current assets.

##### (1) Risk management

All the bank deposits are placed with banks with good credit ratings to mitigate the risk. For trade receivables (including trade receivables from related companies) and other current assets, the Group assesses the credit quality of the counter parties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follows up on the disputes or amounts overdue, if any. The management is of the opinion that the risk of default by counterparties is low. The Group does not hold any collateral as security.

Majority of the Group's trade receivables are due within 90 days from invoice date. As at 31 December 2019, 69.7% (2018: 78.0%) of the Group's trade receivables were due within 90 days. The maximum exposure to credit risk is represented by the carrying amount of trade receivables in the consolidated balance sheet.

##### (2) Impairment of financial assets

###### *Trade receivables*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

###### *Trade receivables — related parties*

The Group considers the credit risk characteristics and the days past due to measure the expected credit losses. For the year ended 31 December 2019, the expected credit losses rate for related parties of sales of goods is minimal, given there is no history of significant defaults from related parties and insignificant impact from forward-looking estimates. The assessed expected credit losses for trade receivables are not material.

###### *Trade receivables — third party*

The Group measures the expected credit losses on a combination of both individual and collective basis.

###### *Measurement of expected credit loss on individual basis*

The receivables relating to customers with known financial difficulties or with significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2019, the balance of loss allowance in respect of individually assessed receivables was HK\$2,727,000 (2018: Nil). Please refer to note 20 for details.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Expected credit losses are also estimated by grouping the remaining receivables from third party based on shared credit risk characteristics and collectively assessed for the likelihood of loss allowance, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

### 3 財務風險管理(續)

#### (a) 財務風險因素(續)

##### (ii) 信貸風險

信貸風險來自銀行存款、貿易應收款項(包括來自同系附屬公司、合營企業和聯營公司的貿易應收款項)及其他流動資產。

##### (1) 風險管理

所有銀行存款均存放於具有良好信貸評級的銀行以減低風險。對於貿易應收款項(包括來自集團公司的貿易應收款項)及其他流動資產,本集團考慮對手方的財務狀況、信貸歷史及其他因素評估其信貸質素。管理人員亦定期審查該等應收款項可否收回,並跟進有關糾紛或逾期款項(如有)。管理人員認為,對方拖欠款項的風險較低。本集團並無持有任何抵押品作為擔保。

本集團大部分貿易應收款項於開具發票之日起90天內到期。於2019年12月31日,本集團69.7%(2018年:78.0%)的貿易應收款項於90天內到期。所面對最大信貸風險為合併資產負債表所示貿易應收款項之賬面值。

##### (2) 金融資產減值

###### *應收賬款*

本集團採用香港財務報告準則第9號的簡化方法計量預期信用損失,即對所有貿易應收款項按照整個存續期的預期損失計提損失撥備。

###### *應收賬款 — 關聯方*

本集團考量信用風險特徵及逾期天數來計量預期信用損失。於2019年,鑒於過去關聯方無重大違約且前瞻性估計的影響不重大,因此關聯方銷售商品的預期信用損失極小。評估的應收賬款預期信用損失不重大。

###### *應收賬款 — 第三方*

本集團以個別和組合基準計量預期信用損失。

###### *按個別基準計量預期信用損失*

與已知財務困難或應收賬款收回存在重大疑慮的客戶相關的應收款項單獨評估減值準備。於2019年12月31日,單獨評估的應收款項損失撥備餘額為2,727,000港元(2018年:零)。詳情請參閱附註20。

對於已確認減值撥備的應收賬款,當本集團預計無法收回更多的現金時,則核銷該項應收賬款。

本集團還按照相同的信用風險特徵將剩餘的第三方應收款項組合起來估計預期信用損失、評估損失撥備概率,並綜合考慮客戶性質、地理位置及賬齡類別,採用預期信用損失率計算相應的應收款項賬面價值總額。



## 3 FINANCIAL RISK MANAGEMENT (Continued)

## (a) Financial risk factors (Continued)

## (ii) Credit risk (Continued)

## (2) Impairment of financial assets (Continued)

*Measurement of expected credit loss on individual basis (Continued)*

The expected credit loss rates are determined based on the historical credit losses experienced of up to past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. The Group adjusts the historical loss rates based on corporate bond default rate of the countries in which the customer carried out a business.

At 31 December 2019 於 2019 年 12 月 31 日	Expected loss rate 預期損失率	Gross carrying amount 賬面價值總額	Loss allowance 損失撥備
		HK\$'000 千港元	HK\$'000 千港元
Current 當期	0%	98,857	-
Past due less than 60 days 逾期60天以內	0%	32,813	-
Past due within 60 days to one year 逾期60天至1年	4%	15,390	616
Past due within one year to two years 逾期1年至2年	4%	198	8
Total 總計		<u>147,258</u>	<u>624</u>

*Other financial assets at amortised cost*

For other financial assets at amortised cost, including deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

Impairment losses on other financial assets at amortised cost are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## 3 財務風險管理(續)

## (a) 財務風險因素(續)

## (ii) 信貸風險(續)

## (2) 金融資產減值(續)

*按個別基準計量預期信用損失(續)*

預期信用損失率根據過去至多3年的信用損失予以確定和調整，以反映當前及前瞻性資訊，如影響客戶結算應收款項能力的宏觀經濟因素。本集團根據客戶業務的所在國的企業債券違約率對歷史損失率做出調整。

*以攤餘成本計量的其他金融資產*

以攤餘成本計量的其他金融資產包括存款和其他應收款。管理層認為，就交易方違約率和當前財務狀況而言，其信用風險自初始確認後未顯著增加。減值撥備根據12個月預期信用損失進行計量，預期信用損失幾乎為零。

以攤餘成本計量的其他金融資產的減值損失在經營利潤中列報為減值損失淨額。後續收回的之前沖銷的金額在相同項目中貸記。

## 3 FINANCIAL RISK MANAGEMENT (Continued)

## (a) Financial risk factors (Continued)

## (iii) Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents to meet its working capital requirements. The Group has steady cash inflow from operations and has adequate financial resources to fund its operations and future expansions. As at 31 December 2019, the Group's financial liabilities were mainly trade and other payables amounting to HK\$101,647,000 (2018: HK\$83,915,000), lease liabilities amounting to HK\$98,822,000 (2018: Nil) and borrowings amounting to HK\$1,053,000 (2018: HK\$1,219,000).

The analysis of the financial liabilities into relevant maturity groupings based on their contractual maturities is set out below. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year 少於一年	Between 1 and 2 years 一至二年	Between 2 and 5 years 二至五年	Over 5 years 多於五年	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2019 於2019年12月31日					
Trade and other payables 貿易及其他應付款項	101,647	-	-	-	101,647
Lease liabilities 租賃負債	42,646	23,860	32,359	8,004	106,869
Borrowings 借款	220	166	498	169	1,053
Total 總計	144,513	24,026	32,857	8,173	209,569

	Less than 1 year 少於一年	Between 1 and 2 years 一至二年	Between 2 and 5 years 二至五年	Over 5 years 多於五年	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2018 於2018年12月31日					
Trade and other payables 貿易及其他應付款項	83,915	-	-	-	83,915
Borrowings 借款	166	220	498	335	1,219
Total 總計	84,081	220	498	335	85,134

## 3 財務風險管理(續)

## (a) 財務風險因素(續)

## (iii) 流動資金風險

本集團的政策是維持充裕的現金及現金等價物以滿足其營運資金需求。本集團有穩定的經營業務現金流入及充足財務資源，可為其業務及未來擴張提供資金。於2019年12月31日，本集團的金融負債主要為101,647,000港元(2018年：83,915,000港元)之貿易及其他應付款項；98,822,000港元(2018：無)之租賃負債以及1,053,000港元(2018：1,219,000港元)之借款。

根據合同期限的金融負債到期日組別分析如下，披露的金額為合同未折現現金流量。由於貼現影響不重大，於12個月內到期的負債金額相當於其賬面結餘。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Total capital is calculated as 'equity' as shown in the consolidated balance sheet. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### (c) Fair value estimation

The Group's financial asset at fair value through other comprehensive income is carried at fair value as at 31 December 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between any levels during the year.

The Group's financial asset at fair value through other comprehensive income is included in level 1.

Details on the fair value measurement for financial asset at fair value through other comprehensive income are set out in note 17 to the consolidated financial statements.

The rest of the Group's financial assets are classified as financial assets and are measured at amortised cost. The carrying amounts of the Group's financial assets, including short-term bank deposits, cash and cash equivalents and trade receivables and other current assets, approximate their fair values due to their short maturities.

The carrying amounts of the Group's financial liabilities, including trade and other payables, borrowing and lease liabilities are measured at amortised cost.

### 3 財務風險管理(續)

#### (b) 資本管理

本集團管理資本旨在保障本集團有能力按持續經營基準繼續營運，為股東帶來回報，同時令其他權益持有人獲益，並維持優化的資本結構以減少資金成本。

資本總額為資產負債表所示「權益」。為維持或調整資本架構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股份或出售資產以減少債務。

#### (c) 公允價值估計

本集團於2019年12月31日的以公允價值計量且其變動計入其他綜合收益的金融資產按照估值技術中所運用到輸入的層級歸類為如下三層：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

年內各層級之間並無轉撥。

本集團的以公允價值計量且其變動計入其他綜合收益的金融資產歸類為第1層。

以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值詳情載列於附註17。

本集團的金融資產分類為金融資產，按攤銷成本計量。因短期內屆滿，本集團金融資產(包括短期銀行存款、現金及現金等價物以及貿易應收款項與其他流動資產)賬面值與其公允價值相若。

本集團金融負債(包括貿易及其他應付款項，借款及租賃負債)的賬面值按攤銷成本計量。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### (a) Goodwill

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the cash-generating units based on value in use calculations. These calculations require the use of estimates including five-year sales growth rate, estimated growth rate beyond the five-year period and discount rate which are subject to change of economic environment in future. Details are set out in note 16.

### (b) Loss allowance on trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 3.

## 5 SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive directors and the non-executive director of the Company (the "Executive Directors" and the "Non-executive Director"). The Executive Directors and the Non-executive Director review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

The Executive Directors and the Non-executive Director consider the Group's business and aggregate the operating segment from a geographic perspective and have determined that the Group has three reportable operating segments.

The geographical location of revenue is analysed based on location where goods are sold and services are provided. The details are set out as follows:

- (i) Hong Kong — sale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments through retail outlets as well as wholesale of Chinese medicine products and healthcare products in Hong Kong. In addition, it includes the royalty fee income received from overseas entities for using "Tong Ren Tang" brand name.
- (ii) PRC — wholesale of healthcare products in the PRC and the sole distribution of Tong Ren Tang branded products of Tong Ren Tang Technologies and Tong Ren Tang Ltd. to customers outside the PRC.
- (iii) Overseas — retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments in other overseas countries/regions, including Macao.

Segment assets include right-of-use assets, property, plant and equipment, intangible assets, investments accounted for using equity method, financial asset at fair value through other comprehensive income, deferred tax assets, deposits paid for purchase of property, plant and equipment, inventories, trade receivables and other current assets, short-term bank deposits and cash and cash equivalents. Segment liabilities include borrowings, lease liabilities, trade and other payables, current and deferred income tax liabilities.

Unallocated items comprise mainly corporate expenses.

Sales between segments are carried in accordance with terms agreed by the parties involved.

The Executive Directors and the Non-executive Director assess the performance of the operating segments based on revenue and segment results of each segment. Management has determined the operating segments based on the location of the entities and the information reviewed by the Group's chief operating decision maker for the purposes of allocating resources and assessing performance.

## 4 重大會計估計及判斷

估計及判斷根據過往經驗及其他因素(包括在當時情況下對未來事件相信為合理的預測)持續評估。

本集團對未來作出估計及假設，而所得會計估計將難免偏離相關實際結果。該等估計及假設存在相當風險，足以導致須於下一個財政年度對資產及負債的賬面值作出如下重大調整。

### (a) 商譽

本集團每年根據現金產生單元的使用價值確定可收回金額，測試商譽是否需要任何減值。這些計算中需使用的估計包括五年期銷售增長率，五年期以後之財政預算估計增長率和稅前貼現率或會受將來經濟環境而改變。詳情載於附註16。

### (b) 應收賬款損失撥備

應收賬款損失撥備是基於對違約風險和預期損失率的假設而計算的。本集團在做出假設和選擇計算的輸入值時，按照本集團以往經驗、現有市場條件以及於各報告期末的前瞻性估計進行判斷。本集團所使用的關鍵假設和輸入值詳情披露於附註3的表格中。

## 5 分部資料

主要經營決策者已確認為本公司的執行董事及非執行董事(「執行董事」及「非執行董事」)。執行董事及非執行董事審閱本集團內部報告以評估表現並分配資源，同時根據該等報告釐定營運分部。

執行董事及非執行董事從合併經營分部的地理角度考慮本集團的業務並釐定本集團有3個呈報營運分部。

收入來源地區按銷售貨品及提供服務所在地分析。相關詳情如下：

- (i) 香港 — 在香港透過零售店鋪銷售中藥產品及保健品並提供中醫診療服務，以及批發中藥產品及保健品。此外，該分部包括來自使用「同仁堂」品牌名稱的海外實體的品牌使用費收益。
- (ii) 中國 — 於中國批發保健品及向中國以外的客戶獨家分銷同仁堂科技及同仁堂股份的同仁堂品牌產品。
- (iii) 海外 — 於其他海外國家/地區(包括澳門)零售及批發中藥產品及保健品以及提供中醫診療服務。

分部資產包括使用權資產、物業、廠房及設備、無形資產、按權益法入賬之投資、以公允價值計量且其變動計入其他綜合收益的金融資產、遞延所得稅資產、購置物業、廠房及設備的已付按金、存貨、貿易應收款項及其他流動資產、短期銀行存款及現金及現金等價物，分部負債包括借貸、租賃負債、貿易及其他應付款項、當期及遞延所得稅負債。

