



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



2018



黃帝內經

中醫經典《黃帝內經》指出：四季的陰陽寒熱變化，即春生、夏長、秋收、冬藏，乃四時自然之令，是萬物生長化育的根本。若不順應大自然四季的寒熱變化以養生，而與四季寒熱對抗，則容易百病叢生。要順應四季的自然規律，應遵從「春夏養陽、秋冬養陰」的養生原則，即春夏養生養長，秋冬養收養藏。

The Huangdi Neijing (Yellow Emperor's Inner Classic)

The Huangdi Neijing, a classic text in Chinese medicine, states that yin and yang as well as heat and cold transform with the four seasons: spring signifies beginnings, summer growth, autumn harvest and winter storage. The laws of nature for the four seasons are the foundation of all life on earth. Living in opposition to the natural changes of heat and cold throughout the seasons will make one ill easily. The healthcare principle of "nourishing yang in the spring and summer and nourishing yin in the autumn and winter" follows the natural law of the four seasons. Life and growth are nourished in the spring and summer while harvest and storage are the focuses of the autumn and winter.





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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 349 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349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小心、精益求精的嚴細精神，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》

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Living in
Harmony
with the
Seasons

天因人相應
因時養生

Humans should live according to the seasons to achieve unity between man and nature.

天方能達到
天人合一的理想。

人的生活起居順應
著天體的循環，

春

溫
養
生

Spring-Warmth
Nourishes Life

SPRING

春三月，此為發陳，天地俱生，萬物以榮，夜臥早起，廣步於庭，被發緩形，以使志生。生而勿殺，予而勿奪，賞而勿罰，此春氣之應，養生之道也。逆之則傷肝，夏為實寒變，奉長者少。Spring is the time of creation and growth, and the Heavens and Earth create life together. During this time, it is desirable to sleep late and rise early, take long walks, and relax the body. Spring is a time of creation, giving, and rewarding. Going against the natural flow is harmful to the liver, and may cause one to be predisposed to common colds in the summer.



精神 MIND
放鬆心情，保持樂觀開朗，身心舒暢
Relax and stay positive

起居 BEHAVIOUR
晚睡早起，散開頭髮，穿寬鬆衣物
Sleep late and rise early and wear loose-fitting outfits



運動 EXERCISE
多散步，舉止宜和緩輕柔
Take walks and exercise lightly

夏

熱
養
長

Summer-Heat
Nourishes Growth

SUMMER

夏三月，此為蕃秀。天地氣交，萬物華實，夜臥早起，無厭於日，使志勿怒，使華英成秀，使氣得泄，若所愛在外，此夏氣之應，養長之道也；逆之則傷心，秋為痠瘧，奉收者少，冬至重病。Summer is the time life flourishes and thrives. The qi of the Heavens and Earth interact so everything blossoms and bears fruit. During this time, it is desirable to sleep late and rise early, enjoy the sunshine and remain at peace without anger. Summer is the time of growth. Going against the natural flow is harmful to the heart and may bring about illness in the autumn.

精神 MIND
情志應保持愉快，切勿發怒
Be happy without anger



起居 BEHAVIOUR
晚睡早起，不要厭惡日長
Sleep late and rise early to enjoy the sun



運動 EXERCISE
不要怕熱，不要怕陽光，該出汗的時候就要出汗
Exercise outside and working up a sweat is natural





四季平安

精神 MIND

保持神志的安寧，收斂神氣
Strive for peace of mind
and let go of a grudge



起居 BEHAVIOUR

早睡早起，注意防寒
保暖，適時地增減衣服
Keep a healthy sleep schedule
and dress warmly



運動 EXERCISE

增強心肺功能，加強禦寒鍛煉
Work out to keep warm with
cardiovascular exercises



秋

涼
養
收

Autumn-Cool
Autumn Harvests

AUTUMN

秋三月，此謂容平，
天氣以急，地氣以明，早卧早起，與雞俱興。
使志安寧，以緩秋刑，收斂神氣，使秋氣平，
無外其志，使肺氣清，此秋氣之應，養收之道也。
逆則傷肺，冬為飧泄，奉藏者少。
Autumn is the time of harvesting what grew
and bore fruit in the spring and summer.
During this time, it is desirable to rest early
and rise early. Going against the natural
flow is harmful to the lungs and may bring
about digestive problems in the winter.



精神 MIND

應控制情志，使精神安靜
Keep calm and remain at peace



起居 BEHAVIOUR

早睡晚起，減少過度劇烈
運動和出汗
Rest early and rise late,
avoid vigorous exercise
and sweating



運動 EXERCISE

適當運動，使氣血運行
暢旺，有助禦寒防病
Exercise with the goal to
stimulate blood circulation
and keep the body warm



冬三月，此謂閉藏，
水冰地坼，無擾乎陽，早卧晚起，必待日光，
使志若伏若匿，若有私意，若己有得，去寒就溫，
無泄皮膚，使氣亟奪，此冬氣之應，養藏之道也。
逆之則傷腎，春為癘厥，奉生者少。
Winter is the time of storing. The harvests are over and
the waters are frozen, but yang remains undisturbed.
During this time, it is desirable to rest early and rise
late with the sun. In the winter, keep warm and refrain
from sweating as to keep qi inside the body. This is
how to nourish life during the winter. Going against
this natural flow may damage the kidneys and may
bring about weak limbs in the spring.

寒
養
藏

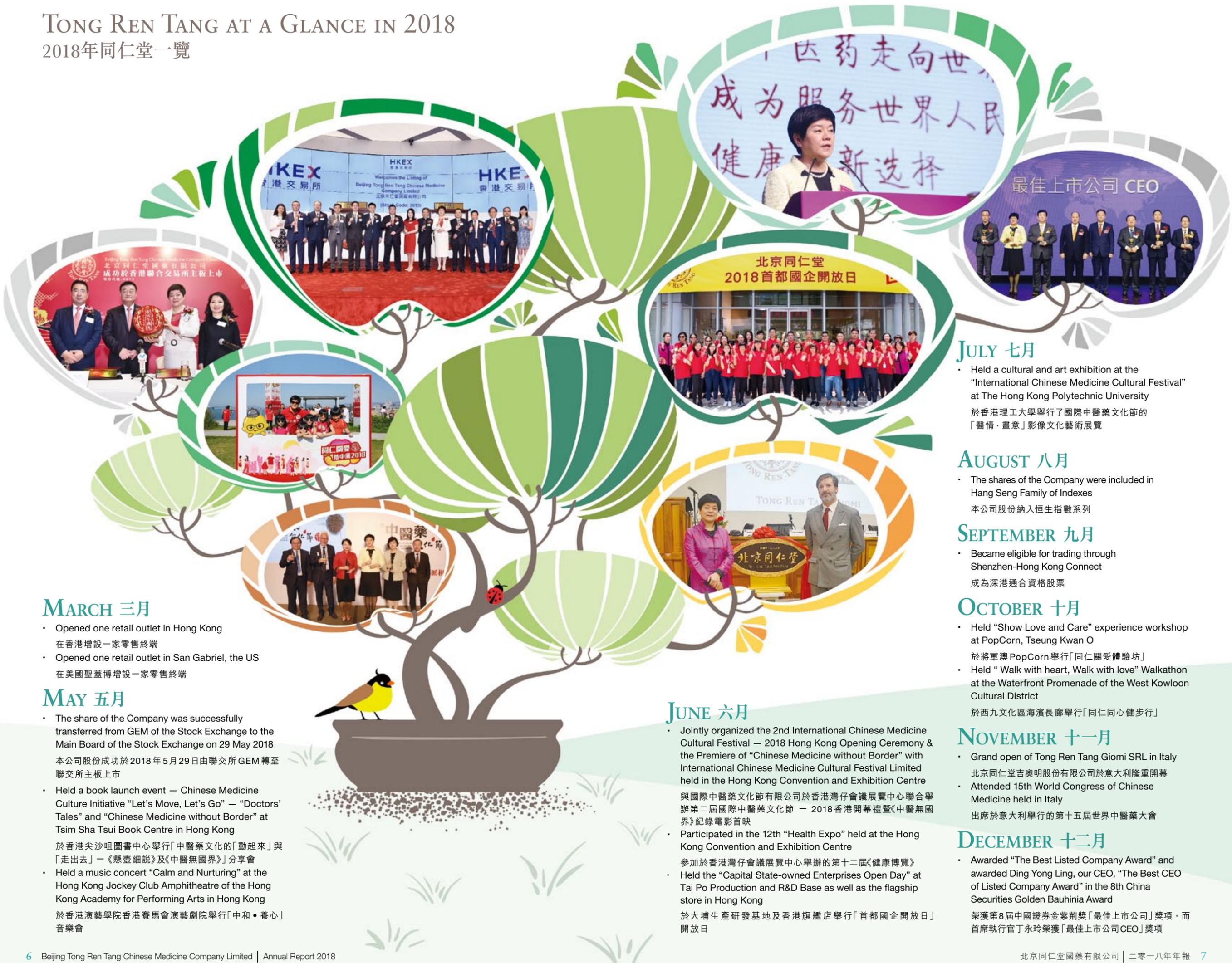
冬

Winter-Cold
and Storage

WINTER

TONG REN TANG AT A GLANCE IN 2018

2018年同仁堂一覽



MARCH 三月

- Opened one retail outlet in Hong Kong
在香港增設一家零售終端
- Opened one retail outlet in San Gabriel, the US
在美國聖蓋博增設一家零售終端

MAY 五月

- The share of the Company was successfully transferred from GEM of the Stock Exchange to the Main Board of the Stock Exchange on 29 May 2018
本公司股份成功於2018年5月29日由聯交所GEM轉至聯交所主板上市
- Held a book launch event — Chinese Medicine Culture Initiative “Let’s Move, Let’s Go” — “Doctors’ Tales” and “Chinese Medicine without Border” at Tsim Sha Tsui Book Centre in Hong Kong
於香港尖沙咀圖書中心舉行「中醫藥文化的「動起來」與「走出去」—《懸壺細說》及《中醫無國界》」分享會
- Held a music concert “Calm and Nurturing” at the Hong Kong Jockey Club Amphitheatre of the Hong Kong Academy for Performing Arts in Hong Kong
於香港演藝學院香港賽馬會演藝劇院舉行「中和•養心」音樂會

JUNE 六月

- Jointly organized the 2nd International Chinese Medicine Cultural Festival — 2018 Hong Kong Opening Ceremony & the Premiere of “Chinese Medicine without Border” with International Chinese Medicine Cultural Festival Limited held in the Hong Kong Convention and Exhibition Centre
與國際中醫藥文化節有限公司於香港灣仔會議展覽中心聯合舉辦第二屆國際中醫藥文化節 — 2018香港開幕禮暨《中醫無國界》紀錄電影首映
- Participated in the 12th “Health Expo” held at the Hong Kong Convention and Exhibition Centre
參加於香港灣仔會議展覽中心舉行的第十二屆《健康博覽》
- Held the “Capital State-owned Enterprises Open Day” at Tai Po Production and R&D Base as well as the flagship store in Hong Kong
於大埔生產研發基地及香港旗艦店舉行「首都國企開放日」開放日

「医药走向世界
成为服务世界人民
健康新选择」

最佳上市公司 CEO

北京同仁堂
2018首都國企開放日

JULY 七月

- Held a cultural and art exhibition at the “International Chinese Medicine Cultural Festival” at The Hong Kong Polytechnic University
於香港理工大學舉行了國際中醫藥文化節的「醫情·畫意」影像文化藝術展覽

AUGUST 八月

- The shares of the Company were included in Hang Seng Family of Indexes
本公司股份納入恒生指數系列

SEPTEMBER 九月

- Became eligible for trading through Shenzhen-Hong Kong Connect
成為深港通合資格股票

OCTOBER 十月

- Held “Show Love and Care” experience workshop at PopCorn, Tseung Kwan O
於將軍澳PopCorn舉行「同仁關愛體驗坊」
- Held “Walk with heart, Walk with love” Walkathon at the Waterfront Promenade of the West Kowloon Cultural District
於西九文化區海濱長廊舉行「同仁同心健步行」

NOVEMBER 十一月

- Grand open of Tong Ren Tang Giomi SRL in Italy
北京同仁堂吉奧明股份有限公司於意大利隆重開幕
- Attended 15th World Congress of Chinese Medicine held in Italy
出席於意大利舉行的第十五屆世界中醫藥大會

DECEMBER 十二月

- Awarded “The Best Listed Company Award” and awarded Ding Yong Ling, our CEO, “The Best CEO of Listed Company Award” in the 8th China Securities Golden Bauhinia Award
榮獲第8屆中國證券金紫荊獎「最佳上市公司」獎項，而首席執行官丁永玲榮獲「最佳上市公司CEO」獎項