未分配項目主要包括企業開支。

分部間銷售根據相關方協定之條款進行。

執行董事及非執行董事根據各個營運分部的收入及分部業績評估分部表現。管理層根據實體的位置及本集團主要經營決策者為分配資源及評估表現所審閱的資料釐定營運分部。

5 SEGMENT INFORMATION (Continued)  
(a) Analysis of consolidated income statements

5 分部資料(續)  
(a) 合併收益表分析

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Year ended 31 December 2019 截至2019年12月31日止年度</b>				
Segment revenue 分部收入	1,076,111	474,322	338,805	1,889,238
Inter-segment revenue 分部間收入	(285,946)	(170,660)	-	(456,606)
Revenue from external customers 來自外部客戶之收入	790,165	303,662	338,805	1,432,632
Timing of revenue recognition 收入確認的時點				
At a point in time 在某一時點	787,772	295,947	292,702	1,376,421
Overtime 在一段時間內	2,393	7,715	46,103	56,211
	790,165	303,662	338,805	1,432,632
Contribution to segment results 分部業績之貢獻	658,603	6,128	67,793	732,524
Depreciation of property, plant and equipment 物業、廠房及設備折舊	(8,227)	(736)	(7,170)	(16,133)
Depreciation of right-of-use assets 使用權資產折舊	(28,729)	(1,575)	(21,009)	(51,313)
Amortisation of intangible assets 無形資產攤銷	(1,300)	-	(10,497)	(11,797)
Losses on disposals of property, plant and equipment 出售物業、廠房及設備之虧損	(2)	(2)	(2,063)	(2,067)
Loss allowance on trade receivables 貿易應收款項之減值計提	-	(3,390)	(10)	(3,400)
Impairment loss on inventories 存貨之減值計提	-	-	(7,180)	(7,180)
Write-off of inventories 存貨撇減	(197)	-	(110)	(307)
Segment results 分部業績	620,148	425	19,754	640,327
Inter-segment elimination 分部間對銷				11,659
Operating profit 經營利潤				651,986
Finance income 財務收益	42,498	165	752	43,415
Finance costs 財務支出	(1,081)	(46)	(3,080)	(4,207)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(1,972)
Profit before income tax 除所得稅前利潤				689,222
Income tax expense 所得稅開支	(101,531)	(4,483)	(6,356)	(112,370)
Profit for the year 年度利潤				576,852

5 SEGMENT INFORMATION (Continued)  
(a) Analysis of consolidated income statements (Continued)

5 分部資料(續)  
(a) 合併收益表分析(續)

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Year ended 31 December 2018 截至2018年12月31日止年度</b>				
Segment revenue 分部收入	1,150,830	510,885	333,610	1,995,325
Inter-segment revenue 分部間收入	(343,485)	(137,283)	(684)	(481,452)
Revenue from external customers 來自外部客戶之收入	807,345	373,602	332,926	1,513,873
Timing of revenue recognition 收入確認的時點				
At a point in time 在某一時點	802,680	365,045	285,619	1,453,344
Overtime 在一段時間內	4,665	8,557	47,307	60,529
	807,345	373,602	332,926	1,513,873
Contribution to segment results 分部業績之貢獻	707,657	7,636	28,360	743,653
Depreciation of property, plant and equipment 物業、廠房及設備折舊	(14,825)	(722)	(8,741)	(24,288)
Amortisation of intangible assets 無形資產攤銷	(1,300)	-	(5,258)	(6,558)
Impairment loss on inventories 存貨之減值計提	-	-	(1,423)	(1,423)
Write-off of inventories 存貨撇減	(354)	-	(257)	(611)
Segment results 分部業績	691,178	6,914	12,681	710,773
Inter-segment elimination 分部間對銷				(12,759)
Operating profit 經營利潤				698,014
Finance income 財務收益	22,668	153	571	23,392
Finance cost 財務支出	-	-	(19)	(19)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(489)
Profit before income tax 除所得稅前利潤				720,898
Income tax expense 所得稅開支	(114,706)	304	(5,173)	(119,575)
Profit for the year 年度利潤				601,323

## 5 SEGMENT INFORMATION (Continued)

### (b) Analysis of consolidated balance sheets

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 31 December 2019 於2019年12月31日</b>				
<b>Segment assets and liabilities 分部資產及負債</b>				
Total assets 總資產	2,458,660	323,307	356,354	3,138,321
Investments accounted for using the equity method 按權益法入賬之投資	10,376	–	8,168	18,544
Additions to non-current assets <sup>(1)</sup> 非流動資產之增加 <sup>(1)</sup>	29,940	482	8,289	38,711
Total liabilities 總負債	(225,634)	(36,376)	(110,675)	(372,685)
<b>At 31 December 2018 於2018年12月31日</b>				
<b>Segment assets and liabilities 分部資產及負債</b>				
Total assets 總資產	2,662,367	225,606	283,112	3,171,085
Investments accounted for using the equity method 按權益法入賬之投資	12,708	–	7,473	20,181
Additions to non-current assets <sup>(1)</sup> 非流動資產之增加 <sup>(1)</sup>	11,086	857	41,285	53,228
Total liabilities 總負債	(82,769)	(27,289)	(36,800)	(146,858)

<sup>(1)</sup> In this analysis, additions to non-current assets exclude investments accounted for using the equity method, financial asset at fair value through other comprehensive income and deferred tax assets.

<sup>(1)</sup> 本分析中，非流動資產之增加不包括按權益法入賬之投資、以公允價值計量且其變動計入其他綜合收益的金融資產和遞延所得稅資產。

### (c) Revenue

The analysis of revenue by category is as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Sales of products 銷售產品	1,376,421	1,453,344
Service income 服務收入	55,963	60,078
Royalty fee income 品牌使用費收益	248	451
	1,432,632	1,513,873

### (d) Information about major customers

For the year ended 31 December 2019, revenue from three (2018: three) customers each accounted for more than ten percent of the Group's total revenue. These revenues are attributable to the Hong Kong segment and the PRC segment. The revenues from these customers are summarised below:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Revenue from: 來自以下人士的收入：		
– Customer A 客戶A	323,589	258,672
– Entities under the control of the ultimate holding company <sup>(1)</sup> (Note 28(a)) 最終控股公司所控制的實體 <sup>(1)</sup> (附註28(a))	204,024	214,187
– Customer B 客戶B	140,204	160,531
	667,817	633,390

<sup>(1)</sup> It represents a group of entities under common control considered as a single customer.

### (d) 有關主要客戶的資料

截至2019年12月31日止年度，來自三名(2018年：三名)客戶的收入各佔本集團總收入百分之十以上。該等收入來自香港分部及中國分部。來自該等客戶的收入概述如下：

<sup>(1)</sup> 指受共同控制的一組實體，視為單一客戶。

There are no customers of other segments individually accounted for ten percent or more of the Group's total revenue for the year ended 31 December 2019 (2018: nil).

截至2019年12月31日止年度，其他分部概無客戶(2018年：無)個別佔本集團總收入的百分之十或以上。

## 5 SEGMENT INFORMATION (Continued)

## (e) Information about geographical areas

The Company is domiciled in Hong Kong. An analysis of revenue from external customers and non-current assets of the Group by geographical area is set out below:

(i) Revenue<sup>(1)</sup>

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	790,165	807,345
PRC 中國	303,662	373,602
Macao 澳門	168,121	157,415
Australia 澳大利亞	52,311	56,226
Canada 加拿大	37,042	39,172
Singapore 新加坡	23,773	24,488
New Zealand 新西蘭	20,029	19,798
United States 美國	20,599	14,767
Other countries 其他國家	16,930	21,060
	<b>1,432,632</b>	<b>1,513,873</b>

(ii) Non-current assets<sup>(2)</sup>

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	267,804	245,136
PRC 中國	1,991	1,656
Macao 澳門	68,232	46,437
Australia 澳大利亞	51,217	35,038
Canada 加拿大	17,558	6,676
New Zealand 新西蘭	14,455	3,975
United States 美國	10,074	20,092
Europe 歐洲	15,617	16,703
Other countries 其他國家	9,094	1,408
	<b>456,042</b>	<b>377,121</b>

<sup>(1)</sup> The geographical location of revenue is analysed based on the location where goods are sold and services are provided.

<sup>(2)</sup> The geographical location of non-current assets is analysed based on where the assets are located or held. In this analysis, the total of non-current assets excludes investments accounted for using the equity method, financial asset at fair value through other comprehensive income and deferred tax assets.

## 5 分部資料(續)

## (e) 有關地區的資料

本公司於香港營運。本集團按地區劃分的來自外界客戶之收入及非流動資產的分析如下：

(i) 收入<sup>(1)</sup>

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	790,165	807,345
PRC 中國	303,662	373,602
Macao 澳門	168,121	157,415
Australia 澳大利亞	52,311	56,226
Canada 加拿大	37,042	39,172
Singapore 新加坡	23,773	24,488
New Zealand 新西蘭	20,029	19,798
United States 美國	20,599	14,767
Other countries 其他國家	16,930	21,060
	<b>1,432,632</b>	<b>1,513,873</b>

(ii) 非流動資產<sup>(2)</sup>

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	267,804	245,136
PRC 中國	1,991	1,656
Macao 澳門	68,232	46,437
Australia 澳大利亞	51,217	35,038
Canada 加拿大	17,558	6,676
New Zealand 新西蘭	14,455	3,975
United States 美國	10,074	20,092
Europe 歐洲	15,617	16,703
Other countries 其他國家	9,094	1,408
	<b>456,042</b>	<b>377,121</b>

<sup>(1)</sup> 收入來源地區按銷售貨品及提供服務所在地分析。

<sup>(2)</sup> 非流動資產按地區分析是根據該資產的所在地或持有地釐定。本分析中，非流動資產總額不包括按權益法入賬之投資、以公允價值計量且其變動計入其他綜合收益的金融資產和遞延所得稅資產。



## 5 SEGMENT INFORMATION (Continued)

## (f) Assets and liabilities related to contracts with customers

The Group has recognised the following liability related to contract with customers:

	31 December 2019 2019年12月31日	31 December 2018 2018年12月31日
	HK\$'000 千港元	HK\$'000 千港元
Contract liabilities — Service income 合同負債 — 服務收入	2,159	4,935

The Group has not recognised any contract assets related to contract with customers as at 31 December 2019 and 31 December 2018.

There is no significant changes in contract assets and liabilities during the year ended 31 December 2019.

## (g) Revenue recognised in relation to contract liabilities

The following table shows revenue recognised in relation to contract liabilities in the year related to carried forward contract liabilities.

	31 December 2019 2019年12月31日	31 December 2018 2018年12月31日
	HK\$'000 千港元	HK\$'000 千港元
Revenue recognised in relation to contract liabilities at 1 January 於1月1日已確認的與合同負債有關的收入	2,812	4,430

## 5 分部資料(續)

## (f) 與客戶合同有關的資產及負債

本集團已確認以下與客戶合同有關的資產和負債：

	31 December 2019 2019年12月31日	31 December 2018 2018年12月31日
	HK\$'000 千港元	HK\$'000 千港元
Contract liabilities — Service income 合同負債 — 服務收入	2,159	4,935

於2019年12月31日和2018年12月31日，本集團未確認與客戶合同有關的合同資產。

截至2019年12月31日止年度，合同資產和負債未發生重大變更。

## (g) 已確認的與合同負債有關的收入

下表所示為年度已確認的與合同負債有關的收入中與已結轉合同負債有關的收入金額。

	31 December 2019 2019年12月31日	31 December 2018 2018年12月31日
	HK\$'000 千港元	HK\$'000 千港元
Revenue recognised in relation to contract liabilities at 1 January 於1月1日已確認的與合同負債有關的收入	2,812	4,430

## 6 EXPENSES BY NATURE

## 6 按性質分類的開支

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Cost of inventories sold (Note 19) 出售存貨成本(附註19)	341,585	363,372
Employee benefit expenses (Note 7) 僱員福利開支(附註7)	215,323	201,448
Operating leases payments 經營租賃付款	-	86,713
Expenses relating to short-term leases 短期租賃費用	27,259	-
Variable lease payments not included in the measurement of lease liabilities (Note) 可變租賃付款額費用(不包括含於租賃負債)(附註)	986	-
Amortisation of prepaid operating lease payments (Note 14) 預付經營租賃款項攤銷(附註14)	-	543
Amortisation of intangible assets (Note 16) 無形資產攤銷(附註16)	11,797	6,558
Depreciation of right-of-use assets (Note 14) 使用權資產折舊(附註14)	51,313	-
Depreciation of property, plant and equipment (Note 15) 物業、廠房及設備折舊(附註15)	16,133	23,745
Losses on disposals of property, plant and equipment (Note 26) 出售物業、廠房、設備之虧損(附註26)	2,067	774
Impairment loss on inventories (Note 19) 存貨之減值計提(附註19)	7,180	1,423
Write-off of inventories (Note 19) 存貨撇減(附註19)	307	611
Loss allowance on trade receivables (Note 20) 貿易應收款項之減值計提(附註20)	3,400	-
Auditors' remuneration 核數師酬金		
— Audit services 核數服務	6,596	4,413
— Non-audit services 非核數服務	455	295
Research and development 研發	13,512	18,546
Net exchange gain 匯兌收益淨額	(240)	(1,727)
Promotion and advertising expenses 宣傳及廣告開支	12,351	29,546
Legal and professional expenses 法律及專業開支	5,454	5,352

Note: Variable lease payments represent the amounts which are calculated based on percentages of revenue generated by certain retail outlets that exceed their fixed rentals.