全球拓展
GLOBAL EXPANSION



Canada
加拿大

United States
美國

The United Kingdom
英國

Sweden
瑞典

Poland
波蘭

The Netherlands
荷蘭

Czech Republic
捷克

Switzerland
瑞士

Italy
意大利

CHINA 中國

HONG KONG 香港

South Korea
南韓

Macao
澳門

Thailand
泰國

Cambodia
柬埔寨

United Arab Emirates
阿聯酋

Malaysia 馬來西亞

Singapore 新加坡

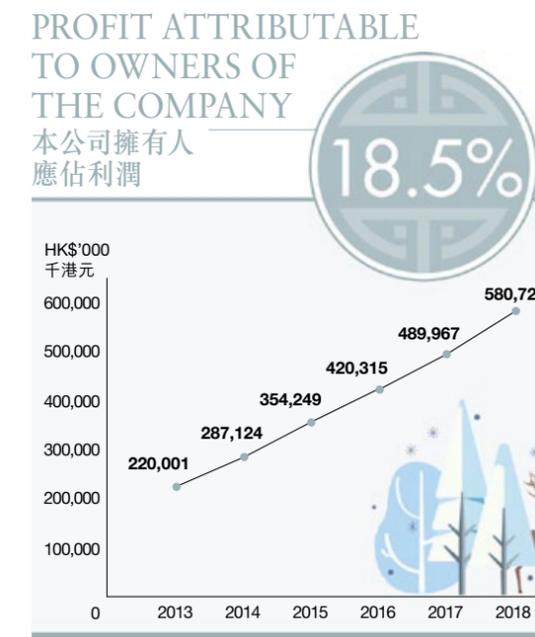
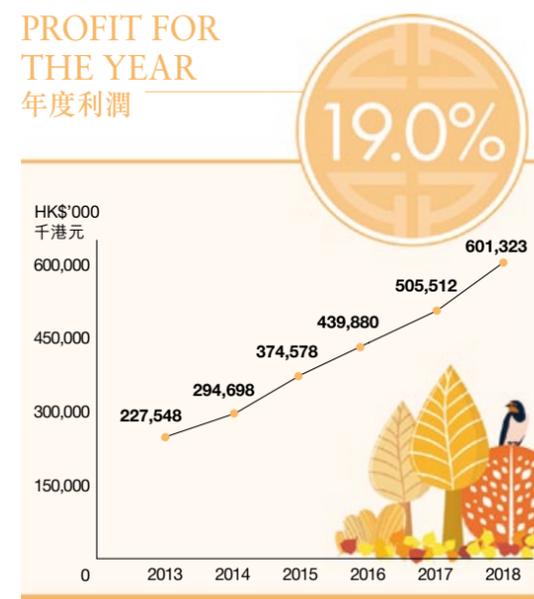
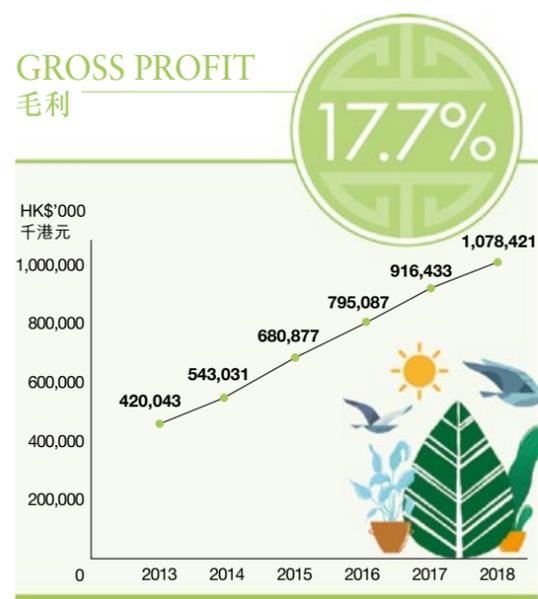
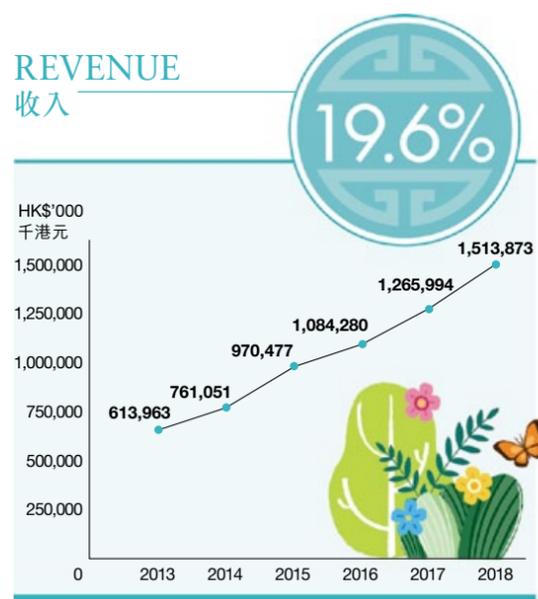
Brunei 汶萊

Australia
澳大利亞

New Zealand
新西蘭

South Africa
南非





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

以下為本集團過往六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

	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	1,513,873	1,265,994	1,084,280	970,477	761,051	613,963
Gross profit 毛利	1,078,421	916,433	795,087	680,877	543,031	420,043
Profit before income tax 除所得稅前利潤	720,898	610,966	532,270	456,614	355,219	271,466
Profit for the year 年度利潤	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	580,720	489,967	420,315	354,249	287,124	220,001
Earnings per share (HK\$) 每股盈利 (港元)	0.69	0.59	0.50	0.42	0.35	0.29
Dividend per share (HK\$) 每股股息 (港元)	0.23	0.19	0.16	0.13	0.10	0.08

As at 31 December 於12月31日

	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	424,621	405,768	398,176	372,795	312,890	251,493
Current assets 流動資產	2,746,464	2,354,887	1,956,646	1,654,190	1,319,651	1,158,622
Total assets 總資產	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	5,927	5,024	4,694	5,352	4,675	4,248
Current liabilities 流動負債	140,931	147,454	122,891	112,718	91,005	96,148
Total liabilities 總負債	146,858	152,478	127,585	118,070	95,680	100,396
Net assets 資產淨值	3,024,227	2,608,177	2,227,237	1,908,915	1,536,861	1,309,719
Financial Metrics 財務指標						
Gross profit margin 毛利率	71.2%	72.4%	73.3%	70.2%	71.4%	68.4%
Net profit margin 純利率	39.7%	39.9%	40.6%	38.6%	38.7%	37.1%
Current ratio 流動比率	19.5	16.0	15.9	14.7	14.5	12.1
Return on equity 股本回報率	19.9%	19.4%	19.8%	19.6%	19.2%	17.4%
Return on assets 資產回報率	19.0%	18.3%	18.7%	18.5%	18.1%	16.1%
Dividend payout ratio 派息比率	33.2%	32.5%	31.9%	30.7%	29.2%	30.2%



The 40th anniversary of reform and opening up of China marks the re-writing of the legend of Tong Ren Tang. With five years of exposure in the capital market, the status of a Main Board listed company marks our new beginning. Combining the traditional wisdom of the East and West, we spread the culture of TCM across the globe. "Healthy Life Global Choice", we dedicate TCM to people all over the world. Spirit and essence of the TCM are introduced to people who aspire to be healthier.

TCM is crystallised wisdom with accumulated in 3,700 years of Chinese history, and it has always been a guardian of health. As the mystery of TCM is gradually unveiled by scientists, the efficacy of TCM can be recorded in a scientific manner, the progress of its scientification and acceptance by the global health system accelerates, especially as China secures a new position in the new era and embarks on a new journey. China has provided an invaluable opportunity for the development of TCM, which is contributing to the "global community of health" with a new and alternative solution of healthcare.

A NEW ERA FOR COMMITMENT AND A BRAND NEW START FOR PLANNING

Since China's reform and opening up 40 years ago from 1978, the economy of China has soared along with its growing national strength and developing specialty industries. The development of China has been closely linked to the global economy. As a new and alternative healthcare solution to the world, TCM is increasingly popular and recognised by the global health system. Capitalising on these great opportunities, Tong Ren Tang operated its overseas business steadily for long term development. Given the significant advantages of the capital market and globalized international vision of Hong Kong, Tong Ren Tang has been committed to the mission of introducing the culture of TCM, and has continuously developed as a platform for integration of Chinese and Western cultures.

LISTING ON THE MAIN BOARD OF THE EXCHANGE MARKS A NEW CHAPTER FOR OUR BRAND

Our sound development for five years has gained wide recognition in the capital market for our time-honored brand. In May 2018, we have successfully transited from a leading enterprise on GEM to Main Board listed company and had presence in the Hang Seng Family of Indexes as well as the Shenzhen-Hong Kong Connect. It successfully marks another milestone in the capital operation of our overseas business.

Driven by our capital, we are devoted to intensify our reform and to enhance our ability. By focusing on scientific technologies and healthcare, we put efforts on the scientification of TCM by facilitating internal growth and upgrading our technology on a continuous basis.

Being development-oriented, we implemented tailor-made development strategies and measures to the local conditions and applied localised development models. During the Year, we implemented the new business model in Italy by focusing on product admission, in which we have accumulated experience for continuous overseas business development.

改革開放四十週年，同仁堂再寫傳奇。
五年資本市場搏擊，今朝主板再出發。
東方傳統智慧交匯羅馬，中醫藥文化香飄歐美。
「創造健康 全球共享」，將中醫藥奉獻給世界。
將中國優秀傳統文化的自信自強，
帶給全球期盼健康的人們。

作為中國有3,700年歷史記載的智慧結晶，中醫藥始終是華夏兒女健康的守望者。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。特別是當中國進入新的歷史方位，站在新時代、新征程、新起點，國家進步為中醫藥的發展提供了難能可貴的重大歷史機遇；同時，作為世界實現健康需要的新選擇，中醫藥正在為「世界健康命運共同體」努力貢獻力量。

奮鬥新時代 藍圖新起點

從1978年至今，改革開放40年來，中國經濟在騰飛，中國國力在強盛、中國特色產業在發展，中國發展與世界經濟緊密相連。中醫藥作為健康新選擇，正在為越來越多的世界人民所喜愛，為世界健康體系所正視及認可。緊緊抓住難得可貴的重大歷史機遇，使同仁堂海外事業行穩致遠；緊密依託香港的重要資本優勢和全球化的國際視野，同仁堂正秉承傳播中醫藥文化的使命，不斷發展成為中西文化交融的載體平台。

主板寫輝煌 品牌再起航

5年來的健康發展，讓老字號在資本市場收穫了諸多認可。本年5月，本集團成功實現轉主板上市，從創業板龍頭成長為一間中醫藥行業主板企業，並躋身恒生指數系列，進入深港通。這是同仁堂海外事業資本運作上的又一個里程碑。

以資本為龍頭，通過緊緊抓住科技、健康兩大關鍵詞，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。

以發展為根本，我們推進更加因地制宜的發展策略，推行本地化發展模式。本年內，我們在意大利開辦了以貿易為主體的業務模塊，積極探索產品准入，不斷豐富同仁堂海外事業發展內涵。



DING YONG LING
丁永玲
Chairman 主席

PROMOTING CHINESE MEDICINE AND CULTURE ACROSS THE WORLD

“Tong Ren Tang being a carrier of both the economy and the culture”. Our long history and culture laid a solid ground for disseminating TCM. With the interaction between Chinese people and foreign countries, the TCM industry is the most straight forward, embracing and heart-to-heart throughout the world.

Culture is our focus this Year, which is also the key to our commitment to social welfare and social responsibility. We certainly heeded the call for “Openness” from the public and held “Open Day” in Hong Kong and South Africa accordingly to establish an open day practice in overseas regions. During the two-day event which has enhanced our regional influence, nearly a thousand visitors showed up to understand the culture of Tong Ren Tang and experienced our medical consultation service.

We continued our classic brand projects and held the “3rd Show Love and Care to Stroke Prevention” and the “2nd International Chinese Medicine Cultural Festival”. For the former stroke prevention activities, it focused more on the stroke patients, and visitors were educated to learn the experience of patients, stroke prevention and the need to care about health conditions. The walkathon attracted a number of elderly aged over 90 and families of stroke rehabilitation patients. They showed and demonstrated the philosophy of “Prevention does matter”.

In the “2nd International Chinese Medicine Cultural Festival”, video shows, photo exhibitions and concerts were held to demonstrate the cultural value of TCM, such as “harmony between heaven and man”, “static and dynamic” as well as “Yin” and “Yang”. With Beijing as the starting point, the culture of TCM was promoted to Europe and the US via Hong Kong, thus further disseminating the culture of TCM all over the world.

We actively demonstrated the features of Chinese medicine culture to attract customers in emerging markets. In 2018, we were invited to participate in the “Chinese Cultural Festival & 1st China Intangible Cultural Heritage Exhibition” held in Cyprus to showcase the characteristics and concepts of TCM culture, at which a number of politicians and local citizens in Cyprus were attached to the event and to feel the wisdom of Chinese medicine of Tong Ren Tang. Meanwhile, we were invited to participate in the “15th World Congress of Chinese Medicine & The Belt and Road TCM Culture Week” held in Italy, and also participated the “Belt & Road Interlinks People-to-People TCM Global Promotion Initiative” activities showcasing the magical enchantment of TCM medicine to countries around the world.

SEIZING NEW OPPORTUNITIES TO SET OFF AGAIN

In 2019, Tong Ren Tang will face both opportunities and challenges. Given the continuous implementation of various national laws, regulations and policies in relation to the TCM industry, we will be able to capitalise on more opportunities by making use of the comprehensive quality control system, its outstanding products and services quality, market image and reputation. Moreover, the World Health Organization (“WHO”) will include TCM in the International Classification of Diseases to boost the globalisation of TCM and get into a fresh turning point in the industry.

We will continue to strengthen our overseas influence and international appeal through a series of cultural promotion and charity activities. Along with the Group's innovation, we will continue to implement the strategy of “Grow with Stability”, fully underpin the development basis, stringently control development quality, focus on high quality and innovative development. Thus, the TCM can enter the lives of more and more people in the world with more efficiency and better quality.

“Healthy Life Global Choice” has always been our mission and vision, TCM is becoming a new healthy option of the world. In the coming year, Tong Ren Tang will continue to gain greater recognition, and TCM will continue to gain acceptance and popularity, becoming a new option for those who aspired to be healthier.

ACKNOWLEDGEMENTS

Looking forward, TCM will always be a guardian of health. Tong Ren Tang has started its journey overseas, and will travel faster, further and better.

Our current position has presented us with great opportunities as well as unprecedented challenges. The WHO is about to include TCM in the International Classification of Diseases and the internationalisation of standards of TCM is just round the corner. No matter how the situation changes, our dedication to the development of TCM business, the innovative development of our overseas business and the quality of our time-honored brand will definitely remain unchanged.

On behalf of the Board, I would like to express our sincere gratitude and deep 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, 11 March 2019

傳播中藥香 文化通四海

「同仁堂既是經濟實體，又是文化載體」。悠久的歷史和深厚的文化基因，為同仁堂海外傳播中醫藥傳統文化打下了堅實的基礎。作為民間交往中最直抵人心的行業，同仁堂中醫藥讓國藥香滿世界。

本年，文化成為我們一項重要的發力點，並成為我們致力社會公益、體現社會責任的重要窗口。我們積極響應民眾「開放」需求，分別於香港、南非兩地開展「開放日」活動，打造境外特色開放線路。活動持續的兩日中，兩地近千人前來瞭解同仁堂文化、體驗同仁堂中醫藥診療服務，提升了同仁堂的區域性影響力。

我們延續了經典品牌項目，分別舉辦了「第三屆同仁關愛防中風」及「第二屆國際中醫藥文化節」活動。本屆防中風活動更加關注中風人群本身，積極引導社會從中風患者感受出發，預防中風，關愛健康；特別是本屆「同仁同心健步行」活動中，吸引了90歲以上長者和中風康復患者家庭共同參與，展現了我們「以患者為本，以預防為要」的理念。

第二屆國際中醫藥文化節中，我們以影像誌、圖片展、音樂會等方式，展示傳統中醫藥文化中的天人合一、靜動相宜、陰陽調和等價值理念；以北京為起點，經由香港，將一片藥香彌散歐美，在歐美市場進一步傳播了中醫藥文化。

我們積極展現文化特色，吸引新興市場人群。本年，作為塞浦路斯「中國文化節暨首屆非物質文化遺產展」重要企業受邀參展，向民眾展示中醫藥文化特色和理念。期間，塞浦路斯政要紛紛駐足，民眾不斷前來感受同仁堂中醫藥文化奧妙。而在意大利舉辦的「第十五屆世界中醫藥大會」暨「一帶一路」中醫藥文化周上，我們亦受邀前往，並參與「一帶一路民心相通 — 中醫中藥世界行」活動，向世界各國積極展示古老中醫藥文化的魅力。

抓緊新機遇 百年再出發

2019年，發展的機遇和挑戰並存。隨著中醫藥行業各類國家法律法規政策不斷細化實施，同仁堂國藥將依托完善的質量管理體系、過硬的產品服務質量和良好市場形象及信譽口碑迎來更多發展機會；而世界衛生組織將中醫藥寫入國際疾病分類目錄，為中醫藥國際化發展創造契機。

我們將繼續以一系列文化推廣和社會公益活動不斷增強同仁堂品牌在海外的影響力和國際號召力。隨著本集團創新發展的深化，我們將繼續實施穩中有進發展策略，全面夯實發展基礎，嚴格把控發展質量，聚焦高質量、創新發展，讓更加有效、更高品質的中醫藥服務走進世界更多民眾的生活。

「創造健康 全球共享」始終是本集團的使命願景，中醫藥正在成為世界健康的新選擇。新的一年中，同仁堂也將不斷為世界更多民眾瞭解、中醫藥傳統文化也將為更多民眾使用和喜愛，並成為更多人嚮往健康、實現健康的新選擇。

致謝

展望未來，中醫藥將始終是生命健康的守護者。同仁堂中醫藥走出去的步伐已經開始，而且會越走越快、越走越好。

站在新的歷史方位，中醫藥迎來了重大歷史機遇，也面臨著前所未有的挑戰。世界衛生組織即將把中醫藥寫入世界疾病分類目錄，國際化中醫藥標準的出台越來越近。但無論形勢如何變化，我們傳承發展中醫藥事業的創業初心不會變、同仁堂海外事業的創新發展不會變、老字號百年品牌的品質堅守不會變。

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信任和支持表示最衷心的感謝。

丁永玲
主席
香港，2019年3月11日

Striving to pass on wisdom accumulated for three thousand years, Tong Ren Tang has been creative and innovative for twenty-five years. Tong Ren Tang upholds the Chinese characteristics of diligence and dedication, and also commit to the health and well-being of the world. Being the benevolent and kind-hearted one, Tong Ren Tang contributes TCM to mankind and save lives. It brings TCM to the world and facilitates the health of mankind in a Chinese way.



三千年智慧傳承，廿五載創新創造；
中國特色奮勁書，健康命運共全球；
以中醫藥濟天下，懷仁德心救萬民；
將中醫藥奉獻給世界，用中國方案連接世界健康。



BUSINESS REVIEW

Overview

Founded in 1669, Tong Ren Tang has marked its 349th years. Over 349 years, Tong Ren Tang has gained popularity across the world with a brand image of "Virtue, Honesty and Integrity". TCM has received increasing attention from the health and hygienic system of the world, thereby securing itself a foothold amongst the world's mainstream medical system.

The 40th anniversary of the reform and opening-up together with the 5th anniversary of the "Belt and Road Initiative" present a historic opportunity to the overseas business of Tong Ren Tang, in which has leveraged the development to continue exploring mainstream markets in Europe and the US. Tong Ren Tang focused on the exploration of new development model and the implementation of structural reforms. On the continuous expansion of outlet coverage in the Europe and US markets, it was the first attempt of Tong Ren Tang to implement the new business model in Italy. During the Year, the Group's business coverage outside the PRC has covered 21 countries and regions and with a total of 81 retail outlets. With sound development for five years, TRTCM has successfully transitioned from a leading enterprise on GEM to a Main Board listed company. Its presence in Hang Seng Family of Indexes and Shenzhen-Hong Kong Connect gained further recognition in the capital market and showed that the Company has grown steadily.

Under the macro-environment where the international market was full of uncertainties and with the prominent trend of globalisation, the general tone of Chinese economy, namely making progress amidst stability, and laid a solid ground for the development of TCM industry. The Group also continued to pursue its approach of seeking progress amidst stability and was committed to developing into a strong and long lasting economic entity, so as to maximize the shareholders' interests. For the Year, the Group's revenue increased by 19.6% to HK\$1,513.9 million (2017: HK\$1,266.0 million), net profit increased by 19.0% to HK\$601.3 million (2017: HK\$505.5 million), profit attributable to owners of the Company increased by 18.5% to HK\$580.7 million (2017: HK\$490.0 million) and earnings per share increased to HK\$0.69 (2017: HK\$0.59). The Board recommends a final dividend of HK\$0.23 per share (2017: HK\$0.19).

業務回顧

概覽

同仁堂自1669年創立以來，已經走過349個春秋。在349年積澱的歷史長河中，同仁堂以「德誠信」的品牌形象，受到世界越來越多民眾的喜愛。近年來，中醫藥日益得到世界健康衛生體系的重視，逐漸躋身世界主流醫學體系。

在改革開放40週年、「一帶一路」倡議提出5週年之際，同仁堂海外事業抓住重大歷史機遇，繼續深耕歐美主流市場；以探索新發展模式、落實供給側結構性改革為抓手，在繼續擴大現有歐美主流市場終端覆蓋的基礎上，首次在意大利嘗試新型貿易模式。本年內，我們的業務已經覆蓋中國境外21個國家和地區，旗下零售終端共81家。經歷5年良好發展，同仁堂國藥從創業板的龍頭企業，成功實現轉主板上市並躋身恒生指數系列和深港通，在資本市場得到了進一步認可，發展實力穩步增強。



在國際市場存在的不穩定因素增多、但全球化發展趨勢明顯的大環境下，中國經濟穩中有進的總基調為中醫藥行業奠定了發展的堅實基礎。本集團堅持穩健發展策略，致力於做精、做優、做強、做長經濟實體，實現股東利益最大化。本年，本集團實現收入1,513.9百萬港元(2017年：1,266.0百萬港元)，增長19.6%；淨利潤實現601.3百萬港元(2017年：505.5百萬港元)，增長19.0%；本公司擁有人應佔利潤實現580.7百萬港元(2017年：490.0百萬港元)，增長18.5%；每股盈利上升至0.69港元(2017年：0.59港元)。董事會建議派付末期股息每股0.23港元(2017年：0.19港元)。



“Commitment to Quality for a Century, Global Sharing, Connectivity and Global Touch”

Hong Kong Market

During the Year, under US-China trade conflicts and super Typhoon Mangkhut, the Group's revenue from Hong Kong market managed to record a growth of 26.9%, achieving a revenue of HK\$807.3 million (2017: HK\$636.3 million) with the same-store sales growth of 50.0%, which were attributable to the stepped-up efforts in brand promotion and the integration and redeployment of internal resources. During the Year, we opened a new retail outlet in Causeway Bay, for the purpose of optimising the retail network in Hong Kong. We also increased our market share through promoting Tong Ren Tang products and captured various potential consumer groups through a diversified, multi-layer product differentiation promotion strategy which targeted various age and consumer groups, which aims at consolidating the leading position of Tong Ren Tang brand in Hong Kong.

Retail Network 零售網絡

6 Australia 澳大利亞	27 Hong Kong 香港	5 Singapore 新加坡	1 The Netherlands 荷蘭
1 Brunei 汶萊	4 Macao 澳門	5 South Africa 南非	1 UAE 阿聯酋
1 Cambodia 柬埔寨	3 Malaysia 馬來西亞	1 Sweden 瑞典	1 UK 英國
8 Canada 加拿大	7 New Zealand 新西蘭	1 Switzerland 瑞士	5 US 美國
1 Czech Republic 捷克	2 Poland 波蘭	1 Thailand 泰國	

Non-Hong Kong Market

To facilitate and achieve speedy growth and quality development of overseas market development, the Group has adopted a differentiated development strategy based on the actual situation and the practical market needs of the business segments in five major continents achieving the global strategy of “Anchor in Hong Kong and Asia and march to overseas”. During the Year, we set up a retail outlet in the US, and reached 54 overseas retail outlets. The Group's revenue from overseas market increased by 8.5% to HK\$332.9 million (2017: HK\$306.9 million) with the same-store sales growth of 21.1%.

Due to the rising health awareness, high-quality products of the Group gained increasing recognition and the overseas demand for Tong Ren Tang products keep increasing. The Group's revenue from the PRC market increased by 15.7% to HK\$373.6 million (2017: HK\$322.9 million) during the Year.

In recent years, TCM was recognised for its integral role of the health and hygiene system in the world. Today, nearly 200 countries and regions have put TCM into practice and acupuncture has been admitted in over 100 member states of WHO. In September 2018, which marks the 20th anniversary of diplomatic relationship between China and South Africa, a bylined article of President Xi Jinping of the PRC emphasised that “TCM was a new option for the Africans”, thus assuring the development of TCM in Africa.

With promising prospect, TCM has recorded sound development in the international market. However, given challenges such as the rise of trade protectionism, cultural and value differences, lack of standard system for TCM in the international market, the overseas business of Tong Ren Tang slowed down to some extent. With the implementation of the “go global” strategy, the overseas business of Tong Ren Tang still centered on Hong Kong and directed towards the international market. By which, we have established business presence on five major continents and the Group's business coverage outside the PRC has extended across 21 countries and regions, initially realised the vision of “Healthy Life Global Choice”.

「百年品質，全球共享，互聯互通，擁抱世界」

香港市場

本年，雖然受到中美貿易摩擦因素以及超強颱風「山竹」影響，我們通過加大品牌宣傳和廣告力度，進行資源內部統一整合調配等方式，使本集團香港市場收入實現807.3百萬港元（2017年：636.3百萬港元），增長達到26.9%，同店增長達50.0%。本年內，我們於銅鑼灣新開設終端1家，優化香港零售網絡。多元化、多層次、針對不同年齡層和受眾的差異化產品推廣策略，也助力同仁堂品牌產品進一步提升了市場佔有率，對部分潛在消費群體實現了成功轉化，鞏固了同仁堂品牌在香港市場的領軍地位。

非香港市場

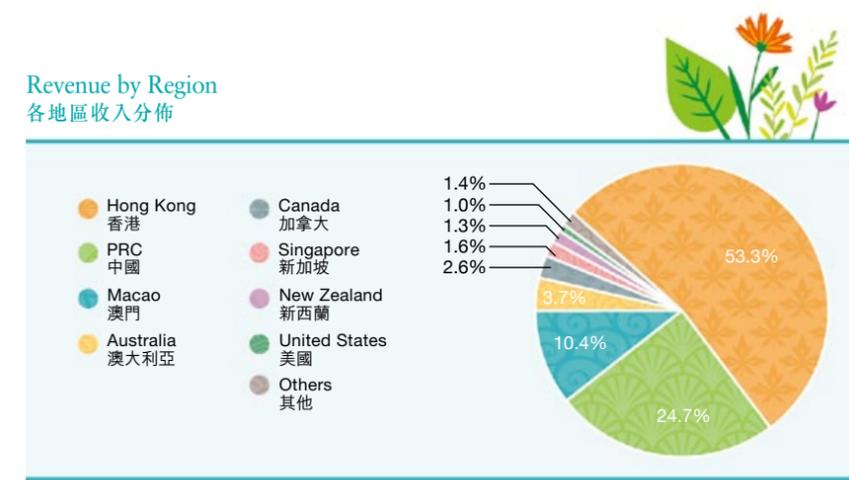
努力提升海外市場發展質量，由高速增長邁向高質量發展，本集團在不斷鞏固現有海外市場的基礎上，根據五大洲業務板塊的市場情況與實際需要，採用差異化發展策略，逐步實現「立足香港，站穩亞洲，深耕主流」的全球發展策略。本年內，我們在美國增設零售終端1家，海外零售終端達54家。來自海外市場的收入為332.9百萬港元（2017年：306.9百萬港元），增長8.5%，同店增長達21.1%。

隨著健康理念逐步深入人心，本集團優質的自有產品認知度不斷提高，海外對同仁堂產品的需求不斷增長。本年中國市場收入達到373.6百萬港元（2017年：322.9百萬港元），增長15.7%。

近年來，中國傳統醫藥在世界衛生健康體系中的作用日益為世界民眾所接受。如今，中醫藥已經傳播到世界近200個國家和地區，100餘個世界衛生組織成員國認可使用針灸；特別是本年9月，中南建交20週年之際，中國國家主席習近平在署名文章中強調「中醫藥成為非民眾健康新選擇」，為中醫藥在非洲發展注入了一針強心劑。

中醫藥國際化發展總體向好，發展前景光明，但中醫藥國際化發展的挑戰因素仍然存在。保護貿易壁壘、文化背景和價值理念的差異、國際化中醫藥標準體系缺失等，都在一定程度上放慢了同仁堂海外事業的步伐。自從走出去以來，同仁堂海外事業以香港為核心，以國際化為方向。目前，同仁堂海外業務覆蓋到全球五大洲21個國家和地區，初步實現了「創造健康，全球共享」的使命願景。

Revenue by Region
各地區收入分佈



Production, Research and Development

The Group is endeavored to our corporate motto “Nurturing kindness and virtue, Preserving tranquility and wellness” since its inception. We adhere to the principle of honest operation and morality as core value and also adhere to the quality management philosophy of “vital quality, striving for excellence and advocating kindness and virtue”. Meanwhile, we live by the corporate mottoes of “Never cut corners on labour and quality, no matter how complex the process or how costly the materials” and “Dedication comes from the heart in the steps that no one else can see” and stay committed to our strengths in terms of “unique formulas, superior materials, superb technique, and distinguished efficacy” as the only standard of production. By integrating the merits of scientific technology advancement, scientific research capability and corporate development, we were able to “build on the legacy but not bounded by it, and pursue innovation based on traditions”. We took a people-oriented humanistic approach and take righteousness as first priority so as to produce products with excellent quality and more people will be benefited.

Our Tai Po Production and R&D Base adopted a stringent quality control system with high safety factors. It has obtained the GMP (Good Manufacturing Practice) for Proprietary Chinese medicine certification, and also obtained certification on several international standards, such as the ISO22000:2005 (Food Safety Management Systems) and the HACCP (Hazard Analysis and Critical Control Points), which provide comprehensive protection for the high-quality products production and excellent consumer experience and safety of medicine consumption.

During the Year, capabilities of scientific research were of the top priority in the Group’s Research & Development. Rational, scientific and market-oriented cooperative scientific research was the foundation of accomplishing research achievement. We have reached cooperative intents with international high ranking educational institutes to commence joint scientific research on key products during the Year. The scientific research would 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.

Brand Promotion

Toward our goal of “wherever there is a need for health, wherever there is Tong Ren Tang”, the overseas business of Tong Ren Tang was committed to connecting the needs of public health through TCM . As a carrier of economic entity and culture, Tong Ren Tang not only demonstrated TCM treatment and service experience to the world through brand promotion activities, but also share the culture of TCM to the world, by establishing the global influence of Tong Ren Tang.

During the Year, the Group took cultural promotion as an important part of its planning and relevant initiatives were launched accordingly. Daily cultural promotion and a well-organized network cover all relevant aspects. Tong Ren Tang managed to strengthen its distinguished corporate image and enhanced customer’s knowledge on Tong Ren Tang products, thereby developing a solid brand loyalty amongst customers.

In June 2018, the Group continued “Capital State-owned Enterprises Open Day”. Apart from the Open Day in Hong Kong, it was our first time to open a Tong Ren Tang outlet in Johannesburg, South Africa to public, which formulated an unprecedented mode for our Open Day activities, comprising “Hong Kong and Overseas” and “Origin and Destination”. We attracted nearly thousands of guests from Hong Kong and South Africa to join the Open Day in only two days, on which we demonstrated our core values of “Virtue, Honesty and Integrity” through free medical consultation, healthcare seminars, cultural exhibitions and medicine making. Many people expressed that “TCM is not exclusive to China but belongs to the world” on the Open Day in South Africa.