附註：可變租賃付款額費用指若干零售店產生的收入按百分比計算後超出其固定租金的金額。

## 7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

## 7 僱員福利開支，包括董事酬金

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Salaries, wages and bonuses 薪金、工資及花紅	190,560	176,206
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃	12,171	11,678
Other benefits 其他福利	12,592	13,564
	<b>215,323</b>	<b>201,448</b>

## (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2018: two) directors whose emoluments are reflected in the analysis presented in note 8(a). The emoluments paid or payable to the remaining three (2018: three) individuals during the year are as follows:

## (a) 五名最高薪人士

本集團年內的五名最高薪人士包括兩位(2018年：兩位)董事，其酬金於附註8(a)分析中反映。年內已付或應付餘下三位(2018年：三位)人士的酬金如下：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Basic salaries and other benefits 基本薪金及其他福利	2,392	1,009
Bonuses 花紅	1,869	3,365
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃	132	18
	<b>4,393</b>	<b>4,392</b>

The emoluments fell within the following bands:

酬金介乎以下範圍：

	Number of individuals 人數	
	2019	2018
Emolument bands 酬金範圍		
HK\$ 港元 1,000,001–HK\$ 港元 1,500,000	3	2
HK\$ 港元 1,500,001–HK\$ 港元 2,000,000	–	1

## (b) Senior management's emoluments

The emoluments paid or payable to senior management (including the one who resigned as senior management in October 2019) for the year ended 31 December 2019 fell within the following bands:

## (b) 高級管理人員酬金

截至2019年12月31日止年度已付或應付高級管理人員(包括於2019年10月辭任的一名高級管理人員)的酬金介乎以下範圍：

	Number of individuals 人數	
	2019	2018
Emolument bands 酬金範圍		
HK\$ 港元 0–HK\$ 港元 1,000,000	1	–
HK\$ 港元 1,000,001–HK\$ 港元 1,500,000	2	3

For the year ended 31 December 2019, no emoluments (2018: nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which any of the highest paid individuals waived or agreed to waive any of the emoluments.

截至2019年12月31日止年度，本集團並無向五名最高薪人士支付任何酬金(2018年：無)，作為吸引其加入或加入本集團時的獎勵或離職補償，亦無最高薪人士放棄或同意放棄任何酬金的安排。

8 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

8 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例)(第622G章)規定的披露及上市規則規定的披露)

(a) Directors' emoluments

(a) 董事酬金

The remuneration of every director for the years ended 31 December 2019 and 2018 are set out below:

截至2019年及2018年12月31日止年度的本公司各董事薪酬如下：

Year ended 31 December 2019 截至2019年12月31日止年度	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金				Total 合計
	Fees 袍金	Salary and other benefits 薪金及其他福利	Discretionary bonuses 酌情花紅	Employer's contribution to a retirement benefit scheme 僱主之退休金 計劃供款	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Non-executive Director 非執行董事</b>					
Mr. Mei Qun <sup>(1)</sup> 梅群先生 <sup>(1)</sup>	-	-	-	-	-
<b>Executive Directors 執行董事</b>					
Ms. Ding Yong Ling <sup>(2)</sup> 丁永玲女士 <sup>(2)</sup>	-	-	-	-	-
Mr. Zhang Huan Ping <sup>(3)</sup> 張煥平先生 <sup>(3)</sup>	-	827	917	57	1,801
Ms. Lin Man 林曼女士	-	815	917	57	1,789
<b>Independent Non-executive Directors 獨立非執行董事</b>					
Mr. Tsang Yok Sing, Jasper 曾鈺成先生	240	-	-	-	240
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240
	720	1,642	1,834	114	4,310

Year ended 31 December 2018 截至2018年12月31日止年度	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金				Total 合計
	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Employer's contribution to a retirement benefit scheme 僱主之退休金 計劃供款	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Non-executive Director 非執行董事</b>					
Mr. Mei Qun <sup>(1)</sup> 梅群先生 <sup>(1)</sup>	-	-	-	-	-
<b>Executive Directors 執行董事</b>					
Ms. Ding Yong Ling <sup>(2)</sup> 丁永玲女士 <sup>(2)</sup>	-	-	-	-	-
Mr. Zhang Huan Ping 張煥平先生	-	715	1,002	8	1,725
Ms. Lin Man 林曼女士	-	715	1,002	8	1,725
<b>Independent Non-executive Directors 獨立非執行董事</b>					
Mr. Tsang Yok Sing, Jasper 曾鈺成先生	240	-	-	-	240
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240
	720	1,430	2,004	16	4,170

## 8 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

### (a) Directors' emoluments (Continued)

<sup>(1)</sup> Mr. Mei Qun was retired from the non-executive director of the Company on 11 March 2019.

<sup>(2)</sup> Ms. Ding Yong Ling is also the Chief Executive of the Company.

<sup>(3)</sup> Mr. Zhang Huan Ping is also the Chief Executive of the Company with effect from 18 April 2019.

No directors of the Company waived or returned any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office as a director.

### (b) Directors' retirement benefits

None of the directors received or will receive any retirement benefit under a defined benefit scheme during the year ended 31 December 2019 (2018: Nil).

### (c) Directors' termination benefits

No payment was made to any directors as compensation for the early termination of the appointment during the year ended 31 December 2019 (2018: Nil).

### (d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of any directors for making available the services of them as a director of the Company during the year ended 31 December 2019 (2018: Nil).

### (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2019 (2018: Nil).

### (f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company 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 ended 31 December 2019 (2018: Nil).

## 9 FINANCE INCOME, NET

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Finance income 財務收益	43,415	23,392
Finance costs 財務支出		
— Bank borrowing 銀行借貸	(3)	(19)
— Lease liabilities 租賃負債	(4,204)	—
Finance income, net 淨財務收益	39,208	23,373

## 8 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例)(第622G章)規定的披露及上市規則規定的披露)(續)

### (a) 董事酬金(續)

<sup>(1)</sup> 梅群先生於2019年3月11日退任本公司非執行董事。

<sup>(2)</sup> 丁永玲女士亦為本公司最高行政人員。

<sup>(3)</sup> 張煥平先生自2019年4月18日起亦為本公司最高行政人員。

本公司並無董事放棄或退讓任何酬金。本集團亦無向董事支付任何酬金，作為吸引加入集團之獎勵或在加入時獎勵或作為離職補償。

### (b) 董事退休福利

本年度內並無已付或應付董事退休福利，作為其提供本公司或其附屬單位事務管理相關其他服務之酬勞(2018年：無)。

### (c) 董事辭退福利

本年度內並無向董事支付任何酬金，作為其提前辭任的離職補償(2018年：無)。

### (d) 聘任第三方人員為董事應支付的代價

本年度內並無因聘任第三方人員為本公司董事而應支付給該等人員前任僱主的代價(2018年：無)。

### (e) 董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關資訊

本年度內並無董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關資訊(2018年：無)。

### (f) 董事在本集團訂立的交易、安排或合同中的重大權益

本年度內或年結時，本集團概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益之重要交易、安排或合同(2018年：無)。

## 9 淨財務收益

## 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

## 10 按權益法入賬之投資

(a) The amounts recognised in the consolidated balance sheet are as follows:

(a) 於合併資產負債表確認的金額如下：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
At 31 December 於12月31日		
Joint ventures 合營企業	18,544	20,181

(b) The amounts recognised in the consolidated income statement are as follows:

(b) 於合併收益表確認的數額如下：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
For the year ended 31 December 截至12月31日止年度		
Joint ventures 合營企業	(1,972)	(489)

## (c) Interests in joint ventures

## (c) 於合營企業之權益

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the movement of the carrying amount of the Group's interests in these joint ventures, and its share of results, other comprehensive income and commitments of these joint ventures.

本集團擁有若干個別不重大的合營企業的權益。下表分析本集團合共所持該等合營企業的權益賬面值變動和應佔該等合營企業的業績、其他綜合收益及承擔。

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	20,181	20,766
Share of losses 應佔年度虧損	(1,972)	(489)
Share of other comprehensive income/(losses) 應佔其他綜合收益/(虧損)		
— Currency translation differences 貨幣兌換差額	335	(96)
At 31 December 於12月31日	18,544	20,181
The Group's share of joint ventures' commitments 本集團應佔合營企業承擔	5,283	5,009

Notes:

附註：

- (a) The joint ventures are private companies and there are no quoted market prices available for their shares.
- (b) There are no contingent liabilities relating to the Group's interests in joint ventures.
- (c) Details of the joint ventures are set out in note 29.

- (a) 合營企業為私人公司，其股份並無市場報價。
- (b) 並無有關本集團所持合營企業權益的或有負債。
- (c) 合營企業詳情載於附註29。

## (d) Interests in associates

## (d) 於聯營公司之權益

The Group has interests in a number of individually immaterial associates.

本集團擁有若干個別不重大的聯營公司的權益。

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
At 1 January and 31 December 於1月1日及12月31日	-	-

Notes:

附註：

- (a) The associates are private companies and there are no quoted market prices available for their shares.
- (b) There are no contingent liabilities relating to the Group's interests in associates.
- (c) At 31 December 2019 and 2018, the Group's investment in one of the associates which is still under the process of being wound up, was fully impaired.
- (d) In 2019 and 2018, the Group has not recognised its share of loss of one of its associates as its share of accumulated losses has exceeded its investment cost.

- (a) 聯營公司為私人公司，其股份並無市場報價。
- (b) 並無有關本集團所持聯營公司權益的或有負債。
- (c) 於2019年及2018年12月31日，本集團其中一間聯營公司的投資已悉數減值，此聯營公司尚在清盤中。
- (d) 因本集團應佔一間聯營公司的虧損超過本集團於該聯營公司之投資成本，故於2019年及2018年並無確認其應佔的虧損。

## 11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year. PRC corporate income tax has been provided at the rate of 25% (2018: 25%) on the estimated assessable profits for the year of the subsidiaries operating in the PRC. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Current income tax 當期所得稅		
– Current year 本年度	109,631	122,326
– Over-provision in prior years 往年多計撥備	(668)	(485)
	108,963	121,841
Deferred income tax (Note 18) 遞延所得稅(附註18)	3,407	(2,266)
<b>Income tax expense 所得稅支出</b>	<b>112,370</b>	<b>119,575</b>

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
<b>Profit before income tax 除所得稅前利潤</b>	<b>689,222</b>	<b>720,898</b>
Tax calculated at domestic tax rates applicable to profits in the respective countries 按個別國家利潤相關的國內稅率計算之稅項	112,587	116,791
Tax effects of: 以下的稅務影響		
– Income not subject to tax 免稅收益	(7,330)	(5,681)
– Expenses not deductible for tax purposes 不可扣稅開支	3,829	5,319
– Tax losses for which no deferred income tax asset was recognised 未確認遞延所得稅資產的稅項虧損	4,551	4,419
– Withholding income tax on royalty fee from overseas entities 自海外實體品牌使用費代扣所得稅	40	309
– Over-provision in prior years 往年多計撥備	(668)	(485)
– Research and development enhanced deduction 研究開發費的加倍扣稅額	(210)	(1,059)
– Others 其他	(429)	(38)
<b>Income tax expense 所得稅</b>	<b>112,370</b>	<b>119,575</b>

## 11 所得稅支出

就年內估計應課稅利潤按16.5%(2018年:16.5%)的稅率計提香港利得稅。就中國營運附屬公司年內估計應課稅利潤按25%(2018年:25%)的稅率計提中國企業所得稅。海外利潤的稅項基於年內估計應課稅利潤按本集團經營所在國家的現行稅率計算。

本集團除稅前利潤的所得稅與採用適用於合併入賬實體利潤的加權平均稅率計算的理論金額差異如下：

## 12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary share in issue during the year.

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Profit attributable to owners of the Company 本公司擁有人應佔利潤	556,118	580,720
Weighted average number of ordinary shares in issue (thousands) 已發行普通股加權平均數(千股)	837,100	837,100
Earnings per share (HK\$) 每股盈利(港元)	0.66	0.69

For the years ended 31 December 2019 and 2018, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive shares.

## 12 每股盈利

每股基本盈利乃按本公司擁有人應佔利潤除以年內已發行普通股的加權平均數計算。

截至2019年及2018年12月31日止年度，因為無具潛在攤薄效應之股份，每股攤薄溢利等於每股基本盈利。

## 13 DIVIDENDS

The dividends paid in 2019 and 2018 were HK\$795,245,000 (HK\$0.95 per share) and HK\$159,049,000 (HK\$0.19 per share) respectively. Dividend in respect of the year ended 31 December 2019 of HK\$0.23 per share, amounting to a total dividend of HK\$192,533,000, is to be proposed at the annual general meeting on 12 June 2020. These financial statements do not reflect this dividend payable.

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Special interim dividend paid of HK\$0.72 (2018: HK\$Nil) per ordinary share 已付每股普通股特別中期股息0.72港元(2018年：零港元)	602,712	-
Proposed final dividend of HK\$0.23 (2018: HK\$0.23) per ordinary share 建議每股普通股末期股息0.23港元(2018年：0.23港元)	192,533	192,533
	<b>795,245</b>	<b>192,533</b>

## 14 RIGHT-OF-USE ASSETS

	Leasehold land 租賃土地	Buildings 樓宇	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2019 於2019年1月1日</b>	-	-	-
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號(附註2(b))	100,807	122,017	222,824
<b>At 1 January 2019, as restated 於2019年1月1日，重述</b>	100,807	122,017	222,824
Additions 增加	-	23,620	23,620
Modification 修改	-	(421)	(421)
Depreciation charge (Note 6) 折舊支出(附註6)	(2,668)	(48,645)	(51,313)
Currency translation differences 貨幣兌換差額	-	347	347
<b>At 31 December 2019 於2019年12月31日</b>	<b>98,139</b>	<b>96,918</b>	<b>195,057</b>

(a) The total cash outflow for leases, including the payments made in relation to lease liabilities and expenses relating to short-term and variable lease payments in 2019 was HK\$78,224,000.