生產及研發

本集團始終恪守「同修仁德，濟世養生」的經營理念，一以貫之把「誠信為本，藥德為魂」作為質量管理核心理念，推行「以質為命，至優至精，崇尚仁德誠信」的質量管理模式；傳承「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」、「修合無人見，存心有天知」的同仁堂古訓，將「配方獨特，選料上乘，工藝精湛，療效顯著」作為衡量藥品生產的惟一標準；推進科學技術、科研能力與企業發展有機結合，「尊古不泥古，創新不失宗」；始終堅持「以人為本」、「以義為上」的消費者核心價值觀，精心炮製好藥、良藥，造福世界民眾。

我們的大埔生產研發基地質量管理體系嚴格規範，安全保障系數高。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，作為生產高質量產品、提供良好藥物使用體驗及安全性的全面保障基礎。

本年內，本集團將科研能力提升作為研發工作的重中之重，以合理化、科學化、市場化合作科研作為科研成果轉化的基礎。年內，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，將為未來同仁堂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，為進一步擴大同仁堂在海外市場的影響力和降低潛在市場風險提供堅實的技術保障與數據支撐。

品牌宣傳與推廣

同仁堂海外事業堅持將「有健康需求的地方就要有同仁堂」作為發展願景，致力於通過傳統中醫藥連接世界健康需求。同仁堂既是經濟實體，又是文化載體，通過品牌宣傳與推廣，不僅將中醫藥診療和服務體驗展現給世界，也將中醫藥文化傳播到每一個同仁堂落地的地方，以此打造同仁堂在世界上的影響力。

本年內，本集團將文化宣傳推廣作為重要發展規劃加以實施。抓好日常文化傳播，形成以點帶面的文化宣傳立體網絡，強化同仁堂的良好市場形象、鞏固消費者對於同仁堂品牌的認知，從而形成牢不可破的品牌忠誠。



本年6月，本集團繼續響應「首都國企開放日」，在進行香港開放日的基礎上，首次開放了位於南非約翰內斯堡的同仁堂終端，形成了「香港+海外」、「起點+終點」的開放日創新線路。在短短的兩天內，吸引來自香港和南非的本地民眾近千人參與開放日活動，以健康義診、講座、文化展示、動手參與藥物製作等方式，展現同仁堂文化中的「德誠信」核心，活動效果良好。特別是在南非舉辦的開放日活動中，不少本地民眾都認為「中醫藥不僅是中國的，更是世界的」。





In June 2018, we participated again in the “Health Expo” held at the Hong Kong Convention and Exhibition Centre in Wanchai with the themes of “Preventive Treatment” and “Healthcare Should Be Early” which aimed at promoting a healthy life. The number of exhibition visitor for this Year was doubled that of last year, which reached over hundred thousand of people, fostering a livelier atmosphere. Apart from deploying video advertising and online media advertising, we also adopted outdoor billboard advertisement, print advertisement and KOL (“Key Opinion Leader”) marketing. The promotion theme of “Perseverance To Good Health” demonstrated the wisdom, ingenuity and history of Tong Ren Tang in TCM of 349 years.

This year, we organised the “2nd International Chinese Medicine Cultural Festival” again. It was built on the theory and culture of TCM and presented in the form of videos and music concerts, which received promising response in Beijing and Hong Kong. Thereafter, the festival was extended to several major western countries, such as the US and Canada, presenting them the treasure which accumulated in the 3,700 years of Chinese history, the Chinese spirit of “Unity” and “Harmony”, and also sharing Chinese characteristics and style.

In October 2018, we held again the “3rd Show Love and Care to Stroke Prevention” activities with Hong Kong Sheng Kung Hui Welfare Council Limited. We shared knowledge of stroke prevention and raised awareness of stroke prevention in different ways, such as walkathon, workshop, visiting elderly homes and providing free medical consultation services. The stroke prevention activities during the Year featured innovative ideas to encourage participation. We especially invited stroke patients to join our campaign. There were a number of elderly aged over 90 and 25 families of stroke rehabilitation patients joined the walkathon. We specially set up a “Wall Mural”, a wall painted by famous Hong Kong educators, diseased painters and children. We also arranged a “Tong Ren Caring Workshop” at Tseung Kwan O. Many parents brought along their kids to learn the difficulties encountered by stroke patients in daily life so as to care more about the stroke patients.

我們今年6月繼續參與於香港灣仔會議展覽中心舉辦的「健康博覽」，主題是宣傳「治未病」和「保健要趁早」，以保持健康好生活。今年展覽的參觀人數比去年多出一倍超過十萬人次，場內的氣氛更加熱鬧。除了利用視頻宣傳片及配合網上媒體宣傳，同時推出大型戶外展板、平面廣告及網紅等支持，以「堅持 全因健康無價」作宣傳主題，呼應北京同仁堂349年中醫藥智慧的御藥匠心及歷煉。

今年，同仁堂國藥繼續舉辦了「第二屆國際中醫藥文化節」，文化節以中醫藥理論、文化為依托，以影像、音樂會等為表現形式，在北京、香港兩地取得了較好的反響。之後，文化節活動前往美國、加拿大等西方主流國家，向西方民眾展示中國3,700年歷史記載的文化瑰寶，展現中國「合一」、「和諧」的認識方法，傳播了中國特色和中國風貌。

今年10月，我們繼續與香港聖公會福利協會有限公司共同舉辦了「第三屆同仁關愛防中風」系列活動，以「健步行」、「體驗坊」、走進長者中心、提供義診服務等方式，繼續宣傳防治中風知識，提高防治中風意識。本年度防中風活動注重創新方式，提高參與度，特別是將中風患者納入到活動中來，健步行活動當天，有多位90歲以上長者及25個中風康復患者家庭參與活動；今年還特意樹立了一面「壁畫牆」，由香港知名教育學者與患者畫家、小朋友們共同繪製，與「同仁關愛體驗坊」共同落戶將軍澳，不少父母携子女體會中風患者日常生活不易，奉獻愛心。





During the period of “Forum on China-Africa Cooperation” held in September, the Group also launched brand promotion activities by providing free medical consultation services under the theme of “establishing brand presence in the community, promoting TCM for the locals and providing alternative healthcare choice for South Africans”, and also arranging various health seminars and providing free Chinese medical consultation services. In October, the Group took part in the “Chinese Cultural Festival & 1st China Intangible Cultural Heritage Exhibition” held in Cyprus, at which the preparation technique of Angong Niu Huang Wan, Chinese medical diagnosis and Taichi healthcare exercise were demonstrated, and receiving warm response from politicians and local citizens in Cyprus. In the same month, Tong Ren Tang was invited to join the “2018 Silk Road Business Summit” held in Zhangjiajie. We shared our achievement in overseas development of Tong Ren Tang at the forum. In November, we attended the “15th World Congress of Chinese Medicine & The Belt and Road TCM Culture Week” held in Italy, and also participated the “Belt & Road Interlinks People-to-People TCM Global Promotion Initiative” in Italy, Greece and Cyprus, enhancing the international influence of Beijing Tong Ren Tang brand and the culture of TCM.

Human Resources Management

As at 31 December 2018, we had a total of 817 employees (2017: 809 employees).

The staff costs of the Group for the Year were HK\$201.4 million (2017: HK\$175.8 million), representing an increase of 14.6% from last year, which was primarily due to the increase in number of salespersons, Chinese medicine practitioners, therapists and administrative staff to cater for the needs of our continuous business expansion. To ensure that the Group is able to attract and retain talents, remuneration policies are reviewed on a regular basis. In addition, discretionary bonus is offered to employees with outstanding performance with reference to the Group’s results and individual performance.

此外，本集團在9月中非合作論壇期間開展了「品牌進社區，中醫藥走進本地百姓，為南非人民的健康提供新選擇」系列義診活動，舉辦各類健康講座和中醫義診；10月，前往塞浦路斯參加中國文化節暨首屆非物質文化遺產展，現場展現了安宮牛黃丸製作技藝、中醫診脈、太極養生等，深受塞浦路斯政要、民眾歡迎；同月，受邀參加2018絲綢之路工商領導人（張家界）峰會，在中醫藥創新發展國際論壇上分享同仁堂海外發展成果；11月，應邀參加在意大利舉辦的「第十五屆世界中醫藥大會」暨「一帶一路」中醫藥文化周，並於意大利、希臘及塞浦路斯組織「一帶一路民心相通——中醫中藥世界行」活動，提升了北京同仁堂品牌和中醫藥文化的國際影響力。

人力資源管理

於2018年12月31日，我們共有817名僱員（2017年：809名僱員）。

本年內本集團員工成本為201.4百萬港元（2017年：175.8百萬港元），較去年增幅14.6%，主要是由於本年業務持續拓展，不斷增聘前線銷售人員、中醫師、理療師及行政管理人員等以滿足業務發展需求。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。



FINANCIAL REVIEW

Revenue

The Group's revenue for the Year reached HK\$1,513.9 million (2017: HK\$1,266.0 million), representing an increase of 19.6% from last year. The increase was mainly driven by the continuous demand for our Owned Products and the sales growth in the existing sales network and expansion of sales network.

Gross Profit

The Group's gross profit increased by 17.7% to HK\$1,078.4 million (2017: HK\$916.4 million). The gross profit margin decreased from 72.4% from last year to 71.2% this Year, which was mainly due to increase in the cost of raw materials.

Distribution and Selling Expenses

The Group's distribution and selling expenses increased by 20.5% to HK\$233.2 million (2017: HK\$193.5 million). The increase was mainly attributable to the increase in rental expenses and sales staff costs as the number of retail outlets increased, and the increase in advertising and promotion expenses as advertising and promotion activities increased. Distribution and selling expenses as a percentage to revenue increased slightly from 15.3% last year to 15.4% this Year.

General and Administrative Expenses

The Group's general and administrative expenses increased by 16.5% to HK\$148.3 million (2017: HK\$127.3 million). The increase was mainly attributable to the increase in staff costs as the number of administrative and management personnel increased to cope with the Group's continuous business expansion, and increase in research and development expenses as we put the emphasis on conducting R&D on mechanism of our key products. General and administrative expenses as a percentage to revenue decreased slightly from 10.1% from last year to 9.8% this Year.

Finance Income, net

The Group's net finance income increased by HK\$10.1 million to HK\$23.4 million (2017: HK\$13.3 million), which was mainly attributable to the increase in finance income as the average short-term bank deposit increased from last year.

Income Tax Expense

The Group's income tax expense increased by 13.4% to HK\$119.6 million (2017: HK\$105.5 million). The increase was mainly due to an increase in taxable income for the Year. The effective tax rate for the Year decreased from 17.3% last year to 16.6% this Year, which was caused by the change in proportion of contribution of 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 increased by 19.0% to HK\$601.3 million (2017: HK\$505.5 million) with a net profit margin of 39.7% (2017: 39.9%). Profit attributable to owners of the Company amounted to HK\$580.7 million (2017: HK\$490.0 million), representing an increase of 18.5% from last year. For the Year, the basic earnings per share were HK\$0.69 (2017: HK\$0.59). The Directors recommend the payment of a final dividend of HK\$0.23 per share for the Year (2017: HK\$0.19).

財務回顧

收入

本年，本集團的收入達到1,513.9百萬港元（2017年：1,266.0百萬港元），較去年增長19.6%。增長主要是由於自有產品的需求持續增長、現有銷售網絡銷售收入增加及銷售網絡拓展所致。

毛利

本集團的毛利達1,078.4百萬港元（2017年：916.4百萬港元），增幅為17.7%。毛利率由去年的72.4%下降至本年的71.2%，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233.2百萬港元（2017年：193.5百萬港元），較去年增長20.5%。增長主要是由於零售終端增加，致使租金及銷售人員人工成本上升，及廣告及宣傳活動增多而令廣告及宣傳費用上升。分銷及銷售開支佔收入百分比由去年的15.3%稍微上升至本年的15.4%。

一般及行政開支

本集團的一般及行政開支為148.3百萬港元（2017年：127.3百萬港元），較去年增長16.5%。增長主要是由於本集團業務拓展，行政及管理人員數目增加令人工成本上升，及加強重點產品的機理研究致使研發費用上升。一般及行政開支佔收入百分比由去年的10.1%稍微下跌至本年的9.8%。

淨財務收益

本集團之淨財務收益增加10.1百萬港元至23.4百萬港元（2017年：13.3百萬港元），主要由於平均短期銀行存款比去年增加令財務收益增多。

所得稅開支

本集團所得稅開支增加13.4%至119.6百萬港元（2017年：105.5百萬港元），增加主要是由於本年應課稅收入增加。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17.3%下跌至本年的16.6%。

年度利潤、本公司擁有人應佔利潤、每股基本盈利及股息

本集團的年度利潤增加19.0%至601.3百萬港元（2017年：505.5百萬港元），純利率為39.7%（2017年：39.9%）。本公司擁有人應佔利潤為580.7百萬港元（2017年：490.0百萬港元），較去年同期增加18.5%。本年每股基本盈利為0.69港元（2017年：0.59港元）。董事建議派付本年度末期股息為每股0.23港元（2017年：0.19港元）。



Financial Resources and Liquidity

During the Year, the Group funded its liquidity by the resources generated internally. 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\$2,265.4 million (2017: HK\$1,897.8 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 2017 and 2018 and net cash generated from/(used in) operating activities, investing activities and financing activities for the years ended 31 December 2017 and 2018:

	As at 31 December 於 12 月 31 日	
	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash and bank balances 現金及銀行結餘	2,265,440	1,897,781
Working Capital ⁽¹⁾ 營運資金 ⁽¹⁾	2,605,533	2,207,433
Total Equity 權益總額	3,024,227	2,608,177
Current Ratio ⁽²⁾ 流動比率 ⁽²⁾	19.5	16.0
Gearing Ratio ⁽³⁾ 負債比率 ⁽³⁾	0.04%	0.02%

	For the year ended 31 December 截至 12 月 31 日止年度	
	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Net cash generated from operating activities 經營活動所產生的現金淨額	577,684	469,144
Net cash used in investing activities 投資活動所用的現金淨額	(597,932)	(381,825)
Net cash used in financing activities 融資活動所用的現金淨額	(173,007)	(141,875)

⁽¹⁾ Being net current assets

⁽²⁾ Being current assets divided by current liabilities

⁽³⁾ Being borrowings divided by total equity

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2,265.4百萬港元（2017年：1,897.8百萬港元）。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2017年及2018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2017年及2018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：

⁽¹⁾ 即流動資產淨值

⁽²⁾ 即流動資產除以流動負債

⁽³⁾ 即借貸除以權益總額

Capital Expenditure

During the Year, the Group's capital expenditure incurred amounted to HK\$53.2 million (2017: HK\$34.3 million), which was primarily used for purchase of production equipment, the establishment of new retail outlets and purchase of a property for operating purpose.

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

At 31 December 2018, the Group's net property value of HK\$10.9 million (2017: HK\$12.3 million) has been pledged as securities for long-term bank borrowing. Such bank borrowing 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

At 31 December 2018, 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, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies.

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

資本開支

本年，本集團的資本開支為53.2百萬港元（2017年：34.3百萬港元），主要用於購置生產設備、設立新零售終端及購買一所物業作營運用途。

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2018年12月31日，本集團之物業淨值為10.9百萬港元（2017年：12.3百萬港元）作為長期銀行貸款之抵押品。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2018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。



王牌產品
STAR PRODUCTS



安宮牛黃丸
Angong Niu Huang Wan

Function: The pathogenic heat intervening the interior, accumulation of phlegm, sustained high fever lockjaw, convulsions and coma.