## (b) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and retail stores. Rental contracts are typically made for fixed periods of 6 months to 10 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets must not be used as security for borrowing purposes.

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, variable lease payments are calculated based on percentages of revenue generated by certain retail outlets that exceed their fixed rentals. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

## 13 股息

2019年及2018年的已付股息分別為795,245,000港元(每股0.95港元)及159,049,000港元(每股0.19港元)。截至2019年12月31日止年度的股息每股0.23港元(股息總額為192,533,000港元)將於本公司在2020年6月12日舉行的股東週年大會上提呈。該等財務報表並無反映該應付股息。

## 14 使用權資產

	Leasehold land 租賃土地	Buildings 樓宇	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2019 於2019年1月1日</b>	-	-	-
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號(附註2(b))	100,807	122,017	222,824
<b>At 1 January 2019, as restated 於2019年1月1日，重述</b>	100,807	122,017	222,824
Additions 增加	-	23,620	23,620
Modification 修改	-	(421)	(421)
Depreciation charge (Note 6) 折舊支出(附註6)	(2,668)	(48,645)	(51,313)
Currency translation differences 貨幣兌換差額	-	347	347
<b>At 31 December 2019 於2019年12月31日</b>	<b>98,139</b>	<b>96,918</b>	<b>195,057</b>

(a) 2019年因租賃發生的現金流出合計為78,224,000港元，包括對租賃負債的現金支付以及短期租賃付款額和可變租賃付款額。

## (b) 本集團的租賃活動及其會計處理

本集團租用多處辦公室、庫房和零售店鋪。租賃合同通常是固定期限，6個月至10年不等，還可能包含下文所述的續租選擇權。

租賃期限應在每項租賃的基礎上進行商談，並可能包含不同的條款和條件。租賃協議不應包含出租人持有的租賃資產的擔保利息之外的任何契約。租賃資產不得用作借款擔保。

部分房地產租賃包含與店鋪的銷售額掛鉤的可變付款額條款。對於各店鋪，可變租賃付款額是根據零售店超過其固定租金的營業額部分所佔百分比計算的。根據銷售額確定的可變租賃付款額在觸發該等付款額的條件發生的期間計入損益。

本集團有大量房地產租賃包含續租選擇權和終止租賃選擇權，以在本集團經營所用的資產管理方面最大程度地提高運營的靈活性。本集團持有的大部分續租選擇權和終止租賃選擇權僅由本集團行使，而非由相應的出租人行使。



## 15 PROPERTY, PLANT AND EQUIPMENT

## 15 物業、廠房及設備

	Freehold land and leasehold land held under finance lease 永久業權土地及根據融資租賃和持有的租賃土地	Buildings 樓宇	Leasehold improvement 租賃物業裝修	Plant and machinery 廠房及機器	Furniture and equipment 傢俱及設備	Motor vehicles 汽車	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Year ended 31 December 2018 截至2018年12月31日止年度</b>							
Opening net book amount 期初帳面淨值	103,649	104,250	28,491	10,443	15,891	831	263,555
Additions 增加	32,806	5,614	5,009	2,689	6,055	177	52,350
Disposals (Note 26(b)) 處置 (附註26(b))	-	-	(717)	(9)	(58)	-	(784)
Depreciation charge (Note 6) 折舊支出 (附註6)	(2,127)	(3,054)	(10,555)	(2,445)	(5,267)	(297)	(23,745)
Currency translation differences 貨幣兌換差額	(755)	(2,456)	(1,232)	-	(595)	(35)	(5,073)
<b>Closing net book amount 期末帳面淨值</b>	<b>133,573</b>	<b>104,354</b>	<b>20,996</b>	<b>10,678</b>	<b>16,026</b>	<b>676</b>	<b>286,303</b>
<b>At 31 December 2018 於2018年12月31日</b>							
Cost 成本	146,731	132,196	84,342	55,729	38,296	3,151	460,445
Accumulated depreciation and impairment 累計折舊及減值	(13,158)	(27,842)	(63,346)	(45,051)	(22,270)	(2,475)	(174,142)
<b>Net book amount 帳面淨值</b>	<b>133,573</b>	<b>104,354</b>	<b>20,996</b>	<b>10,678</b>	<b>16,026</b>	<b>676</b>	<b>286,303</b>

	Freehold land and leasehold land held under finance lease 永久業權土地和根據融資租賃和持有的租賃土地	Buildings 樓宇	Leasehold improvement 租賃物業裝修	Plant and machinery 廠房及機器	Furniture and equipment 傢俱及設備	Motor vehicles 汽車	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Year ended 31 December 2019 截至2019年12月31日止年度</b>							
Opening net book amount, as previously reported 期初帳面淨值	133,573	104,354	20,996	10,678	16,026	676	286,303
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號 (附註2(b))	(85,342)	-	-	-	-	-	(85,342)
Opening net book amount, as restated 期初帳面淨值，重述	48,231	104,354	20,996	10,678	16,026	676	200,961
Additions 增加	-	-	3,565	4,160	3,973	812	12,510
Disposals (Note 26(b)) 處置 (附註26(b))	-	-	(927)	-	(1,138)	(110)	(2,175)
Depreciation charge (Note 6) 折舊支出 (附註6)	-	(3,117)	(6,865)	(1,326)	(4,540)	(285)	(16,133)
Currency translation differences 貨幣兌換差額	(82)	(267)	138	-	(79)	(4)	(294)
<b>Closing net book amount 期末帳面淨值</b>	<b>48,149</b>	<b>100,970</b>	<b>16,907</b>	<b>13,512</b>	<b>14,242</b>	<b>1,089</b>	<b>194,869</b>
<b>At 31 December 2019 於2019年12月31日</b>							
Cost 成本	48,149	131,913	69,630	59,889	38,686	3,791	352,058
Accumulated depreciation and impairment 累計折舊及減值	-	(30,943)	(52,723)	(46,377)	(24,444)	(2,702)	(157,189)
<b>Net book amount 帳面淨值</b>	<b>48,149</b>	<b>100,970</b>	<b>16,907</b>	<b>13,512</b>	<b>14,242</b>	<b>1,089</b>	<b>194,869</b>

## 15 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2019, bank borrowing is secured by a freehold land and building amounted to HK\$10,536,000 (2018: HK\$10,913,000) (Note 24).

Depreciation expenses were charged to the consolidated income statements as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Cost of sales 銷售成本	4,094	5,348
Distribution and selling expenses 分銷及銷售開支	7,729	11,757
General and administrative expenses 一般及行政開支	4,310	6,640
	16,133	23,745

No impairment loss on property, plant and equipment was charged to general and administrative expenses in the consolidated income statement for the years ended at 31 December 2018 and 2019.

## 16 INTANGIBLE ASSETS

The net book value of the Group's intangible assets is analysed as follows:

	Goodwill 商譽	Other intangible assets 其他無形資產	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018 於2018年1月1日	49,419	29,582	79,001
Amortisation (Note 6) 攤銷(附註6)	-	(6,558)	(6,558)
Currency translation difference 貨幣兌換差額	-	44	44
At 31 December 2018 and 1 January 2019 於2018年12月31日及2019年1月1日	49,419	23,068	72,487
Amortisation (Note 6) 攤銷(附註6)	-	(11,797)	(11,797)
Currency translation difference 貨幣兌換差額	-	(21)	(21)
At 31 December 2019 於2019年12月31日	49,419	11,250	60,669

Note:

Other intangible assets represent customer relationships, a management contract and an exclusive supply contract.

### Impairment test for goodwill

The Group recognised a goodwill of HK\$49,419,000 in 2015 as a result of the acquisition of the equity interest in Honour Essence Trading Limited, which is principally engaged in the distribution of Chinese medicine products in Hong Kong. The goodwill has been allocated for impairment testing to this Honour Essence Trading Limited CGU within the Hong Kong segment.

Goodwill is monitored by management at the operating segment level. For the purpose of impairment testing, the goodwill arising on acquisition is allocated to the Group's cash generating units ("CGU") within the Hong Kong segment.

The recoverable amount of the CGU is determined by management based on value-in-use calculation. The key assumptions adopted in the value-in-use calculation are based on management's best estimates and past experience.

The value-in-use calculation is based on a five-year financial budget approved by management, with five-year sales growth rate ranging between -7% to 12% (2018: 1% to 5%). Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 3% (2018: 3%). A pre-tax discount rate of 16% (2018: 16%) is used which reflects the specific risks relating to the relevant operating segment.

## 15 物業、廠房及設備(續)

於2019年12月31日，銀行借款以賬面值10,536,000港元(2018年：10,913,000港元)的永久業權土地及樓宇作為抵押(附註24)。

於合併收益表中計入折舊開支如下：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Cost of sales 銷售成本	4,094	5,348
Distribution and selling expenses 分銷及銷售開支	7,729	11,757
General and administrative expenses 一般及行政開支	4,310	6,640
	16,133	23,745

2018及2019年度並無減值計提於合併收益表的一般及行政開支中計入。

## 16 無形資產

本集團的無形資產的賬面淨值分析如下：

	Goodwill 商譽	Other intangible assets 其他無形資產	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018 於2018年1月1日	49,419	29,582	79,001
Amortisation (Note 6) 攤銷(附註6)	-	(6,558)	(6,558)
Currency translation difference 貨幣兌換差額	-	44	44
At 31 December 2018 and 1 January 2019 於2018年12月31日及2019年1月1日	49,419	23,068	72,487
Amortisation (Note 6) 攤銷(附註6)	-	(11,797)	(11,797)
Currency translation difference 貨幣兌換差額	-	(21)	(21)
At 31 December 2019 於2019年12月31日	49,419	11,250	60,669

附註：

其他無形資產分別為客戶關係、管理合同及獨家供貨合同。

### 商譽減值測試

本集團於2015年收購大宏貿易有限公司(其主要業務為於香港從事分銷中藥產品)時確認其商譽為49,419,000港元。商譽被分配至香港分部大宏貿易有限公司的現金產生單位中進行減值測試。

管理層在經營分部層面監測商譽。為了減值測試的目的，商譽已分配至本集團之香港地區內的已辨識的現金產生單位。

現金產生單位的可收回金額是管理層根據使用價值計算法而釐定。用於計算使用價值的關鍵假設是基於管理層的最佳估計和過去的經驗而釐定。

使用價值計算是基於管理層通過的五年財政預算。五年期銷售增長率為-7%至12%(2018: 1% to 5%)。五年期以後之財政預算乃使用3%(2018: 3%)的估計增長率推算。所用之稅前貼現率為16%(2018: 16%)，反映有關分部之特定風險。

## 17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial asset at fair value through other comprehensive income (“FVOCI”) represents a Hong Kong listed equity security which is denominated in Hong Kong dollars. This is a strategic investment which is not held for trading and the Group considers this classification to be more relevant. Its fair value is analysed as follow:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	15,468	15,318
(Loss)/gain recognised in other comprehensive income (虧損)/利得計入至其他綜合收益	(4,485)	150
At 31 December 於12月31日	10,983	15,468

## 18 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets 遞延所得稅資產	28,829	11,851
— Set-off of deferred tax liabilities pursuant to set-off provisions 按照抵銷規定所抵銷的遞延所得稅負債	(19,892)	—
Deferred income tax assets, net 淨遞延所得稅資產	8,937	11,851
Deferred income tax liabilities 遞延所得稅負債	(25,268)	(4,874)
— Set-off of deferred tax assets pursuant to set-off provisions 按照抵銷規定所抵銷的遞延所得稅資產	19,892	—
Deferred income tax liabilities, net 淨遞延所得稅負債	(5,376)	(4,874)
Deferred income tax, net 遞延所得稅資產淨額	3,561	6,977

The net movement in the deferred income tax account is as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	6,977	4,713
(Charged)/credited to the consolidated income statement (Note 11) (扣自)/計入合併收益表(附註11)	(3,407)	2,266
Currency translation differences 貨幣兌換差額	(9)	(2)
At 31 December 於12月31日	3,561	6,977

## 17 以公允價值計量且其變動計入其他綜合收益的金融資產

以公允價值計量且其變動計入其他綜合收益的金融資產為以港元結算的香港上市公司證券，屬於戰略性投資及非交易性權益證券，本集團認為這一分類更恰當。其公允價值分析如下：

## 18 遞延所得稅

遞延所得稅資產及負債的分析如下：

遞延所得稅賬目淨變動如下：

## 18 DEFERRED INCOME TAX (Continued)

The gross movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Accelerated accounting depreciation 加速會計折舊	Unrealised profit resulting from intragroup transactions 集團內部交易 產生的 未變現利潤	Provisions 撥備	Lease liabilities 租賃負債	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Deferred income tax assets 遞延所得稅資產</b>					
At 1 January 2018 於2018年1月1日	56	9,076	-	-	9,132
Credited to the consolidated income statement 計入合併收益表	34	2,697	-	-	2,731
Currency translation differences 貨幣兌換差額	(6)	(6)	-	-	(12)
<b>At 31 December 2018 於2018年12月31日</b>	<b>84</b>	<b>11,767</b>	<b>-</b>	<b>-</b>	<b>11,851</b>
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號(附註2(b))	-	-	-	23,819	23,819
<b>At 1 January 2019, as restated 於2019年1月1日, 經重列</b>	<b>84</b>	<b>11,767</b>	<b>-</b>	<b>23,819</b>	<b>35,670</b>
(Charged)/credited to the consolidated income statement (扣自)/計入合併收益表	(5)	(4,286)	1,045	(3,650)	(6,896)
Currency translation differences 貨幣兌換差額	3	(1)	(7)	60	55
<b>At 31 December 2019 於2019年12月31日</b>	<b>82</b>	<b>7,480</b>	<b>1,038</b>	<b>20,229</b>	<b>28,829</b>

	Accelerated tax depreciation 加速稅項折舊	Right-of-use assets 使用權資產	Other 其他	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Deferred income tax liabilities 遞延所得稅負債</b>				
At 1 January 2018 於2018年1月1日	(3,983)	-	(436)	(4,419)
(Charged)/credited to the consolidated income statement (扣自)/計入合併收益表	(569)	-	104	(465)
Currency translation differences 貨幣兌換差額	10	-	-	10
<b>At 31 December 2018 於2018年12月31日</b>	<b>(4,542)</b>	<b>-</b>	<b>(332)</b>	<b>(4,874)</b>
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號(附註2(b))	-	(23,819)	-	(23,819)
<b>At 1 January 2019, restated 於2019年1月1日, 經重列</b>	<b>(4,542)</b>	<b>(23,819)</b>	<b>(332)</b>	<b>(28,693)</b>
(Charged)/credited to the consolidated income statement (扣自)/計入合併收益表	(870)	4,027	332	3,489
Currency translation differences 貨幣兌換差額	(6)	(58)	-	(64)
<b>At 31 December 2019 於2019年12月31日</b>	<b>(5,418)</b>	<b>(19,850)</b>	<b>-</b>	<b>(25,268)</b>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$14,805,000 (2018: HK\$13,703,000) in respect of tax losses amounting to approximately HK\$72,646,000 (2018: HK\$72,021,000) at 31 December 2019 that can be carried forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$22,288,000 (2018: HK\$30,263,000) which will expire between 2020 and 2039 (2018: expire between 2019 and 2038).

The Group did not recognise the deferred income tax liabilities of HK\$3,756,000 (2018: HK\$3,652,000) in respect of the withholding tax that would be payable on the unremitted earnings of certain subsidiaries amounting to HK\$75,121,000 (2018: HK\$73,049,000) at 31 December 2019, as the Group can control the dividend policies of these subsidiaries and these unremitted earnings will not be distributed in the foreseeable future.

## 18 遞延所得稅(續)

在不考慮同一稅務司法權區內結餘抵銷的情況下，遞延所得稅資產及負債總變動如下：

倘可通過未來應課稅利潤變現相關稅項優惠，則就稅項虧損結轉確認遞延所得稅資產。本集團並沒就可結轉以抵銷未來應課稅收益的虧損72,646,000港元(2018年：72,021,000港元)確認遞延所得稅資產約14,805,000港元(2018年：13,703,000港元)。除稅項虧損22,288,000港元(2018年：30,263,000港元)惟於2020至2039年間到期(2018年：2019至2038年間到期)，該等稅項虧損並無屆滿日期。

於2019年12月31日，本集團並無就若干附屬公司未結匯之盈利75,121,000港元(2018年：73,049,000港元)計提應付之代扣稅項之遞延所得稅負債3,756,000港元(2018年：3,652,000港元)，此乃由於集團能夠控制這些附屬公司的股息政策，並且這些未結匯的利潤不會在可預見的未來分配。

## 19 INVENTORIES

## 19 存貨

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Raw materials 原材料	180,964	118,586
Work in progress 在製品	14,038	8,056
Finished goods and trading merchandise 製成品及貿易商品	123,185	117,893
	<b>318,187</b>	<b>244,535</b>

The cost of inventories recognised as expense and included in “cost of sales” amounted to HK\$348,331,000 (2018: HK\$363,372,000) and the impairment loss on inventories and write-off of inventories included in the “general and administrative expenses” and “distribution and selling expenses” amounted to HK\$7,180,000 (2018: HK\$1,423,000) and HK\$307,000 (2018: HK\$611,000) for the year ended 31 December 2019, respectively.

截至2019年12月31日止年度，確認為開支並計入「銷售成本」的存貨成本為348,331,000港元(2018年：363,372,000港元)，計入「一般及行政開支」及「分銷及銷售開支」的存貨減值計提及存貨撇銷分別為7,180,000港元(2018年：1,423,000港元)及307,000港元(2018年：611,000港元)。

## 20 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

## 20 貿易應收款項及其他流動資產

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Trade receivables 貿易應收款項		
— fellow subsidiaries 同系附屬公司	155,912	74,576
— joint ventures 合營企業	1,993	9,465
— associate 聯營公司	3,439	911
— third parties 第三方	155,050	91,973
— loss allowance (Note d) 減值損失(附註d)	(3,351)	—
Trade receivables, net 淨貿易應收款項	313,043	176,925
Prepayments and other receivables 預付款項及其他應收款項	24,112	36,227
Deposits 按金	18,993	22,223
Amount due from a joint venture (Note b) 應收合營企業款項(附註b)	1,114	1,114
	<b>357,262</b>	<b>236,489</b>

Notes:

- (a) The fair values of trade receivables and other current assets approximate their carrying amounts.
- (b) The amount is repayable on demand, unsecured in nature and bears no interest.
- (c) Retail sales at the Group's stores are usually made in cash or by debit or credit cards. For wholesales to distributors (including fellow subsidiaries, joint ventures and an associate), the Group normally grants credit periods ranging from 30 to 90 days.

At 31 December 2019 and 2018, the aging analysis of trade receivables based on invoice date (including amounts due from related parties of trading in nature) is as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
0–90 days 0至90天	220,595	138,079
91–180 days 91天至180天	31,397	29,121
181–365 days 181天至365天	50,616	8
Over 365 days 365天以上	13,786	9,717
	<b>316,394</b>	<b>176,925</b>

附註：

- (a) 貿易應收款項及其他流動資產的公允價值與其賬面值相若。
- (b) 該款項須於要求時償還、無抵押及免息。
- (c) 本集團零售業務通常以現金、借記卡或信用卡進行。而就批發予分銷商(包括同系附屬公司、合營企業及聯營公司)而言，本集團通常授出的信貸期為30至90日。

於2019年及2018年12月31日，根據發票日期的貿易應收款項(包括應收關連方的貿易款項)的賬齡分析如下：

## 20 TRADE RECEIVABLES AND OTHER CURRENT ASSETS (Continued)

Notes: (Continued)

- (d) The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This resulted in loss allowance amounted to HK\$3,351,000 (2018: Nil) for trade receivables as at 31 December 2019. Please refer to note 3(a)(ii) for details about the calculation of the allowance and the Group's exposure to credit risk.

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Loss allowance as at 1 January 於1月1日減值損失	-	-
Loss allowance of trade receivables for the year 貿易應收款項之減值計提	3,400	-
Exchange difference 匯兌差額	(49)	-
Loss allowance as at 31 December 於12月31日減值損失	3,351	-

- (e) The carrying amounts of the Group's trade receivables and other current assets are denominated in the following currencies:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	162,068	113,632
Renminbi 人民幣	175,361	87,326
United States dollar 美元	8,022	22,677
South Korea won 韓元	2,643	2,497
Australian dollar 澳元	2,478	3,935
Euro 歐元	1,181	1,027
Canadian dollar 加元	1,103	1,010
Other currencies 其他貨幣	4,406	4,385
	357,262	236,489

- (f) At 31 December 2019, the Group does not hold any collateral as security (2018: Nil).

## 20 貿易應收款項及其他流動資產(續)

附註：(續)

- (d) 本集團採用香港財務報告準則第9號的簡化方法計量預期信用損失，即對所有貿易應收款項確認整個存續期的預期損失撥備。於2019年12月31日，產生的貿易應收款項損失撥備為3,351,000港元(2018：無)。附註3(a)(ii)說明撥備計算的詳細情況。

於12月31日，貿易應收款項之減值計提與期初貿易應收款項之減值計提的調整如下：

- (e) 本集團的貿易應收款項及其他流動資產的賬面值以下列貨幣計值：

- (f) 本集團並無持有任何抵押品作為擔保(2018年：無)。

## 21 CASH AND BANK BALANCES

## 21 現金及銀行結餘

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Cash and cash equivalents 現金及現金等價物		
– Cash at bank and on hand 銀行及庫存現金	415,763	442,881
– Short-term bank deposits with original maturities within three months 原期限為三個月或以內之短期銀行存款	640,948	106,950
	<b>1,056,711</b>	<b>549,831</b>
Short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款	911,655	1,715,609
Total 總計	<b>1,968,366</b>	<b>2,265,440</b>

At 31 December 2019, the Group's cash and cash equivalents and short-term bank deposits included balances of HK\$69,382,000 (2018: HK\$52,336,000), which were deposits with banks in the PRC. The remittance of such balances out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

於2019年12月31日，本集團的現金及現金等價物以及短期銀行存款包括69,382,000港元(2018年：52,336,000港元)，該等款項屬在中國開設之銀行的存款。將該等結餘匯出中國須受中國政府頒佈的外匯管制規則及法規監管。

The carrying amounts of the Group's cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

本集團的現金及現金等價物以及短期銀行存款的賬面值以下列貨幣計值：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	1,787,197	2,102,778
Renminbi 人民幣	60,470	54,143
United States dollar 美元	27,736	12,453
Singapore dollar 新加坡元	23,529	22,563
Canadian dollar 加元	21,152	19,319
Australian dollar 澳元	21,056	17,564
Macao pataca 澳門元	11,322	15,289
Other currencies 其他貨幣	15,904	21,331
	<b>1,968,366</b>	<b>2,265,440</b>

## 22 SHARE CAPITAL

## 22 股本

	Number of shares 股份數目	Share capital 股本
		HK\$'000 千港元
Ordinary shares issued and fully paid 已發行及繳足普通股		
At 31 December 2018 and 2019 於2018年及2019年12月31日	837,100,000	938,789

## 23 RESERVES

## 23 儲備

	Merger reserve (Note a) 合併儲備 (附註 a)	Other reserves 其他儲備	Statutory reserve (Note b) 法定儲備 (附註 b)	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2018 於2018年1月1日</b>	(13,124)	2,360	6,229	(6,512)	1,565,150	1,554,103
<b>Comprehensive income 綜合收益</b>						
Profit for the year 年度利潤	-	-	-	-	580,720	580,720
<b>Other comprehensive losses 其他綜合虧損</b>						
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	-	150	-	-	-	150
Release of exchange reserve upon liquidation of a joint venture 一間合營企業清盤而撥回之匯兌儲備	-	-	-	1,703	-	1,703
Currency translation differences 貨幣兌換差額						
— Group 本集團	-	-	-	(10,693)	-	(10,693)
— Joint ventures 合營企業	-	-	-	(96)	-	(96)
<b>Total comprehensive income 綜合收益總額</b>	-	150	-	(9,086)	580,720	571,784
<b>Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>						
Dividends paid (Note 13) 已付股息(附註13)	-	-	-	-	(159,049)	(159,049)
<b>Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>	-	-	-	-	(159,049)	(159,049)
<b>At 31 December 2018 於2018年12月31日</b>	(13,124)	2,510	6,229	(15,598)	1,986,821	1,966,838
<b>At 1 January 2019 於2019年1月1日</b>	(13,124)	2,510	6,229	(15,598)	1,986,821	1,966,838
<b>Comprehensive income 綜合收益</b>						
Profit for the year 年度利潤	-	-	-	-	556,118	556,118
<b>Other comprehensive losses 其他綜合虧損</b>						
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	-	(4,485)	-	-	-	(4,485)
Release of exchange reserve upon liquidation of a joint venture 一間合營企業清盤而撥回之匯兌儲備	-	-	-	(961)	-	(961)
Currency translation differences 貨幣兌換差額						
— Group 本集團	-	-	-	(1,888)	-	(1,888)
— Joint ventures 合營企業	-	-	-	335	-	335
<b>Total comprehensive income 綜合收益總額</b>	-	(4,485)	-	(2,514)	556,118	549,119
<b>Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>						
Dividends paid (Note 13) 已付股息(附註13)	-	-	-	-	(795,245)	(795,245)
<b>Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額</b>	-	-	-	-	(795,245)	(795,245)
<b>At 31 December 2019 於2019年12月31日</b>	(13,124)	(1,975)	6,229	(18,112)	1,747,694	1,720,712

Notes:

- (a) Merger reserve of the Group represents the difference between the net book value of the entities that had been acquired and the investment consideration paid by the Company to effect a reorganisation that took place in 2010.
- (b) The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. PRC company is required to appropriate 10% of statutory net profits to statutory reserves, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserves shall only be used to make up losses of the companies, to expand the companies' production operations, or to increase the capital of the companies. In addition, a company may make further contribution to the statutory reserve using its post-tax profits in accordance with resolutions of the board of directors.

附註：

- (a) 本集團的合併儲備指已收購實體的賬面淨值與本公司為於2010年進行重組所支付的投資代價的差額。
- (b) 中國法律及法規規定，在中國註冊的公司向股權持有人分派利潤前，須從各自法定財務報表所呈報的淨利潤(抵銷以往年度的累計虧損後)中，分配款項以提撥若干法定儲備。所有法定儲備均為特定用途而設立。中國公司於分派當年度的除稅後利潤時，須向法定儲備分配法定淨利潤的10%。當公司法定儲備的總和超過其註冊資本的50%時，公司可停止分配。法定儲備只可用作彌補公司的虧損、擴大公司的生產營運或增加公司的資本。此外，按照董事會決議案，公司可使用其除稅後利潤向法定儲備作出進一步供款。



## 24 BORROWINGS

## 24 借貸

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current 非流動			
– Secured bank borrowing 有抵押銀行貸款	(a)–(c)	–	54
– Unsecured government loan 無抵押政府借款	(d)	833	999
<b>Total non-current borrowings 非流動借貸總額</b>		<b>833</b>	<b>1,053</b>
Current 流動			
– Secured bank borrowing 有抵押銀行貸款	(a)–(c)	54	–
– Unsecured government loan 無抵押政府借款	(d)	166	166
<b>Total current borrowings 流動借貸總額</b>		<b>220</b>	<b>166</b>
<b>Total borrowings 借貸總額</b>		<b>1,053</b>	<b>1,219</b>

Notes:

- (a) The bank borrowing is secured by the freehold land and building of the Group amounted to HK\$10,536,000 (2018: HK\$10,913,000) (Note 15).
- (b) The bank borrowing bears interest at 1.5% plus the bank bill rate in Australia per annum and is wholly repayable in 2020. The Group has HK\$7,602,000 (2018: HK\$7,691,000) undrawn borrowing facility with floating rate expiring beyond one year.
- (c) The bank borrowing is denominated in Australian dollar and its carrying amount approximates its fair values.
- (d) The government loan represents a fund from Macao Economic Bureau under a special assistance scheme for small-medium corporations affected by typhoon. The interest free loan is unsecured and repayable in 7 years. The loan is denominated in Macao pataca and its carrying amount approximates its fair values.