功效: 清熱解毒、鎮驚開竅。用於溫邪入裏引起的痰壅、高熱不退、牙關緊閉、驚風抽搐、神昏譫語。

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、郁金、冰片、水牛角濃縮粉

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

Function: 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 ingredients: Ganoderma lucidum spores

有效成份: 靈芝孢子

奧米加3
Omega-3



Astaxanthin- Sacha Inchi Oil Capsule
蝦青素-一星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α-linolenic acid (ALA), and Haemittococcus pluvialis extract with abundant Astaxanthin. It is manufactured by a modern technology and is suitable for people who care about skin and cardiovascular health.

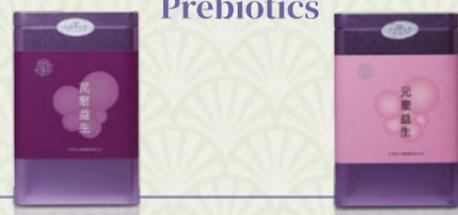
本品選用富含Omega-3及α-亞麻酸的星果油為原料，配以富含蝦青素的紅藻萃取物，採用現代工藝精製而成，適用於關注皮膚及心血管健康人士的日常保健之用。

Xanthophyll- Sacha Inchi Oil Capsule
葉黃素-一星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α-linolenic acid (ALA), and Calendula officinalis extract with abundant Xanthophyll. It is manufactured by a modern technology and is suitable for people who care about cardiovascular and eye health.

本品選用富含Omega-3及α-亞麻酸的星果油為原料，配以富含葉黃素的金盞花萃取物，採用現代工藝精製而成，適用於關注心腦及眼部健康人士的日常保健之用。

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 power 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
高麗紅參及紅參破碎顆粒茶

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 and 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 is manufactured by pCm GMP production plant certified by Department of Health HKSAR and 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..

本品由香港衛生署認證的中成藥GMP廠房生產，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 2018
2018年亞洲區最具影響力品牌大獎

- Most Trustworthy Brand
最值得信赖品牌

2 World Branding Award
世界品牌大獎

- Brand of The Year 2018-2019 (Global Tier)
國際品牌大獎 2018-2019 (全球等級)

3 18th Capital Outstanding Enterprise Award
第十八屆資本傑出企業成就獎

- Outstanding Chinese Medicine Group
傑出中醫藥集團

4 The 8th China Securities Golden Bauhinia Award
第八屆中國證券金紫荊獎

- The Best Listed Company
最佳上市公司
- The Best CEO of Listed Company
最佳上市公司CEO

5 ARC Award 2018
2018 設計獎

- Design award for Annual Report 2017
2017 年報設計獎

ORGANISATION CHART 組織架構圖



This chart is produced based on the information as at 31 December 2018.
本圖表按截至2018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 2018 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 sustainable development 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, Europe and Africa⁽¹⁾.

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 key performance indicators, the Group has engaged Carbon Care Asia Limited, a professional independent consulting firm, to assist the preparation of the Report and the carbon assessments⁽²⁾. In addition, the Report also includes key performance indicators 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.

Notes:

- ⁽¹⁾ Compared to the year of 2017, the scope of 2018 Report covers the new companies including TRT Herbal Heritage, TRT (San Gabriel) and TRT Giomi, while the environmental key performance indicator for the year of 2018 covers only the Company and its subsidiaries.
- ⁽²⁾ During the Year, this Report has adopted the applicable measurement standards/guidelines of the respective country or surrounding area where we operate, which may differ from the measurement standards/guidelines as adopted in the 2017 annual report.

本報告為本集團發表的2018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、歐洲以及非洲與本集團業務相關之營運⁽¹⁾。

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⁽²⁾，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)聯絡我們。

附註：

- ⁽¹⁾ 與2017年度相比，2018年度報告範圍新增之公司包括同仁堂神草藥業、同仁堂(聖蓋博)及同仁堂吉奧明，而2018年度環境關鍵績效指標只包括本公司及其附屬公司。
- ⁽²⁾ 本年度，本報告使用個別營運點所在國家或周鄰地區適用的計算準則/指引，與2017年度報告使用的計算準則/指引或有不同。

“Good Health and Well-Being” is one of the 17 sustainable development goals by the United Nations, with the aim of providing access to medical services and safe, effective and affordable medicines for all. The Group has been adhering to the corporate spirit of “Nurturing kindness and virtue, Preserving tranquility and wellness”. It ensures healthy lives and enhances well-being for all at all ages, so as to promote sustainable development of the community. As a time-honored TCM 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.

The sustainability steering committee of the Group was led by the senior management. It ensures the full implementation of the sustainability concept inside and outside the system. Building a mature brand culture and stringent product quality are the corporate core idea of Tong Ren Tang. The pursuit of sustainability coincides with our business philosophy that we focus on environmental protection, quality, contribution to society, talent cultivation and communication with the industry players.

Risk management committee was also set up by the Group. It adopted comprehensive risk management strategy on the Group's business in various markets which preventing risk arising from the economic, political and legal requirements. The senior management regularly discusses and lists out the major risk concerns to be followed by the working group from each department, to review and make adjustment in response to the changes in business nature, operating environment and legal requirements. The risk management committee also continuously update and evaluate different risk factors, including those risks relating to environmental, social and governance.

The changes in the economic and trade environment have brought various risks and opportunities to the Group's business. Although the “Belt and Road Initiative” has provided access to the international stage for TCM, we encountered obstacles on the cultural differences, regulations and trading. For sustainable development, the supply of our raw materials was exposed to potential risks due to climate changes. We particularly pay attention to the impact on the biodiversity during the production to minimize the environmental impacts.

In order to ensure that the Report has addressed the stakeholders' topics of concern, the Group engaged an independent consulting firm to conduct a series of stakeholder engagement activities, including senior management interview, focus group and questionnaire. Through the materiality assessment, the Group has identified the material aspects of the Year and responded to the stakeholders' feedback in the Report.

In the future, the Group will further optimise the stakeholder engagement and explore the possibility of establishing a long-term stakeholder communication program, in order to obtain a clear view of and make effective response to the expectation and opinions of the stakeholders on the sustainability of the Group. By continuously improving the sustainability performance of the Group, we will safeguard the well-being of the shareholders on an ongoing basis to pass on the legacies of TCM culture in the global arena.

Ding Yong Ling
Chairman

「良好健康與福祉」乃聯合國17個可持續發展目標之一。此目標旨在普及醫療服務，為所有人提供安全有效而可負擔的藥物。本集團一直秉承「同修仁德、濟世養生」的企業精神，透過確保健康的生活方式，促進各年齡段所有人的福祉，以推進營運社區的可持續發展。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。

本集團的可持續發展督導委員會由高級管理人員領導，以確保我們能在體系內及體系外全面實現可持續發展的理念。對同仁堂而言，發展成熟的牌文化與嚴謹的產品質量是企業的核心。可持續發展與我們營商的原則不謀而合，我們專注保護環境、堅持品質、貢獻社會及栽培員工，同時與業界保持交流。

本集團更設有風險管理小組，對本集團位於不同市場的業務採取全面的風險管理策略，以防範來自經濟、政治及法律要求的風險。高級管理人員定期進行商討，並列出最需要關注的風險範疇，讓各部門的工作小組跟進，並因應業務性質、營運環境及法例要求等的改變作出檢討和調整。風險管理小組亦會持續更新及評估不同風險因素，包括與環境、社會及管治相關的風險。

經濟和貿易環境的變化為本集團的業務帶來不同風險和機遇。「一帶一路」倡議雖為中醫藥踏上國際舞台提供了機會，但同時我們亦面對文化差異、法規及貿易上的障礙。在可持續發展方面，氣候變化對我們的原材料供應構成潛在威脅。我們亦特別關注生產過程對生物多樣性的影響，尋求降低環境影響的方法。

為確保本報告能回應持份者最關注的議題，本集團委託獨立顧問公司進行一系列持份者溝通活動，包括高級管理人員訪談、焦點小組及問卷調查。透過重要性評估，本集團識別本年重要性議題，並於本報告中回應持份者反饋。

未來，本集團將進一步優化持份者溝通的工作，並探索建立長期持份者溝通計劃的可能性，以更清晰地掌握及更有效回應持份者對本集團可持續發展的期望及意見。透過持續改善本集團的可持續發展績效，我們將繼續維護持份者的福祉，讓中醫藥文化在全球薪火相傳，生生不息。

丁永玲
主席



Risk management is an important part of the daily management procedure and effective corporate governance of the Group. The Group has established a risk management and internal control system, which is continuously monitored by the Board with a review on effectiveness. Meanwhile, the Board is responsible for assessing and determining the risk profile and level within the acceptable tolerance for significant existing and potential risks, and their relevant control measures. To ensure an effective implementation, the risk management committee which comprising the senior management 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 organizes meetings and reports to the Audit Committee for its review and the Board for its approval.

對本集團而言，風險管理是日常管理過程及良好企業管治的重要環節。本集團已建立風險管理及內部監控系統，由董事會負責持續監督系統及檢討其有效性。同時，董事會負責評估及釐定本集團可接受的風險因素和程度，審閱主要現有與潛在相關風險及控制措施。為確保執行上的有效性，本集團設立由高級管理人員組成的風險管理小組，負責監控風險管理及內部監控系統的成效，監察風險變動，並定期舉行會議向審核委員會匯報後再上報董事會審批。



In view of the regulatory requirements and risks relating to environmental, social and governance, the relevant major risk identified and the relevant measures by the Group are as follows:

考慮與環境、社會及管治相關的監管要求及風險，本集團與環境、社會及管治風險的相關重大風險及應對措施如下：

Top risks related to ESG 與環境、社會及管治相關之主要風險	Impact 影響	Control measure(s) 控制措施
Human resources risk 人力資源風險	<ul style="list-style-type: none"> If human resources planning is formulated without comprehensive and strategic consideration, it is inadequate in supporting the reserve talent cultivation at different levels for the Group's sustainability, which will result in a lack of talent supply (such as quality management personnel, management personnel and Chinese medicine practitioners who are familiar with the Tong Ren Tang products) for the future development of the Group. 若人力資源的統籌規劃缺乏全局性和戰略性考慮，未能實施配合本集團可持續發展的各層級後備人才培養計劃，將導致本集團對未來發展缺乏人才供應（如熟悉同仁堂產品的質量管理專業人員、專業管理人才、中醫師等）。 	<ul style="list-style-type: none"> The Group will recruit, retain and cultivate talent or dedicate internal personnel within Tong Ren Tang. 本集團會透過招聘並有計劃儲備和培養人才，或從同仁堂系統內調派人員。 The Group will collaborate with local and overseas schools to attract and cultivate local talents, aiming at building a self-owned professional team and securing sufficient human resources. 與國內外學院開展合作，吸引及培養本地化人才，以建立自有專業人才隊伍並確保人力資源充足。

Top risks related to ESG 與環境、社會及管治相關之主要風險	Impact 影響	Control measure(s) 控制措施
Product quality management and control risk 產品質量管控風險	<ul style="list-style-type: none"> During the inflow of raw materials, auxiliary materials, packaging materials and products, outflow of products and products delivery, if the quality control is not well performed, as well as the storage environment are unregulated, it may cause deterioration of the products and the distribution of defected products in the consumer market. 在原輔料、包裝材料及產品入庫、產品出庫、產品運輸的流轉過程中，如沒有做好質量把控或倉儲環境不合規引致產品變質，將導致有問題的產品流出消費者市場。 If the product production process is poorly controlled, such as the failings of production technicians, the obsolescence of production materials, production and operational error and substandard production environment, it will result in product quality problem. 如對產品生產過程管控不嚴，例如因生產技術人員的缺失、生產設備儀器殘舊，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，將引致產品的質量問題。 If the product testing procedures are inadequate and the testing standard is non-strict, it will result in the distribution of the products of poor quality, containing banned substance, being contaminated and improperly handled (such as chemically bleached) in the market. 如產品檢測缺乏檢測流程、檢測不嚴格，將導致品質低劣、摻雜其他違禁成份、受污染、生產處理不當（例如漂染）的產品流出市場。 	<ul style="list-style-type: none"> In compliance with GMP (Good Manufacturing Practice) for Proprietary Chinese medicine certification, and certification on several international standards, such as ISO22000 (Food Safety Management Systems), the HACCP (Hazard Analysis and Critical Control Points) and other regulatory requirements, quality management is in place for production technicians, production equipment, production materials, production and operational procedure, and also production environment to ensure compliance by production processes. 遵守香港中成藥生產質量管理規範（GMP）、國際標準ISO22000食品安全管理體系及危害分析重要管制點（HACCP）認證等規範要求，從生產技術人員、生產設備儀器、生產物料、生產操作、生產環境多方面作質量管理，確保生產流程合規。 In accordance with the local product standards, we will conduct testing on raw materials and products to ensure product quality and prevent the distribution of defected products in the consumers market. 根據當地的產品標準，對原材料及產品進行檢測，做好產品質量把關，以防止問題產品流出消費者市場。 Establish guidance for after-sales and product return to make timely and proper follow up actions, response and record for customer feedbacks and complaints. 制定售後及產品退回指引，及時和妥當跟進、回應及記錄客戶反饋和投訴。

Regular Communication with Stakeholders

In the course of the business management of the Group, the participation of stakeholders⁽¹⁾ is an important part in helping the Group to examine potential risks and business opportunities. Communicating with stakeholders and understanding their views allow the business practices of the Group to be more in line with their needs and expectations, and enable proper handling of feedback from different stakeholders.

During the Year, the Group communicated with its stakeholders in various ways. The specific types of stakeholders and the communication methods are shown below.

恒常的持份者溝通

在本集團的業務管理中，持份者⁽¹⁾的參與是其中一個重要部分，有助本集團審視潛在的風險與商機。與持份者交流，瞭解他們的看法，能夠令本集團的業務常規更貼近他們的需要和期望，妥善管理不同持份者的意見。

本集團本年以多種方式與其持份者溝通，具體持份者類別及溝通方式如下：

Key Stakeholders 關鍵持份者	Communication methods 溝通方式
Internal Stakeholders 內部持份者	<ul style="list-style-type: none"> Board, senior management and employees 董事會、高級管理人員及員工 Questionnaire 問卷調查 Suggestion box for employees 員工信箱 Opinion survey 意見調查 Staff training 員工培訓 Staff activities 員工活動 Focus group 焦點小組
External Stakeholders 外部持份者	<ul style="list-style-type: none"> Shareholders and investors 股本及投資者 Questionnaire 問卷調查 Regular release of financial report and data 定期財務報告及數據發佈 Shareholders' meeting 股東大會 Investor relations communication 投資者關係溝通 Customers and consumers 客戶及消費者 Customer service hotline 客戶服務熱線 Product labelling 商品標籤 Social media communication 社交媒體溝通 Mail 郵件 Government and regulators 政府及監管機構 Regular communication 定期溝通 Compliance record 合規紀錄 Policy documents 政策文件 Response to consultation 回應諮詢 Suppliers and business partners 供應商及合作夥伴 Questionnaire 問卷調查 Regular communication 定期溝通 Assessment and evaluation 審核與評估 Trade associations 行業協會 Regular exchange 定期交流 Participation in the affairs of trade associations 參與行業協會事務 Community 社區 Fostering community culture 社區文化建設 Community services 社區服務 Support to underprivileged groups 扶助弱勢群體

Materiality Assessment

In preparation of the Report, with the assistance from the independent consultant, we conducted stakeholder engagement to understand various stakeholders' opinions and expectations on the sustainable growth of the Group, so as to understand stakeholders' views in terms of their concern areas and identify issues which are material to the Group.

重要性評估

在籌備本報告期間，本集團在獨立顧問協助下進行持份者溝通，瞭解不同持份者對本集團可持續發展的意見及期望，從而識別持份者關注以及本集團有重大影響的議題。

Note 附註：

⁽¹⁾ "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。

The stakeholder engagement conducted by the Group in relation to environmental, social and governance involves the following steps:

本集團針對環境、社會及管治的持份者溝通工作主要包括以下步驟：



Identification of Key Stakeholders

The key internal stakeholders of the Group include directors, senior management and employees, and the key external stakeholders include customers and consumers, shareholders, suppliers, business partners, trade associations, government and regulators, community organisations, potential investors and banks.

Identification of Relevant Issues

During the Year, the Group reviewed the list of the environmental, social and governance-related issue of the Group with the assistance of independent consultant in order to ensure that the issues fully reflect the business nature of the Group and results of previous stakeholder engagements. Meanwhile, the independent consultant conducted interviews with the Group's senior management and incorporated the discussion results into the list.

The Group identified 27 issues, covering the four major areas of "environmental protection", "employment and labour practices", "operating practices" and "community investment", which form the basis for the communication with internal and external stakeholders.

Planning and Execution of Stakeholder Engagement

We collect the stakeholders' opinions on the Group through the below measures. The communication is conducted in an anonymous way to ensure that the participants could express their opinions and expectations on the Group in a free and honest manner.

識別關鍵持份者

本集團的關鍵內部持份者包括董事、高級管理人員及員工；關鍵外部持份者包括客戶及消費者、股東、供應商及合作夥伴、行業協會、政府及監管機構、社區組織、潛在投資者及銀行等。

識別相關議題

本年，我們在獨立顧問協助下亦檢視與本集團相關的環境、社會及管治議題清單，確保議題充分反映本集團的業務性質和過去的持份者溝通結果。同時，獨立顧問與本集團的高級管理人員進行訪談，將討論結果融入議題清單之中。

本集團識別 27 項議題，涵蓋「環境保護」、「僱傭及勞工常規」、「營運慣例」和「社區投資」四大範疇，並以此作為是次與內部及外部持份者溝通的基礎。

籌劃及進行持份者溝通

我們透過以下形式收集持份者對本集團的意見。溝通項目均以不記名形式進行，確保參與者得以自由坦誠地表達對本集團的意見和期望。

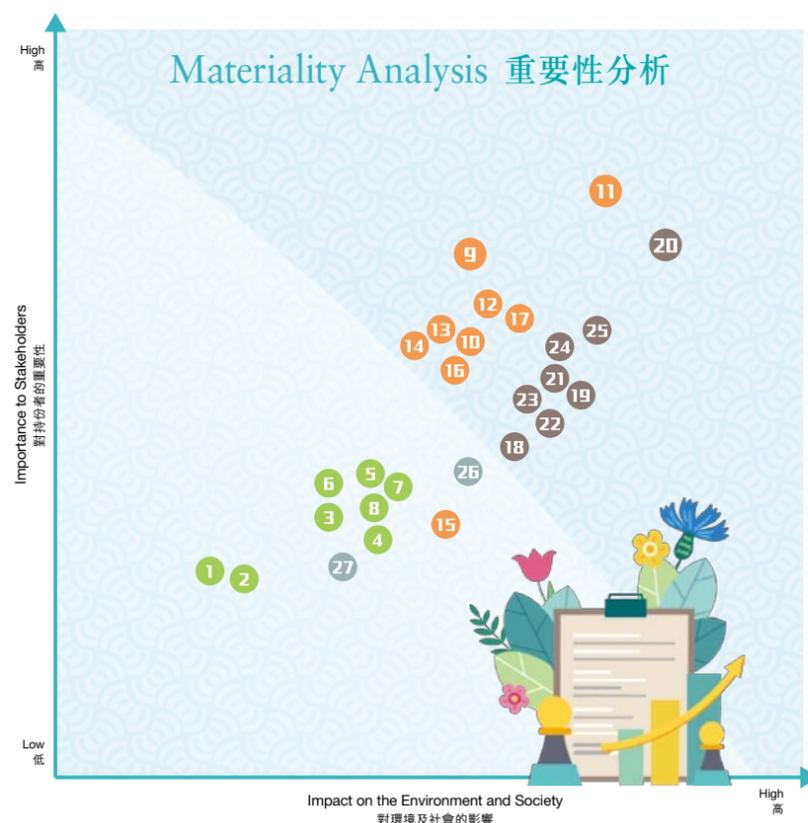
Senior Management Interview 高級管理人員面談	Online Questionnaire 網上問卷調查	Focus Group 焦點小組
<ul style="list-style-type: none"> The independent consultant has discussed with the senior management on the Group's material issues and explored the management approaches and strategies of the Group for its sustainable development. 獨立顧問與高級管理人員就本集團的重要性議題展開討論，並探討本集團在可持續發展方面的管理方針和策略。 	<ul style="list-style-type: none"> Distributed questionnaires through an online platform to enable stakeholders to score the importance of each sustainability topic. 透過網上平台發放問卷，讓持份者就各項可持續發展議題的重要性評分。 The Group collected a total of 124 questionnaires, among which 96 were from internal stakeholders and 28 were from external stakeholders. 本集團共收回 124 份問卷調查，其中 96 份來自內部持份者，28 份來自外部持份者。 	<ul style="list-style-type: none"> The independent consultant has conducted focus group discussions with internal stakeholders to enhance their engagement on the sustainable development. 獨立顧問與內部持份者進行了焦點小組討論，加強他們對本集團可持續發展事項的參與度。

Screening and Assessment of Material Issues

Based on the results of the questionnaires and in view of the average scores given by all the stakeholders, the materiality analysis below was concluded. As shown in the matrix below, the position of the curve line represents the average score of all issues. 16 issues shown on the top right of the curve line are the key "material issues" to the Group.

篩選及評估重要性議題

分析問卷調查的結果及綜合所有持份者評分的均值，終得出以下的重要性分析。如下距陣所示，曲線的位置代表所有議題評分的均值；顯示在曲線右上方的 16 項議題為對本集團最關鍵的「重要性議題」。



Although the stakeholders have not expressed special concern on the area of "Community Investment", the Group, as a social responsible enterprise, places great emphasis on the impact of business operation to the community. Therefore, the Group included the issue of "business activities take into consideration of the communities' needs and interests" as one of the material issues, with a total of 17 issues (as shown in the right chart) being the focuses of the Report. The suggestions raised by the stakeholders during focus group discussions are also included in the relevant section of the Report.

儘管持份者並沒有就「社區投資」範疇表達特別關注，然而本集團作為具有社會責任的企業，重視業務營運對社區之影響。因此，本集團亦把「業務活動考慮社區的需要和利益」歸類為重要性議題之一，一共以 17 項議題（如右圖）作為報告的匯報重點。持份者於焦點小組中提出的重點建議亦會涵蓋在本報告的相關部分。

Areas 範疇	Issues 議題	Material Issues 重要性議題
Environment 環境		
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	
6	Water saving and efficiency enhancement 節約用水及提升用水效益	
7	Improvement of materials and resources usage efficiency 提升原材料等其他資源的使用效益	
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	
Employment and Labour Practices 僱傭及勞工常規		
9	Establishment of a comprehensive employment system 建立全面僱傭制度	
10	Anti-discrimination, equal and diversified employment environment 反歧視、平等和多元化僱傭環境	
11	Healthy and safe workplace 健康和安全的工作環境	
12	Employee benefits and well-being 員工福利及身心健康	
13	Employee training 員工培訓	
14	Staff's sustainable development 員工持續發展	
15	Prevention of child labour 防止童工	
16	Prevention of forced labour 防止強制勞工	
17	Compliance with labour rights 勞工權益合規性	
Operating Practices 營運慣例		
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	
20	Management on product quality and sales service responsibility 產品質量及銷售服務責任管理	
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	
22	Protection of intellectual property rights 維護知識產權	
23	Protection of the interests of customers and business partners 保障客戶及業務合作夥伴權益	
24	Prevention of bribery, extortion, fraud and money laundering 防止賄賂、勒索、欺詐及洗黑錢	
25	Compliance with operational responsibility 營運責任合規性	
Community Investment 社區投資		
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	
27	Community Investment 社區投資	

Continuous Improvement

The Group attaches great importance to the communication with stakeholders. Besides the regular communication activities with stakeholders, we also plan to implement a long-term stakeholder communication strategy, so as to collect opinions from different categories of stakeholders on the work and efficiency of the Group in relation to environmental, social and governance aspects in different phases and provide a timely response.

持續完善

本集團重視與持份者的溝通。除了繼續進行恒常的溝通活動，我們還計劃開展一個長遠持份者溝通策略，分階段收集不同持份者組別就本集團在環境、社會及管治的工作和成效的意見，並提供適時回覆。

Tong Ren Tang adheres to the corporate mottoes of “Never cut corners on labour and quality, no matter how complex the process or how costly the materials” and devotes to the optimization of supply chain and quality management, so as to offer diverse, safe and effective chinese medicine. During its daily operation, the Group attaches great importance to the construction of an integrity environment with a system to prevent any corruption.

Supply Chain Management

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

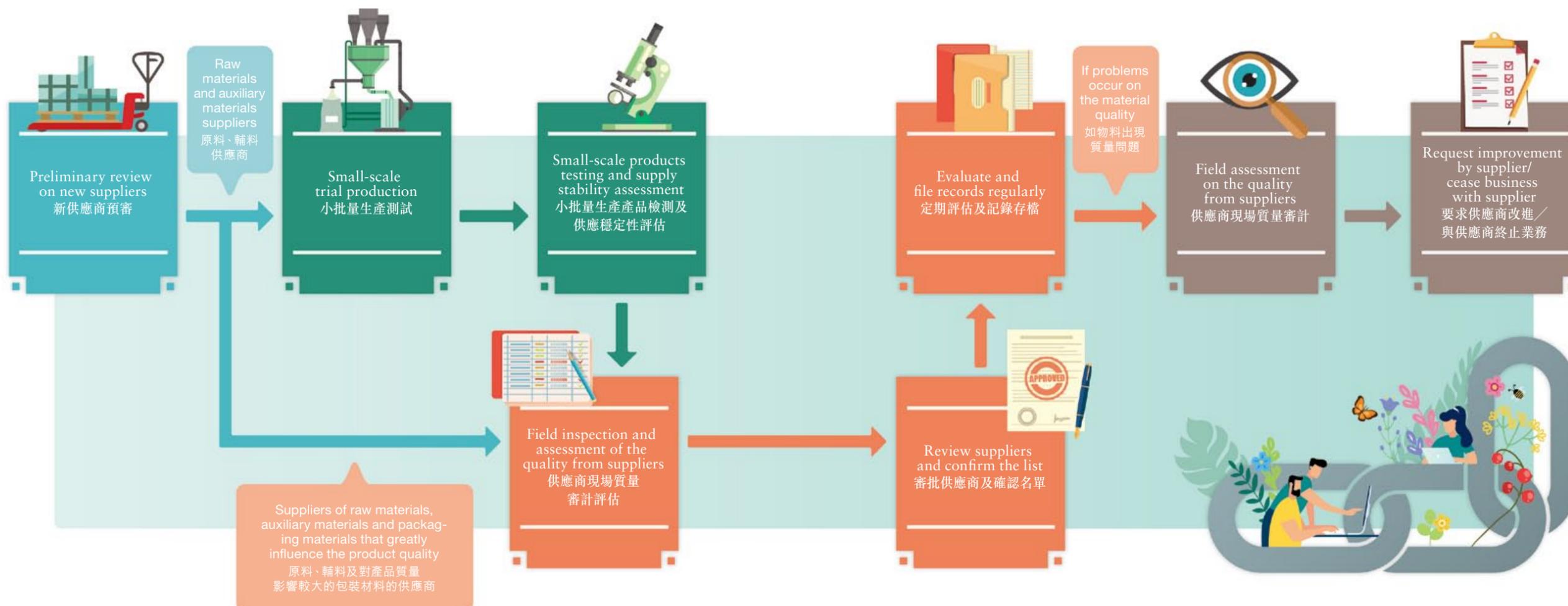
The Group evaluates supplier performance regularly. The preliminary review on new suppliers covers areas including corporate and production capacity, supply capacity, material quality and reputation. For newly cooperation with raw materials and auxiliary materials suppliers, we conduct small-scale trial production, record production process with details and inspect the quality of finished products. In respect of the 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 samples testing and field evaluation to ensure the material quality meets the Group’s standard.

同仁堂遵從「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，致力完善供應鏈及品質管理，為客戶提供多元化、安全及高成效的中藥產品。在日常營運，本集團亦重視廉潔建設，建立體系防範任何貪污行為。

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。

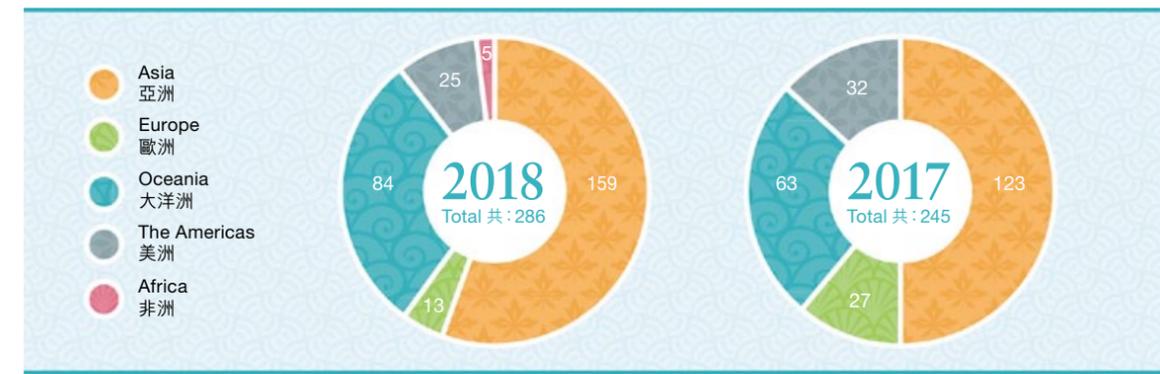


The quality department is responsible for evaluating the approved suppliers every two years by reviewing material testing results, relevant handling records on quality complaints and unqualified materials. If problems occur on the quality, we would perform field re-assessment and request improvement by relevant suppliers.

During the Year, the Group had a total of 286 suppliers (2017: 245) for procurement, which are located in five continents including Asia, Oceania, Europe, the Americas and Africa, to provide stable of supply.

技術質量部負責每兩年評估已審批的供應商，檢視物料檢驗結果、相關質量投訴和不合格品質的處理記錄。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。

本年，本集團主要從286家供應商(2017年：245家)進行採購。供應商分佈於亞洲、大洋洲、歐洲、美洲及非洲五大洲，以提供穩定供應。



Looking forward, the Group will embrace the opinions of stakeholders and implement environmental and social related management policy of suppliers to optimise policy.