附註：

- (a) 銀行借款由本集團為10,536,000港元的永久業權土地及樓宇做抵押(2018年：10,913,000港元)(附註15)。
- (b) 銀行借款按澳大利亞的銀行票據利率加1.5%按年計算，並且銀行借款應於2020年全部償還。本集團有7,602,000港元(2018年：7,691,000港元)未動用的浮動利率借貸額度到期時間超過一年。
- (c) 銀行借貸以澳元計值，且其賬面值與公允價值相若。
- (d) 政府借款為澳門經濟局受颱風影響中小企業特別援助計劃下的款項，此無息借款無抵押並需於7年內償還，借款以澳門元計值，且其賬面值與公允價值相若。

## 25 TRADE AND OTHER PAYABLES

## 25 貿易及其他應付款項

		2019	2018
		HK\$'000 千港元	HK\$'000 千港元
Trade payables 貿易應付款項			
– intermediate holding company 中間控股公司		26,287	13,727
– immediate holding company 直接控股公司		7,554	6,792
– third parties 第三方		32,068	31,196
Trade payables (Note a) 貿易應付款項(附註a)		65,909	51,715
Accruals and other payables 應計費用及其他應付款項		74,764	62,361
Contract liabilities 合同負債		2,159	4,935
		<b>142,832</b>	<b>119,011</b>

## 25 TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) At 31 December 2019 and 2018, the aging analysis of the trade payables (including amounts due to the related parties of trading in nature) based on invoice date is as follows:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
0-90 days 0至90天	59,702	43,439
91-180 days 91天至180天	1,050	237
181-365 days 181天至365天	308	7,485
Over 365 days 365天以上	4,849	554
	<b>65,909</b>	<b>51,715</b>

- (b) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	69,805	56,170
Renminbi 人民幣	37,709	31,813
United States dollar 美元	9,606	1,885
South African rand 南非蘭特	5,455	7,766
Australian dollar 澳元	5,864	5,235
Canadian dollar 加元	4,324	4,954
Singapore dollar 新加坡元	1,984	2,348
Other currencies 其他貨幣	8,085	8,840
	<b>142,832</b>	<b>119,011</b>

## 25 貿易及其他應付款項(續)

附註：

- (a) 於2019年及2018年12月31日，根據發票日期的貿易應付款項(包括應付關連方的貿易款項)的賬齡分析如下：

- (b) 本集團貿易及其他應付款項的賬面值以下列貨幣計值：

## 26 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

## (a) Cash generated from operations

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Profit before income tax 除所得稅前利潤	689,222	720,898
Adjustments for: 就以下項目調整：		
– Amortisation of prepaid operating lease payments (Note 6) 預付經營租賃款項攤銷(附註6)	–	543
– Depreciation of right-of-use assets (Note 6) 使用權資產折舊(附註6)	51,313	–
– Depreciation of property, plant and equipment (Note 6) 物業、廠房及設備折舊(附註6)	16,133	23,745
– Amortisation of intangible assets (Note 6) 無形資產攤銷(附註6)	11,797	6,558
– Impairment loss on inventories (Note 6) 存貨之減值計提(附註6)	7,180	1,423
– Write-off of inventories (Note 6) 存貨撤銷(附註6)	307	611
– Loss allowance on trade receivables (Note 6) 貿易應收款項之減值計提(附註6)	3,400	–
– Losses on disposals of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損(附註6)	2,067	774
– Dividend income 股利收益	(195)	(165)
– Finance income, net (Note 9) 淨財務收益(附註9)	(39,208)	(23,373)
– Share of loss of investments accounted for using the equity method (Note 10) 應佔按權益法入賬之投資虧損(附註10)	1,972	489
– (Gain)/loss upon liquidation of a joint venture 一間合營企業清盤之(利得)/虧損	(961)	1,703
	<b>743,027</b>	<b>733,206</b>
Changes in working capital: 營運資金變動：		
– Inventories 存貨	(82,288)	(16,757)
– Trade receivables and other current assets 貿易應收款項及其他流動資產	(133,902)	(20,841)
– Trade and other payables 貿易及其他應付款項	30,318	15,249
<b>Cash generated from operations 經營所產生之現金</b>	<b>557,155</b>	<b>710,857</b>

## 26 合併現金流量表附註

## (a) 經營所產生之現金

## 26 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

## 26 合併現金流量表附註(續)

(Continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

(b) 合併現金流量表中，出售物業、廠房及設備所得款項包括：

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Net book amount (Note 15) 賬面淨值(附註15)	2,175	784
Losses on disposals of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損(附註6)	(2,067)	(774)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	108	10

(c) Reconciliation of cash flows from financing activities

(c) 融資活動所產生的現金流量調節

	Borrowings 借貸	Lease liabilities 租賃負債	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Liabilities from financing activities as at 1 January 2018 於二零一八年一月一日融資活動的負債	605	-	605
Proceeds from borrowing 借貸所得款	1,165	-	1,165
Repayment of borrowing 償還借貸	(522)	-	(522)
Foreign exchange adjustments 匯兌調整	(29)	-	(29)
Liabilities from financing activities as at 31 December 2018, as previously reported 於二零一八年十二月三十一日融資活動的負債	1,219	-	1,219
Adoption of HKFRS 16 (Note 2(b)) 採納香港財務報告準則第16號(附註2(b))	-	121,081	121,081
<b>Liabilities from financing activities as at 1 January 2019, as restated</b> 於二零一九年一月一日融資活動的負債，經重列	<b>1,219</b>	<b>121,081</b>	<b>122,300</b>
Principal elements of lease payments 租賃負債本金部分	-	(45,775)	(45,775)
Interest paid 已付利息	(3)	(4,204)	(4,207)
Repayment of borrowing 償還借貸	(166)	-	(166)
Acquisition of lease 取得租賃	-	23,620	23,620
Others <sup>(1)</sup> 其他 <sup>(1)</sup>	3	3,783	3,786
Foreign exchange adjustments 匯兌調整	-	317	317
<b>Liabilities from financing activities as at 31 December 2019 於二零一九年十二月三十一日融資活動的負債</b>	<b>1,053</b>	<b>98,822</b>	<b>99,875</b>

<sup>(1)</sup> Other changes include accrued interest expense and lease modification.<sup>(1)</sup> 其他變動包括應計利息和租賃修改。

## 27 COMMITMENTS

## (a) Capital commitments

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
Contracted but not provided for 已訂約但未撥備		
— property, plant and equipment 物業、廠房及設備	3,811	2,627

## (b) Lease commitments

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases as set out below:

	2019	2018
	HK\$'000 千港元	HK\$'000 千港元
No later than 1 year 1年內	3,403	58,222
Later than 1 year and no later than 5 years 一年以上及五年以內	-	50,331
Later than 5 years 五年以上	-	4,990
	3,403	113,543

As at 31 December 2019, undiscounted future lease payments amounted to HK\$13,021,000 are committed by the Group but the relevant lease periods have not commenced. These lease commitments will be recognised as right-of-use assets upon the lease commencement date in 2020.

## 27 承擔

## (a) 資本承擔

## (b) 租賃承擔

自2019年1月1日起，本集團已確認這些租賃為使用權資產，以下所載之短期及低價值租賃除外：

於2019年12月31日，本集團已簽訂但尚未開始執行的已支付租賃合同相關的未折現租賃付款額為13,021,000港元。這些租賃承擔將於2020年租賃期開始日時被確認為使用權資產。

## 28 SIGNIFICANT RELATED PARTY TRANSACTIONS

At 31 December 2019, two subsidiaries of Tong Ren Tang Holdings, namely Tong Ren Tang Technologies and Tong Ren Tang Ltd. directly owned 38.05% and 33.62% of shareholding in the Company respectively. Tong Ren Tang Ltd. is also the controlling shareholder of Tong Ren Tang Technologies. Tong Ren Tang Ltd. effectively owns 71.67% equity interest in the Company. The remaining 28.33% of the shares are widely held.

The Board of Directors of the Company regards Tong Ren Tang Technologies as the immediate holding company, Tong Ren Tang Ltd. as the intermediate holding company and Tong Ren Tang Holdings as the ultimate holding company, all of which are companies incorporated in the PRC.

In addition to those disclosed in other sections of these consolidated financial statements, the following transactions were carried out with related parties:

## (a) Sales and purchases of products

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Sales of products to 銷售產品予			
Joint ventures 合營企業	(i)	7,135	18,297
Fellow subsidiaries 同系附屬公司	(i)	204,024	214,187
An associate 聯營公司	(i)	4,328	2,378
		215,487	234,862
Purchases of products from 自以下公司購買產品			
Immediate holding company 直接控股公司	(i)	31,445	35,847
Intermediate holding company 中間控股公司	(i)	81,690	87,561
Fellow subsidiaries 同系附屬公司	(i)	857	1,606
		113,992	125,014

## 28 重大關聯方交易

於2019年12月31日，同仁堂集團公司的兩間附屬公司同仁堂科技及同仁堂股份有限公司分別直接持有本公司38.05%及33.62%權益。同仁堂股份有限公司亦為同仁堂科技的控股股東。同仁堂股份有限公司實際持有本公司71.67%股權。餘下28.33%的股份被廣泛持有。

本公司董事會視同仁堂科技為直接控股公司、同仁堂股份有限公司為中間控股公司及同仁堂集團公司為最終控股公司，該等公司均於中國註冊成立。

除該等合併財務報表其他章節所披露者外，下列交易乃與關連方進行：

## (a) 銷售及購買產品

## 28 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (b) Royalty fee

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Royalty fee income from joint ventures 來自合營企業之品牌使用費收益	(ii)	248	451

## (c) Rental expenses

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Rental expense to: 向以下公司支付之租金開支：			
Ultimate holding company 最終控股公司	(i)	558	287
Fellow subsidiaries 同系附屬公司	(i)	4,401	4,356
		<b>4,959</b>	<b>4,643</b>

## (d) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The emoluments paid or payable to key management for employee services is as follows:

		2019	2018
		HK\$'000 千港元	HK\$'000 千港元
Salaries and other short-term employee benefits 薪金和其他短期僱員福利		7,834	8,060
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃		287	129
		<b>8,121</b>	<b>8,189</b>

## Notes:

- (i) These transactions were conducted in the normal course of business at prices and terms mutually agreed between the parties involved.
- (ii) The royalty fee is charged annually by the Company at predetermined rates ranging from 1% to 3% on revenue of its joint ventures in accordance with the royalty agreements. From 1 January 2019 onwards, the charging basis changed to higher of 1% on revenue and 1.5% on profit before income tax of the joint ventures with other terms of agreements remain the same. Pursuant to these agreements, these joint ventures are allowed to trade under "Tong Ren Tang" brand name.

## 28 重大關聯方交易(續)

## (b) 品牌使用費

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Royalty fee income from joint ventures 來自合營企業之品牌使用費收益	(ii)	248	451

## (c) 租金開支

		2019	2018
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Rental expense to: 向以下公司支付之租金開支：			
Ultimate holding company 最終控股公司	(i)	558	287
Fellow subsidiaries 同系附屬公司	(i)	4,401	4,356
		<b>4,959</b>	<b>4,643</b>

## (d) 主要管理人員薪酬

主要管理人員包括執行及非執行董事和高級管理人員。就僱員服務向主要管理人員支付或應付的酬金如下：

		2019	2018
		HK\$'000 千港元	HK\$'000 千港元
Salaries and other short-term employee benefits 薪金和其他短期僱員福利		7,834	8,060
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃		287	129
		<b>8,121</b>	<b>8,189</b>

## 附註：

- (i) 該等交易於一般業務過程中按雙方協定的價格及條款進行。
- (ii) 品牌使用費乃本公司根據品牌使用權協議以事先釐定介乎該等合營企業營業收入的1%至3%按年收取。自2019年1月1日開始及往後，收費標準改為合營企業營業收入的1%和稅前利潤的1.5%的高者收取，其他協議條款保持不變。根據該等協議，該等合營企業獲准以「同仁堂」品牌名稱交易。

## 29 PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following is a list of principal subsidiaries and joint ventures at 31 December 2019 and 2018:

## 29 主要附屬公司和合營企業

下文載列於2019年及2018年12月31日的主要附屬公司和合營企業：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點	Principal activities	Place of operation 經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
					2019	2018
<b>(a) Subsidiaries 附屬公司</b>						
<b>(i) Directly held by the Company 本公司直接持有</b>						
Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. 北京同仁堂國際藥業有限公司 <sup>(1)(4)</sup>	PRC, limited liability company 中國，有限公司	Sale and distribution of Chinese medicine products and healthcare products 銷售及分銷中藥產品與保健品	Beijing, PRC 中國，北京	HK\$10,000,000 10,000,000 港元	100%	100%
Beijing Tong Ren Tang Australia Pty. Ltd. 北京同仁堂(澳大利亞)有限公司	Australia, limited liability company 澳大利亞，有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供 中醫診療服務	Sydney, Australia 澳大利亞，悉尼	AUD1,000,000 1,000,000 澳元	75%	75%
Beijing Tong Ren Tang Science Arts (Singapore) Co Pte. Ltd. 北京同仁堂新加坡(科藝)私人有限公司	Singapore, limited liability company 新加坡，有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供 中醫診療服務	Singapore 新加坡	SGD857,000 857,000 新加坡元	51%	51%
Beijing Tong Ren Tang (Toronto) Inc. 北京同仁堂(多倫多)有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務	Toronto, Canada 加拿大，多倫多	CAD497,300 497,300 加拿大元	51%	51%
Beijing Tong Ren Tang Canada Co. Ltd. 北京同仁堂(加拿大)有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Vancouver, Canada 加拿大，溫哥華	CAD1,000,000 1,000,000 加拿大元	51%	51%
Beijing Tong Ren Tang Gulf FZ-LLC 北京同仁堂海灣有限公司	United Arab Emirates, limited liability company 阿拉伯聯合酋長國， 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Dubai, United Arab Emirates 阿拉伯聯合酋長國，迪拜	AED1,920,000 1,920,000 阿聯酋迪拉姆	51%	51%
Beijing Tong Ren Tang (Macau) Company Limited 北京同仁堂(澳門)有限公司	Macao, PRC, limited liability company 中國，澳門，有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品及提供 中醫診療服務	Macao, PRC 中國，澳門	MOP1,000,000 1,000,000 澳門元	51%	51%

## 29 PRINCIPAL SUBSIDIARIES AND JOINT VENTURES (Continued)

## 29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點	Principal activities	Place of operation 經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
					2019	2018
<b>(a) Subsidiaries (Continued) 附屬公司(續)</b>						
<b>(i) Directly held by the Company (Continued) 本公司直接持有(續)</b>						
Beijing Tong Ren Tang Poland sp.zo.o. 北京同仁堂(波蘭)有限公司	Poland, limited liability company 波蘭, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese healthcare treatments 零售中藥產品與保健品及提供中醫診療服務	Warsaw, Poland 波蘭, 華沙	Zloty130,000 130,000 茲羅提	100%	100%
Beijing Tong Ren Tang (Seoul) Company Limited 北京同仁堂(首爾)株式會社	South Korea, limited liability company 韓國, 有限公司	Wholesale of Chinese medicine products and healthcare products 批發中藥產品與保健品	Seoul, Korea 韓國, 首爾	WON1,052,000,000 1,052,000,000 韓元	51%	51%
Beijing Tong Ren Tang (Auckland) Company Limited 北京同仁堂(奧克蘭)有限公司	New Zealand, limited liability company 新西蘭, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Auckland, New Zealand 新西蘭, 奧克蘭	NZD2,000,000 2,000,000 新西蘭元	51%	51%
Beijing Tong Ren Tang Tong Xin Tong Le Company Limited 北京同仁堂同心同樂有限公司	Hong Kong, PRC, limited liability company 中國, 香港, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Hong Kong, PRC 中國, 香港	HK\$10,000 10,000 港元	100%	100%
Honour Essence Trading Limited 大宏貿易有限公司	Hong Kong, PRC, limited liability company 中國, 香港, 有限公司	Wholesale of Chinese medicine products and healthcare products 批發中藥產品與保健品	Hong Kong, PRC 中國, 香港	HK\$2,000 2,000 港元	51%	51%
Beijing Tong Ren Tang Vancouver Healthcare Center Co., Ltd 北京同仁堂溫哥華養生中心有限公司	Canada, limited liability company 加拿大, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Vancouver, Canada 加拿大, 溫哥華	CAD750,000 750,000 加拿大元	51%	51%

## 29 PRINCIPAL SUBSIDIARIES AND JOINT VENTURES (Continued)

## 29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點	Principal activities	Place of operation 經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
					2019	2018
<b>(a) Subsidiaries (Continued) 附屬公司(續)</b>						
<b>(ii) Indirectly held by the Company 本公司間接持有</b>						
Beijing Tong Ren Tang Melbourne Pty Limited 北京同仁堂(墨爾本)有限公司	Australia, limited liability company 澳大利亞, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Melbourne, Australia 澳大利亞, 墨爾本	AUD100,000 100,000 澳元	38%	38%
Beijing Tong Ren Tang Pudu Health Centre B.V. 北京同仁堂普度健康中心有限公司	The Netherlands, limited liability company 荷蘭, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Den Haag, the Netherlands 荷蘭, 海牙	Euro650,000 650,000 歐元	45%	45%
Beijing Tong Ren Tang Czech Republic SE 北京同仁堂(捷克)有限公司	The Czech Republic, limited liability company 捷克, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Prague, Czech Republic 捷克, 布拉格	CZK3,296,400 3,296,400 捷克克朗	45%	45%
Beijing Tong Ren Tang Sweden AB 北京同仁堂(瑞典)有限公司	Sweden, limited liability company 瑞典, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatment 零售中藥產品與保健品及提供中醫診療服務	Stockholm, Sweden 瑞典, 斯德哥爾摩	SEK50,000 50,000 瑞典克朗	45%	45%
Beijing Tong Ren Tang Swiss SA 北京同仁堂瑞士股份有限公司	Switzerland, limited liability company 瑞士, 有限公司	Provision of Chinese medical consultation and treatments 提供中醫診療服務	Geneva, Switzerland 瑞士, 日內瓦	CHF500,000 500,000 瑞士法郎	45%	45%
Beijing Tong Ren Tang Ming Qi Group, LLC 北京同仁堂鳴岐有限公司	United States, limited liability company 美國, 有限公司	Wholesale and retail of Chinese medicine products and healthcare products 批發及零售中藥產品與保健品	New York, United States 美國, 紐約	US\$200,000 200,000 美元	60%	60%
Beijing Tong Ren Tang Concord New York LLC 北京同仁堂協和紐約有限公司	United States, limited liability company 美國, 有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務	New York, United States 美國, 紐約	US\$800,000 800,000 美元	51%	51%
Beijing Tong Ren Tang Los Angeles Healthcare Center LLC 北京同仁堂洛杉磯醫療中心有限公司	United States, limited liability company 美國, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務	Los Angeles, United States 美國, 洛杉磯	US\$600,000 600,000 美元	51%	51%
Beijing Tong Ren Tang (San Gabriel CA) LLC 北京同仁堂(聖蓋博加州)有限公司	United States, limited liability company 美國, 有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務	Los Angeles, United States 美國, 洛杉磯	US\$600,000 600,000 美元	51%	51%



## 29 PRINCIPAL SUBSIDIARIES AND JOINT VENTURES (Continued)

## 29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點	Principal activities	Place of operation 經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
					2019	2018
<b>(b) Joint ventures 合營企業</b>						
<b>(i) Directly held by the Company 本公司直接持有</b>						
Peking Tongrentang (M) SDN. BHD <sup>(2)</sup> 北京同仁堂(馬)有限公司 <sup>(2)</sup>	Malaysia, limited liability company 馬來西亞, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務	Kuala Lumpur, Malaysia 馬來西亞, 吉隆坡	MYR1,900,000 1,900,000馬幣	60%	60%
Beijing Tong Ren Tang (Thailand) Co., Ltd. <sup>(2)</sup> 北京同仁堂(泰國)有限公司 <sup>(2)</sup>	Thailand, limited liability company 泰國, 有限公司	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供 中醫診療服務	Bangkok, Thailand 泰國, 曼谷	THB38,000,000 38,000,000泰銖	49%	49%
Union Health International Limited 耀康國際有限公司	Hong Kong, PRC, limited liability company 中國, 香港, 有限公司	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務	Hong Kong, PRC 中國, 香港	HK\$10,000 10,000港元	50%	50%

<sup>(1)</sup> The English names of the Group companies incorporated in the PRC represent the best effort by the management of the Group in translating from their Chinese names as they do not have official English names.

<sup>(2)</sup> Although the Company owns more or less than 50% of the equity interests in these entities, the directors of the Company consider that these entities are joint ventures of the Company because their strategic operating, investing and financing activities are jointly controlled by the Company and the joint venture partners in accordance with the joint venture agreements rather than under the unilateral control or significant influence of the Company.

<sup>(3)</sup> The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.

<sup>(4)</sup> Registered as a Wholly Foreign Owned Enterprise under the PRC Law.

<sup>(1)</sup> 於中國註冊成立的集團公司無正式英文名稱，其英文名稱是本集團管理層根據中文名稱翻譯而成。

<sup>(2)</sup> 儘管本公司持有該等實體多於或少於50%股權，惟由於根據合營協議，該等實體的策略經營、投資及融資活動均由本公司及合營夥伴共同控制，而非由本公司單方面控制或發揮重大影響，故本公司董事認為該等實體乃本公司合營企業。

<sup>(3)</sup> 所有的非全資附屬公司之非控股權益個別而言對集團沒有重大影響。

<sup>(4)</sup> 根據中國法律註冊為外商獨資企業。

## 30 BALANCE SHEET OF THE COMPANY

## 30 公司資產負債表

	2019	2018
	Note 附註	HK\$'000 千港元
<b>Assets 資產</b>		
<b>Non-current assets 非流動資產</b>		
Leasehold land 租賃土地		15,465
Property, plant and equipment 物業、廠房及設備		84,690
Right-of-use assets 使用權資產		120,474
Investment property 投資物業		12,074
Investments in subsidiaries 於附屬公司之投資		278,477
Investments in joint ventures 於合營企業之投資		26,448
Investments in associates 於聯營公司之投資		3,930
Financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產		10,983
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		5,447
		542,523
<b>Current assets 流動資產</b>		
Inventories 存貨		217,397
Trade receivables and other current assets 貿易應收款項及其他流動資產		394,602
Short-term bank deposits 短期銀行存款		890,420
Cash and cash equivalents 現金及現金等價物		880,747
		2,383,166
<b>Total assets 資產總額</b>		2,925,689
<b>Equity and liabilities 權益及負債</b>		
<b>Equity attributable to owners of the Company 本公司擁有人應佔權益</b>		
Share capital 股本		938,789
Reserves 儲備		
– Financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產		(2,805)
– Retained earnings 保留收益	31	2,011,967
<b>Total equity 權益總額</b>		2,708,105
<b>Liabilities 負債</b>		
<b>Non-current liabilities 非流動負債</b>		
Lease liabilities 租賃負債		4,122
Deferred income tax liabilities, net 遞延所得稅負債，淨值		5,210
		9,332
<b>Current liabilities 流動負債</b>		
Trade and other payables 貿易及其他應付款項		75,501
Lease liabilities 租賃負債		18,335
Current income tax liabilities 當期所得稅負債		114,416
		208,252
<b>Total liabilities 負債總額</b>		217,584
<b>Total equity and liabilities 權益及負債總額</b>		2,925,689

The balance sheet of the Company was approved by the Board of Directors on 24 March 2020 and was signed on its behalf

公司的資產負債表於2020年3月24日獲董事會批准，並由以下代表簽署。

Ding Yong Ling  
Director

Lin Man  
Director

丁永玲  
董事

林曼  
董事

## 31 RESERVES OF THE COMPANY

## 31 公司儲備

	Retained earnings 保留收益	Financial asset at fair value through other comprehensive income reserve 以公允價值計量且其 變動計入其他綜合 收益的金融資產
	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2018 於2018年1月1日</b>	1,582,872	1,530
Profit for the year 年度利潤	588,144	-
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	-	150
Dividends paid (Note 13) 已付股息(附註13)	(159,049)	-
<b>At 31 December 2018 於2018年12月31日</b>	<b>2,011,967</b>	<b>1,680</b>
<b>At 1 January 2019 於2019年1月1日</b>	<b>2,011,967</b>	<b>1,680</b>
Profit for the year 年度利潤	555,399	-
Change in fair value of financial asset at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	-	(4,485)
Dividends paid (Note 13) 已付股息(附註13)	(795,245)	-
<b>At 31 December 2019 於2019年12月31日</b>	<b>1,772,121</b>	<b>(2,805)</b>

## 32 EVENTS AFTER THE REPORTING PERIOD

After the outbreak of the coronavirus disease (COVID-19) in early 2020, a series of precautionary and control measures have been and continued to be implemented in the PRC, Hong Kong and Macao. The Group expects the business in the PRC, Hong Kong and Macao to be greatly impacted and this may potentially affect the Group's financial performance in the first half of 2020. Management has taken relevant actions to minimise the unfavourable impact to the Group. The Group will pay close attention to the development of the epidemic and evaluate its impact on the financial position and operating results.