展望未來，本集團將逐步聽取持份者的意見及添加供應商在環境及社會方面風險的管理方針，以完善政策。

Quality and Safety

The Group obtained the GMP (Good Manufacturing Practice) for Proprietary Chinese medicine certification, and certification on several international standards, such as ISO22000:2005 (Food Safety Management Systems) and the HACCP (Hazard Analysis and Critical Control Points) for our modern production, research and development based in Tai Po, Hong Kong and continues to monitor the quality management of the production and R&D base.

To ensure the quality of our own products, we continuously monitor the entire production process. There are storage, production and experiment areas at Tai Po Production and R&D Base, which formulates management and operational guideline to the quality requirement. Besides the ongoing monitoring on the temperature, humidity, air pressure and air cleanliness level in different production areas, the following measures are also implemented:

In respect of process of material handling, we have formulated the material procurement management rules, material receipt management rules and material storage management rules. Upon arriving the manufacturing plants, all materials are subject to preliminary inspection for its specification and quality, and then sample check. To prevent the use of unqualified materials during production, materials will be stored separately and colour-labelled to distinguish between qualified and unqualified materials. The qualified materials will be labelled with its expiry date and re-inspection date and stored in normal temperature storage area, cool storage area and cold storage area by categories such as number, nature, toxicity and species, to prevent the growth of micro-organisms and cross contamination. The materials will be re-examined one month before the expiry date and those expired will no longer be used.

品質及安全

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，持續監察生產研發基地的品質管理。

為確保自有產品的品質，我們持續監測整個生產過程。於大埔生產研發基地設有貯存、生產、實驗等不同區域，按其質量要求訂明管理及操作指引。除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外，我們亦實施以下措施：

針對物料的處理流程，我們已制定物料採購管理規程、物料接收管理規程及物料貯存管理規程。物料到廠後，我們會先初步檢視其生產規格和質量，再抽樣檢驗。檢驗合格和不合格的物料會分別存放於獨立區域，並貼上不同顏色的標籤區分，防止不合格物料流入生產。檢驗合格的物料會標記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。物料貯存至有效期一個月前，會進行覆驗，逾期物料將不再作使用。

Experiment 實驗

- Establish internal standard on quality inspection
訂立內部檢驗質量標準
- Send the sample to independent third parties for inspection
外送獨立第三方檢測



Storage 貯存

- Establish guidelines for the storage of various raw materials, auxiliary materials, packaging materials and finished products, including temperature, humidity and storage environment requirements
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

In order to avoid contamination during production, the production area is installed with cleanroom. Before entering, relevant operators and materials will respectively pass through passage for passenger and cargo, and the operators should put on specific work clothes, in order to prevent microorganism, particles and other pollutants from entering the production procedure. We clean the production equipment and measuring instruments with filtered and purified water regularly and evaluate cleanness.

The Group performs an inspection on materials and environment at laboratories with different functions in Tai Po Production and R&D Base. With reference to the Pharmacopoeia of the PRC, we formulated the inspection management rule for laboratory works which sets out the requirements for the qualification of inspectors, inspection methodology and inspection equipment. We do not only conduct an internal comprehensive quality inspection on each batch of finished products, but also send the sample to independent third parties recognized by the government for testing, and ensuring the products comply with safety and quality standard in Hong Kong.

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, including but not limited to the Chinese Medicine Ordinance of Hong Kong, Regulation of Registered Proprietary Chinese Medicines, Food Adulteration (Metallic Contamination) Regulations of Centre for Food Safety, Pesticide Residues in Food Regulation and the Food Safety Ordinance of Hong Kong. During the Year, there were no cases of non-compliance in relation to the quality and safety of Owned Products.

為避免製藥過程受污染，生產區域設有潔淨區。相關操作人員及物料進入前需要分別由人流物流通道進出，操作人員亦須穿著指定工作服，以減低微生物、微粒等污染物流入製藥過程的風險。我們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。

大埔生產研發基地亦設有不同功能的實驗室，負責進行物料及環境檢驗。我們根據中國藥典訂立實驗室檢驗管理規程，載列檢驗人員資格、檢驗方法、檢驗儀器要求。我們除了為每個批次的製成品進行內部全面質量標準檢驗，亦會將其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。

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，包括(但不限於)香港的《中醫藥條例》、中成藥註冊法規、食物安全中心《食物攪雜(金屬雜質含量)規例》、《食物內除害劑殘餘規例》及《香港食物安全條例》。本年，本集團並無發現與自有產品品質及安全相關的違法或違規個案。

Raw materials/auxiliary materials 原材料/輔料

- Carry out field inspection for the growing, collection and processing environment of raw materials
親身考察原料的種植、採集及處理環境
- Ensure the specification and quality meet the standard
確保規格和質量合乎標準
- Carry out sample checks
抽樣檢驗



Production 生產

- Establish cleanroom
設置生產潔淨區
- Clean the equipment and measuring instruments on a regular basis
定期清潔設備及計量器具
- Evaluate cleanness
潔淨評估

Responsible Sales

The Group produces every piece of products 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 rule and product return rule are in place at the retail outlets, which stipulate the procedures standards for sales and after-sales management.

Where there are issues relating to product quality, durability, reliability, safety, effectiveness or defects in design and etc., customers can make suggestions, complaints and return to us through phone call, email, written request or make a visit to our stores in person. Our staff will handle the request in accordance with the procedures, make detailed records, follow such incidents and respond to customers accordingly.

Upon receiving of return or exchange request, the production planning department will recall the product and perform inspection while the quality department will conduct product testing for samples. If the reason of return is related to incorrect ordering, business reason and damaged packaging, product will continue to be sold after passing of quality inspection and the defected products will then be destroyed. In the case of a product safety incident which caused adverse reactions, we will carry out an investigation based on the adverse event monitoring and reporting rule, and report on such incident according to laws and regulations. The quality department and production planning department will review all the findings and the handling process, and also formulate proper solutions and precautionary measures. All records will be used for analysis on an annual basis to enhance the quality of our products and services.

During the Year, none of the products of the Group were returned due to safety and health reasons. The Group received 10 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 made a reply to the customers.

良心及負責任銷售

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。本集團的零售終端執行產品售後諮詢及投訴處理管理規程及產品退貨管理規程，訂明有關銷售及售後管理的程序規範。

客戶可就任何關於產品質量、耐久性、可靠性、安全性、有效性或設計上的缺陷等問題，以電話、電郵、書面形式或於門市反映、投訴或退貨。員工將按規程處理，就事件詳細記錄、跟進及回覆客戶。

當接到退貨或換貨通知，生產調度部會回收產品，進行核查，而技術質量部則負責抽樣進行檢測。若退貨原因為發貨或訂貨錯誤、經營原因、包裝破損等，產品會於品質檢驗合格後繼續出售；而檢出存在質量問題的產品將會統一銷毀處理。若發生產品安全事故，如客戶對產品產生不良反應，我們將按不良反應監測、報告管理規程開展調查，並遵照法規匯報。技術質量部和生產調度部會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。所有記錄將用作年度分析，以提升我們的產品及服務質量。

本年，本集團沒有產品因安全與健康理由而須回收。本集團本年接獲10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。



Advertising and Labelling

The Group takes its responsibility in its advertising and product labelling and does not tolerate any misrepresentation of drug labels and description. We ensure that product advertising and promotion comply with relevant regulations, including but not limited to the Undesirable Medical Advertisements Ordinance of Hong Kong and the Trade Descriptions Ordinance. 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, there was no non-compliance case in relation to advertising and labelling. Also, the Group did not receive any complaint on advertising and product labelling.

廣告及標籤

本集團履行廣告及產品標籤方面的責任，亦不容許任何有關藥物標籤及說明的虛假陳述。我們確保產品廣告及宣傳遵從相關法規，包括（但不限於）香港的《不良廣告（醫藥）條例》及《商品說明條例》。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，本集團並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。



Protection of Customers' Privacy and Intellectual Property

Tong Ren Tang respects customers' privacy and protects intellectual property rights. We are devoted to protecting the customers' privacy collected from the purchase records and medical records during the course of business. Meanwhile, we prevent the infringement of intellectual property rights of other companies and individuals. The staff manual stipulates employee 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 suspect that their privacy or intellectual property has been infringed, they can submit their concerns or complaints through phone call, email, written request or make a visit to our stores in person, we will carry out detailed record and investigation.

The collection and management of the customer data of the Group are in compliance with relevant laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong. During the Year, there was no incident of non-compliance of customer's privacy and intellectual property rights.

Anti-corruption

A business and working environment with equality, ethics and compliance is the foundation for the organic development of the Group. Advocating the work attitude of "Virtue", "Honesty" and "Integrity", the Group does not tolerate any bribery, extortion, fraud and money laundering. According to the internal audit regulations and internal control systems of the Group, the internal audit department is responsible for monitoring the business activities of the Group and ensuring the effectiveness of the internal audit and internal control systems, as well as continuously optimising internal supervision, risk control and anti-corruption management. Our expectations to employees are detailed in the internal audit manual and the staff manual which clarify the responsibilities of our employees. We do 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.

The Group complies with related laws and regulations, including but not limited to Prevention of Bribery Ordinance of Hong Kong. During the Year, the Group has not received any whistle-blowing case, lawsuit case and illegal case related to corruption.

The following comments on operation were raised at the focus group by the stakeholders for the Year. The Group will take these suggestions into consideration in refining its measures in the operation while continuously communicating with stakeholders.



保障客戶私隱及知識產權

同仁堂尊重客戶私隱及保障知識產權。我們致力保護營運過程中從購買記錄以至病歷所收集的客戶私隱，同時，亦避免侵犯其他公司及個人的知識產權。我們的員工手冊列明員工在資料保密方面的責任，所有員工不得未經書面同意對外洩露資訊、私自將保密文件覆印、保存或帶離公司。倘客戶懷疑其私隱或知識產權受到侵犯，可透過電話、電郵、書面形式或親臨門市反映或投訴，我們會詳細展開記錄及調查。

本集團的客戶資料收集及管理遵守有關法律及規例，包括（但不限於）香港《個人資料（私隱）條例》。本年，本集團並無有關的客戶私隱及知識產權的違規案例。

反貪污

公平、道德及合規的營商及工作環境是本集團健康發展的根基。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。根據本集團的內部審計規章制度及內部控制體系，內部審計部門負責監察集團經營活動，確保內部審計及內部控制體系行之有效，以持續優化內部監督、風險控制及反腐敗管理。我們於內部審計手冊及員工手冊列明對員工的期望，明確員工的責任。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。

本集團遵守相關法律及規例，包括（但不限於）香港《防止賄賂條例》。本年，本集團並無有關貪污的舉報個案、訴訟案件及違法違規個案。

持份者本年焦點小組提出了以下有關營運的評價，本集團會在未來優化其營運時考慮此等建議，並持續與持份者溝通。

Issues of concern to stakeholders 持份者關注的議題	Comments from stakeholders 持份者的評價
Supplier management 供應商管理	<ul style="list-style-type: none"> The Group has selected the best supplier based on its evaluation and comparison on the suppliers' prices, quality and past cooperation experience. 本集團對供應商的價格、質量、過往合作經驗等進行考察評比，選擇最優供應商。
Product responsibility 產品責任	<ul style="list-style-type: none"> The Group has regulated its production technique to ensure product production quality. 本集團生產工藝規範，產品生產質量得到保障。
Working environment with ethics and compliance 道德及合規的工作環境	<ul style="list-style-type: none"> The Group has upheld the concept of integrity, senior management and employees are well behaved. 本集團踐行廉潔理念，高級管理人員及員工行為規範。

Looking ahead, the Group will continue to optimise relevant policies relating to product responsibility and anti-corruption. 展望未來，本集團將持續完善產品責任及反貪污相關政策。

The concerted efforts of the employees are fundamental to the development of Tong Ren Tang. 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.

Work Health and Safety

The Group provides a safe and healthy working environment for employees and adheres to the production principle of safety, hygiene and “zero accident”. Based on the requirements of various workplace and job natures, we developed safety measures and guidelines for our employees to clarify the safe operation procedures for each position, aiming at minimising the risk of injury and occupational diseases.

To enhance employees’ health and safety awareness, we develop annual training plan which including 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 session and assessment results for each employee to ensure employees obtain necessary safety knowledge for the positions. Specific production staff are exposed to relatively high risk during the operation of the Group. To make sure they have sufficient knowledge about factory safety, we regularly conduct safety production training. All new recruits are required to undertake 4 designated training, including training on safety management, traffic safety management, fire safety management and security management.

員工的努力及成果共享是同仁堂發展的基石。我們致力堅持「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。

工作健康與安全

本集團為員工建立健康安全的工作環境，堅持安全、衛生及「零意外」的生產方針。按各工作場所及工種需求，我們為員工制定安全措施及指引，闡明各崗位安全操作規程，以減少受傷及罹患職業性疾病的風險。

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。全職專責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，我們定期進行安全生產培訓。每位新員工皆須接受4個指定培訓，包括安全管理、交通安全管理、防火安全管理及治安保衛安全管理。