## 32 報告期後事項

於2020年初新型冠狀病毒(COVID-19)疫情發生後，中國及港澳地區已實行並繼續採取一系列防控措施。本集團預期中國及港澳地區業務將大受影響，並有機會影響本集團於2020年上半年的財務表現。管理層已採取相應行動，以盡量減低其不利影響。本集團將密切留意疫情發展及評估其對財務狀況和經營業績的影響。

# INFORMATION FOR INVESTORS

## 投資者資料

### INVESTOR CALENDAR

<b>7 August 2019</b>	2019 interim results announcement
<b>24 March 2020</b>	2019 annual results announcement
<b>12 June 2020</b>	Annual General Meeting
<b>8 June to 12 June 2020 (Both days inclusive)</b>	Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at annual general meeting)
<b>18 June to 22 June 2020 (Both days inclusive)</b>	Closure of Register of Members (for determination of shareholders who qualify for the final dividend)
<b>22 June 2020</b>	Record Date (for determination of shareholders who qualify for the final dividend)
<b>On or before 29 June 2020</b>	Payment of final dividend

### SHARE INFORMATION

<b>Company Name</b>	Beijing Tong Ren Tang Chinese Medicine Company Limited
<b>Listing</b>	The Main Board of The Stock Exchange of Hong Kong Limited
<b>Stock Code</b>	3613
<b>GEM Listing Date</b>	7 May 2013
<b>Transferred from GEM to Main Board Date</b>	29 May 2018
<b>Lot Size</b>	1,000 shares
<b>Issued Share Capital as at 31 December 2019</b>	837,100,000

### INVESTOR RELATIONS DEPARTMENT

Room 1405-1409, Office Tower, Convention Plaza  
1 Harbour Road, Wanchai, Hong Kong  
Tel: (852) 2881 7989  
Fax: (852) 2881 0839  
Email: ir@tongrentangcm.com  
Website: www.tongrentangcm.com

### SHAREHOLDERS SERVICE AND ENQUIRIES

For enquiries about your shareholding including change of name or address, transfer of shares, loss of share certificates or dividend cheques, registrations and requests for annual/interim report copies, please contact the Company's share registrar and transfer office:

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai, Hong Kong  
Tel: (852) 2862 8555  
Fax: (852) 2865 0990/2529 6087  
Email: hkinfo@computershare.com.hk  
Website: www.computershare.com

### 投資者日曆

<b>2019年8月7日</b>	2019年中期業績公告
<b>2020年3月24日</b>	2019年年度業績公告
<b>2020年6月12日</b>	股東週年大會
<b>2020年6月8日至6月12日 (包括首尾兩日)</b>	暫停辦理股份過戶登記手續(確定有權出席股東週年大會並於會上投票之股東)
<b>2020年6月18日至6月22日 (包括首尾兩日)</b>	暫停辦理股份過戶登記手續(確定合資格收取末期股息的股東)
<b>2020年6月22日</b>	記錄日期(確定合資格收取末期股息的股東)
<b>2020年6月29日或之前</b>	派付末期股息

### 股份資料

<b>公司名稱</b>	北京同仁堂國藥有限公司
<b>上市</b>	香港聯合交易所有限公司主板
<b>股份代號</b>	3613
<b>GEM上市日期</b>	2013年5月7日
<b>由GEM轉至主板日期</b>	2018年5月29日
<b>買賣單位</b>	1,000股股份
<b>於2019年12月31日之已發行股本</b>	837,100,000股

### 投資者關係部

香港灣仔港灣道1號  
會展廣場辦公大樓1405-1409室  
電話：(852) 2881 7989  
傳真：(852) 2881 0839  
電郵：ir@tongrentangcm.com  
網址：www.tongrentangcm.com

### 股東服務及查詢

有關閣下股權(包括姓名或地址變更、股份轉讓、遺失股票或股息支票和登記及索取年度/中期報告)的查詢，請聯繫本公司股份登記及過戶處：

香港中央證券登記有限公司  
香港灣仔皇后大道東183號  
合和中心17樓1712-1716號舖  
電話：(852) 2862 8555  
傳真：(852) 2865 0990/2529 6087  
電郵：hkinfo@computershare.com.hk  
網址：www.computershare.com

# CORPORATE INFORMATION

## 公司資料

### DIRECTORS

#### Executive Directors

Ding Yong Ling (*Chairman*)  
Zhang Huan Ping  
Lin Man

#### Non-executive Director

Chen Fei

#### Independent Non-executive Directors

Tsang Yok Sing, Jasper  
Zhao Zhong Zhen  
Chan Ngai Chi

### AUDIT COMMITTEE

Chan Ngai Chi (*Chairman*)  
Tsang Yok Sing, Jasper  
Zhao Zhong Zhen

### NOMINATION COMMITTEE

Tsang Yok Sing, Jasper (*Chairman*)  
Chan Ngai Chi  
Ding Yong Ling

### REMUNERATION COMMITTEE

Zhao Zhong Zhen (*Chairman*)  
Chan Ngai Chi  
Ding Yong Ling

### COMPANY SECRETARY

Lin Man

### AUTHORISED REPRESENTATIVES

Ding Yong Ling  
Lin Man

### STOCK CODE

3613

### HONG KONG SHARE REGISTRAR

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

### COMPANY'S WEBSITE

[www.tongrentangcm.com](http://www.tongrentangcm.com)

### REGISTERED ADDRESS

Room 1405-1409, Office Tower  
Convention Plaza, 1 Harbour Road  
Wanchai, Hong Kong

### LEGAL ADVISER

DLA Piper Hong Kong  
25th Floor  
Three Exchange Square  
8 Connaught Place  
Central, Hong Kong

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and  
Registered Public Interest Entity Auditor  
22nd Floor, Prince's Building  
Central, Hong Kong

### 董事

#### 執行董事

丁永玲 (*主席*)  
張煥平  
林曼

#### 非執行董事

陳飛

#### 獨立非執行董事

曾鈺成  
趙中振  
陳毅馳

### 審核委員會

陳毅馳 (*主席*)  
曾鈺成  
趙中振

### 提名委員會

曾鈺成 (*主席*)  
陳毅馳  
丁永玲

### 薪酬委員會

趙中振 (*主席*)  
陳毅馳  
丁永玲

### 公司秘書

林曼

### 授權代表

丁永玲  
林曼

### 股份代碼

3613

### 香港證券登記處

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

### 公司網站

[www.tongrentangcm.com](http://www.tongrentangcm.com)

### 註冊地址

香港灣仔  
港灣道1號會展廣場  
辦公大樓1405-1409室

### 法律顧問

歐華律師事務所  
香港中環  
康樂廣場8號  
交易廣場3期  
25樓

### 核數師

羅兵咸永道會計師事務所  
執業會計師及  
註冊公眾利益實體核數師  
香港中環  
太子大廈22樓

# GLOSSARY

## 詞彙

AGM	Annual general meeting of the Company	股東週年大會	本公司股東週年大會
Articles of Association	Articles of Association of the Company	章程	本公司組織章程細則
Audit Committee	An audit committee of the Company, consists of Chan Ngai Chi, Tsang Yok Sing, Jasper and Zhao Zhong Zhen, and is chaired by Chan Ngai Chi	審核委員會	本公司之審核委員會，成員包括陳毅馳、曾鈺成及趙中振，由陳毅馳擔任主席
Beijing Tong Ren Tang Group	Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates (including the Group)	北京同仁堂集團	同仁堂集團公司、其附屬公司、其共同控制實體及其聯繫人(包括本集團)
Board	The board of directors of the Company	董事會	本公司之董事會
CG Code	Corporate Governance Code, Appendix 14 of the Listing Rules	管治守則	上市規則附錄14所載之企業管治守則
Code Provision(s)	Code Provisions in the CG Code	守則條文	管治守則中之守則條文
Company or TRTCM	Beijing Tong Ren Tang Chinese Medicine Company Limited, a limited company incorporated in Hong Kong, the shares of which were listed on the GEM of the Stock Exchange on 7 May 2013 and were transferred to Main Board of the Stock Exchange on 29 May 2018	本公司或同仁堂國藥	北京同仁堂國藥有限公司，一家於香港註冊成立之有限公司，其股份於2013年5月7日於聯交所GEM上市，並於2018年5月29日轉往聯交所主板上市
Company Secretary	Company Secretary of the Company	公司秘書	本公司之公司秘書
Competition Executive Committee	A competition executive committee of the Company, consists of Zhang Huan Ping and Lin Man	競爭執行委員會	本公司之競爭執行委員會，成員包括張煥平及林曼
Competition Supervisory Committee	A competition supervisory committee of the Company, consists of Tsang Yok Sing, Jasper, Zhao Zhong Zhen and Chan Ngai Chi, and is chaired by Tsang Yok Sing, Jasper	競爭監察委員會	本公司之競爭監察委員會，成員包括曾鈺成、趙中振及陳毅馳，由曾鈺成擔任主席
Controlling Shareholders	Tong Ren Tang Ltd., Tong Ren Tang Technologies and Tong Ren Tang Holdings	控股股東	同仁堂股份、同仁堂科技及同仁堂集團公司
Director(s)	Director(s) of the Company, including all executive directors, non-executive director and independent non-executive directors	董事	本公司之董事，包括所有執行董事、非執行董事及獨立非執行董事
EGM(s)	Extraordinary general meeting(s) of the Company	股東特別大會	本公司股東特別大會
ESG	Environmental, Social and Governance	環境、社會及管治	環境、社會及管治
Listing Rules	Rules Governing the Listing of Securities on Main Board of the Exchange	上市規則	聯交所主板證券上市規則
GLSPC	Sporoderm-broken Ganoderma Lucidum Spores Powder Capsules manufactured by the Company	破壁靈芝孢子粉膠囊	本公司所製造的破壁靈芝孢子粉膠囊
Group, we or us	The Company and its subsidiaries	本集團或我們	本公司及其附屬公司
Hong Kong or HKSAR	The Hong Kong Special Administrative Region of the PRC	香港	中國香港特別行政區

HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong	港元	香港法定貨幣港元
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司獨立非執行董事
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers	標準守則	上市發行人董事進行證券交易的標準守則
Macao	The Macao Special Administrative Region of the PRC	澳門	中國澳門特別行政區
Nomination Committee	A nomination committee of the Company, consists of Tsang Yok Sing, Jasper, Chan Ngai Chi and Ding Yong Ling, and is chaired by Tsang Yok Sing, Jasper	提名委員會	本公司之提名委員會，成員包括曾鈺成、陳毅馳及丁永玲，由曾鈺成擔任主席
Non-PRC market	Markets outside of the PRC	非中國市場	中國以外的市場
Owned Product(s)	The product(s) manufactured by the Group	自有產品	本集團製造的產品
Parent Group	Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates (other than the Group)	母集團	同仁堂集團公司、其附屬公司、其共同控制實體、及其聯繫人(本集團除外)
PRC	The People's Republic of China and for the purpose of this annual report, excluding Hong Kong, Macao and Taiwan	中國	中華人民共和國，就本年報而言，不包括香港、澳門及台灣
Prospectus	Prospectus of the Company dated 25 April 2013	招股書	本公司之招股書，日期為2013年4月25日
Remuneration Committee	A remuneration committee of the Company, consists of Zhao Zhong Zhen, Chan Ngai Chi and Ding Yong Ling, and is chaired by Zhao Zhong Zhen	薪酬委員會	本公司之薪酬委員會，成員包括趙中振、陳毅馳及丁永玲，由趙中振擔任主席
SFO	Securities and Futures Ordinance, Chapter 571	證券及期貨條例	證券及期貨條例(第571章)
Share(s)	Share(s) of the Company	股份	本公司之股份
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Stock Exchange or Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
Tai Po Production and R&D Base	The research and development and production base of the Company located at Tai Po Industrial Estate in Hong Kong	大埔生產研發基地	本公司位於香港大埔工業村的生產研發基地
TCM	Traditional Chinese medicine	中醫藥	中國傳統中醫藥
Tong Ren Tang	Beijing Tong Ren Tang	同仁堂	北京同仁堂
Tong Ren Tang Holdings or TRT Holdings	China Beijing Tong Ren Tang Group Co., Ltd., a state-owned enterprise established in the PRC on 17 August 1992 and is the ultimate controlling shareholder of the Company	同仁堂集團公司	中國北京同仁堂(集團)有限責任公司，於1992年8月17日在中國成立的國有企業，為本公司的最終控股股東
Transfer of Listing	the transfer of listing of the Shares from GEM to the Main Board pursuant to Chapter 9A of the Main Board	轉板上市	根據主板上市規則第9A章，股份由GEM轉往主板上市

TRT International Natural-Pharm	Beijing Tong Ren Tang International Natural-Pharm Co., Ltd., a wholly-owned subsidiary of the Company	同仁堂國際藥業	北京同仁堂國際藥業有限公司，為本公司全資附屬公司
Tong Ren Tang Ltd. or TRT Ltd.	Beijing Tong Ren Tang Company Limited, a joint stock limited company established in the PRC on 18 June 1997, the shares of which have been listed on the Shanghai Stock Exchange since 1997, and is the intermediate holding company of the Company	同仁堂股份	北京同仁堂股份有限公司，於1997年6月18日在中國成立的股份有限公司，其股份自1997年起於上海證券交易所上市，為本公司的中間控股公司
Tong Ren Tang Technologies or TRT Technologies	Tong Ren Tang Technologies Co. Ltd., a joint stock limited company established in the PRC on 22 March 2000, the H shares of which have been listed on GEM since 2000 and have been transferred to the Main Board since July 2010, and is the immediate holding company of the Company	同仁堂科技	北京同仁堂科技發展股份有限公司，於2000年3月22日在中國成立的股份有限公司，其H股自2000年起在GEM上市，並於2010年7月轉往主板，為本公司的直接控股公司
UAE	The United Arab Emirates	阿聯酋	阿拉伯聯合酋長國
UK	The United Kingdom	英國	英國
US or United States	The United States of America	美國	美國
Year	Fiscal year from 1 January 2019 to 31 December 2019	本年	由2019年1月1日至2019年12月31日之年度



Where the English and the Chinese texts conflict, the English text prevails.  
中英文版本內容如有歧異，概以英文版本為準。

This Annual Report is printed on environmentally friendly paper  
本年報以環保紙張印製

宮

神堂  
天泉

封  
土

天宗  
三問

神

神道

液門

極

此

天池

谷關池井風門  
陽外曲天兼金泉

關門  
太  
日雲

光明

中

通

天

上  
當  
星  
陽

關門  
太了  
大巨  
日夕  
雲門

此宗  
天池

高  
神堂  
天宗



[www.tongrentangcm.com](http://www.tongrentangcm.com)

谷關池  
井風門  
陽外曲  
大兼金泉

液門  
神

三問  
天泉  
神士



上星  
當陽

明  
中

本  
聖