Employee Team Building Activity

員工團建活動

Auckland 奧克蘭



Gathering for celebration of Chinese medicine practitioner festival

中國醫師節聚餐

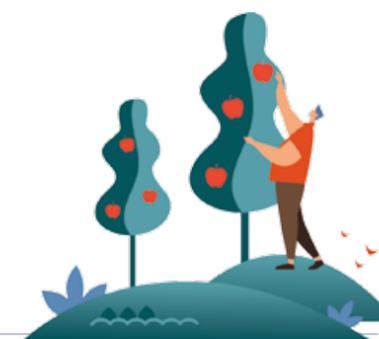
Dubai 迪拜



Employee Team Building Activity

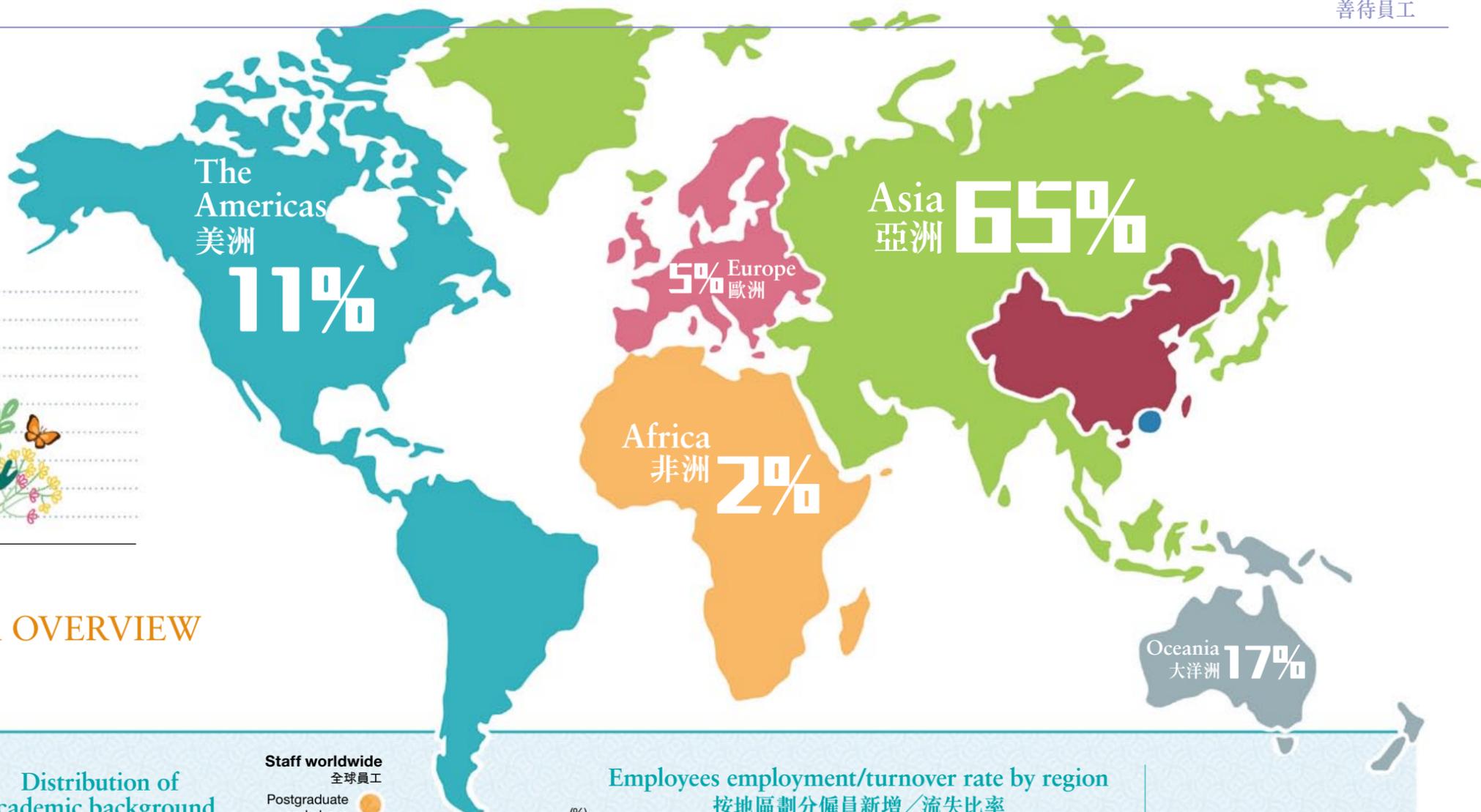
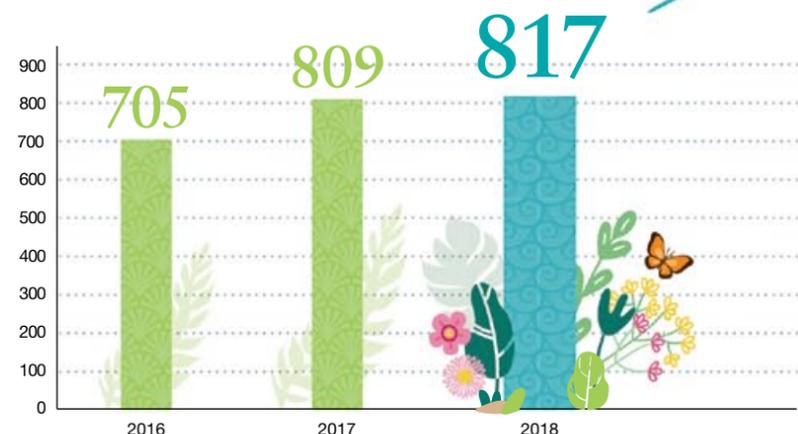
員工團建活動

Czech Republic 捷克

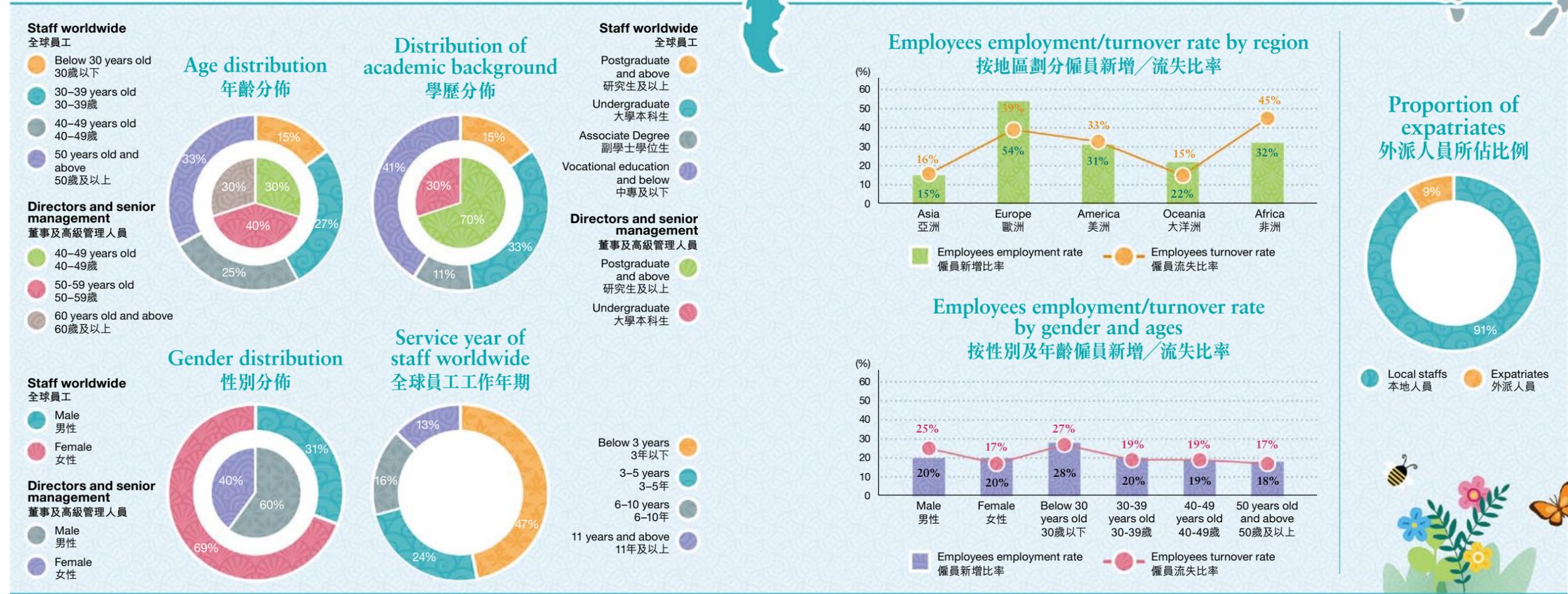


GLOBAL DISTRIBUTION OF STAFF 全球員工分佈

Number of employees worldwide
全球員工人數



EMPLOYEES RATED DATA OVERVIEW FOR THE YEAR OF 2018 2018年度員工相關數據總覽



Summary of Health and Safety Training for the Year

年內健康及安全培訓摘要

Fire safety management and fire protection training 防火安全管理及消防培訓	Staff were provided with an instruction on the use of firefighting equipment and safety matters that require their attention, which covers introduction to fire escape stairs and emergency exits within plants, existing firefighting equipment and steps in using such equipment. 向員工講解消防設備的使用方法及需要注意的安全事項，包括介紹廠房的逃生樓梯、逃生出口及廠房現有的消防設備，及其用途及使用方法。
Staff hygiene and disciplinary training 員工衛生及紀律培訓	Employees were engaged in a discussion on the production hygiene and handling procedure of essential pharmaceuticals and safety matters that require their attention, in order to understand the importance of drug production hygiene and enhance safety and hygiene of the plant. 向員工提供基本藥品生產衛生及處理方法及需要注意的安全事項，以瞭解藥品生產安全的重要性及加強工廠的安全及衛生。
"Prevention of Lower Limb Disorders" by the Labour Department 勞工處《預防下肢勞損》講座	Employees were given an introduction on the symptoms of common lower limb disorders such as plantar fasciitis, varicose veins and osteoarthritis of the knee, relevant treatment and preventive measures, as well as a demonstration of workplace exercises. 向員工介紹常見的下肢毛病，包括足底筋膜炎、下肢靜脈曲張和膝骨關節炎的徵狀、治療及預防下肢勞損方法，並示範工作間運動。

Inflammables items in kitchen are stored in designated space with good ventilation, smoke exhaust and fire safety systems in compliance with the safety standards. A valid license has been granted to us that we conduct annual safety and electricity inspection through Fire Services Department to achieve zero accidents and put safety first.

The Group complies with laws and regulation relating to occupational safety and health, including but not limited to Occupational Safety and Health Ordinance of Hong Kong. During the Year, the Group recorded no work-related injury or occupational diseases nor was there any non-compliance of laws and regulations in relation to health and safety.

廠房的易燃品被存放於指定的專屬空間，存放空間已設置良好的抽風、抽氣及安全防火設施，符合法定安全標準。我們持有有效牌照，每一年亦通過消防處進行安全及電力驗證，保證零事故，安全至上。

本集團遵守有關職業安全及健康法律及規例，包括（但不限於）香港《職業安全及健康條例》。本年，本集團無工傷及職業病個案，亦無發現與健康及安全相關的違法或違規個案。



Fire safety training
防火安全培訓
Hong Kong 香港



Product knowledge training
產品知識培訓
Hong Kong 香港

Employment System

To enhance our competitiveness, the Group believes that a friendly, equal, diversified working environment with mutual respect helps the employees capitalize on their strengths and retain capable staff. The staff manual stipulates the requirements related to compensation, promotion, working hours and holidays, which provides the staff with an overview of the employment terms and human resources policies.

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 regularly assess and review the remuneration and benefits policies with reference to the industry practices of each regional market. Meanwhile, annual performance-based bonus and awards will be issued to individual or team so as to support, recognize and motivate employees.

Apart from local statutory holidays for the employee benefits, we also provide additional paid holidays, such as marriage leave, maternity leave, paternity leave, compassionate leave and home leave. Meanwhile, we provide annual medical check-up and traditional Chinese medicine physician consultation services free of charge to employees for their physical and mental wellbeings. Basic medical and accident insurance are also offered.

Furthermore, we also 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.

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，吸引員工留任，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。

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。我們定期評估各地區市場的薪酬水平和行業慣例，檢討薪酬及福利政策，同時根據員工個人或團隊年度表現發放獎金及獎項，以支持、表揚及激勵員工。

在員工福利方面，除當地法定假期外，我們還向員工提供額外有薪假期，包括婚假、產假、侍產假、喪假及探親假等。同時，我們關注員工身心健康，每年為員工安排身體檢查，提供免費中醫諮詢服務，以及基本醫療和意外保險。

此外，我們亦十分關注員工的業餘生活。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。

**International Women's Day
Floral Salon Workshop**
三八婦女節花藝沙龍活動
Hong Kong 香港



On the Women's Day on 8 March 2018, the Company specially organized a floral salon workshop for female employees to learn flower arranging techniques and tips from the tutor. The employees expressed their sincere blessings with their own artificial flower arrangement. Furthermore, in the celebration of the 40th anniversary of reform and opening up of China, the Company also organised employees to visit the Shenzhen museum, provided the employees with opportunity to learn the history and the glorious achievements of China's reform and opening up, during which, everyone was encouraged to pursue the initial goal and continue to be innovative.

The Group complies with employment-related laws and regulations, including but not limited to Employment Ordinance, Employees' Compensation Ordinance, various discrimination ordinances and Personal Data (Privacy) Ordinance. During the Year, the Group has not noted any cases of non-compliance in relation to employment.

本年三八婦女節之際，本公司特別組織花藝沙龍讓女員工能夠歡聚一堂，跟花藝老師學習插花的操作技巧和注意要領，並現場製作屬於自己的獨有作品，在花的海洋裡送上最真摯的祝福。另外，為紀念改革開放四十週年，本公司亦組織員工前往深圳博物館參觀，讓員工有機會瞭解改革開放的歷史以及改革開放所取得的輝煌成就，激勵大家不忘初心，持續創新。

本集團遵守有關僱傭法律及規例，包括（但不限於）《僱傭條例》、《僱員補償條例》、各種歧視條例及《個人資料（私隱）條例》。本年，本集團並無發現與僱傭相關的違法違規個案。

Development and Training

Adhering to the concept of "business growth driven by talent", Tong Ren Tang supports talent sustainability and career planning of the employees to nurture talents and strengthen their sense of belongings. We specifically design training programs based on the requirements of each position.

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。我們按各工作崗位需要，制訂合適的培訓計劃。



Shenzhen Museum Visit
參觀深圳博物館
Shenzhen 深圳

The training programs cover corporate culture, code of conduct, job knowledge and skills which aimed to enhance their overall quality. In order to optimise the training approach, we regularly collect opinions from employees to review and update the training programs. We also maintain detailed training records for each employee in order to help them review the results of their training and assessments for their continuously improvement of professional skills.

The Group places great importance to employees' long term development. The staff manual listing out the promotion system which provides defined guidelines for the employees. In order to formulate a suitable development direction for the employees, we evaluate and give feedback on the performance of the employees through regular performance appraisal and assessment.

培訓主題主要涵蓋企業文化、行為操守、工作知識和專業技能等方面，以提高員工綜合質素。為完善培訓方針，我們定期收集員工意見，檢討及更新培訓內容。每位員工均有詳細培訓檔案，幫助其檢視所參與的培訓及考核結果，以持續提升其專業技能。

我們重視員工的長遠發展，於《員工手冊》訂明晉升流程制度，為員工提供明確指引。我們定期透過績效評估及考核，評價和反饋員工的工作表現，為員工擬訂合適的發展方針。



Directors and senior management training
董事及高級管理人員培訓
Hong Kong 香港



Employee Team Building Activity
員工團建活動
Malaysia 馬來西亞



Badminton Competition
羽毛球比賽
Brunei 汶萊



Visited Tong Ren Tang outlet located at Dashilan, Beijing
參觀同仁堂位於北京大柵欄藥店
Beijing 北京



Badminton Competition
羽毛球比賽
Czech Republic 捷克



Labour Standard

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 without being forced. According to the resignation procedure set out in the staff manual, employees may voluntarily resign with 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 also cooperate in the investigation to assist the victim employee. The employees who have engaged in non-compliance is subject to disciplinary actions.

The Group complies with employment and labour-related laws and regulations, such as “Employment Ordinance”, “Employees’ Compensation Ordinance”, “Minimum Wage Ordinance” and “Personal Data (Privacy) Ordinance”. During the Year, the Group has not identified any cases of non-compliance in relation to child labour or forced labour.

The following comment and suggestion on employment were raised at the focus group by the stakeholders for the Year. The Group will take these issues into consideration in optimising its operations and continuously communicate with stakeholders.

勞工準則

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，再記錄存檔。我們只要求員工履行僱傭合約的條款及相應崗位訂明的職責，禁止使用強制勞動。員工可依《員工手冊》內的離職流程，按僱傭合約所訂的通知期或代通知金自願辭職。如發現有關童工或強制勞工的違規情況，會依從相關法律法規報告有關政府部門，配合調查，協助受害員工，並對確認違規的員工作出紀律處分。

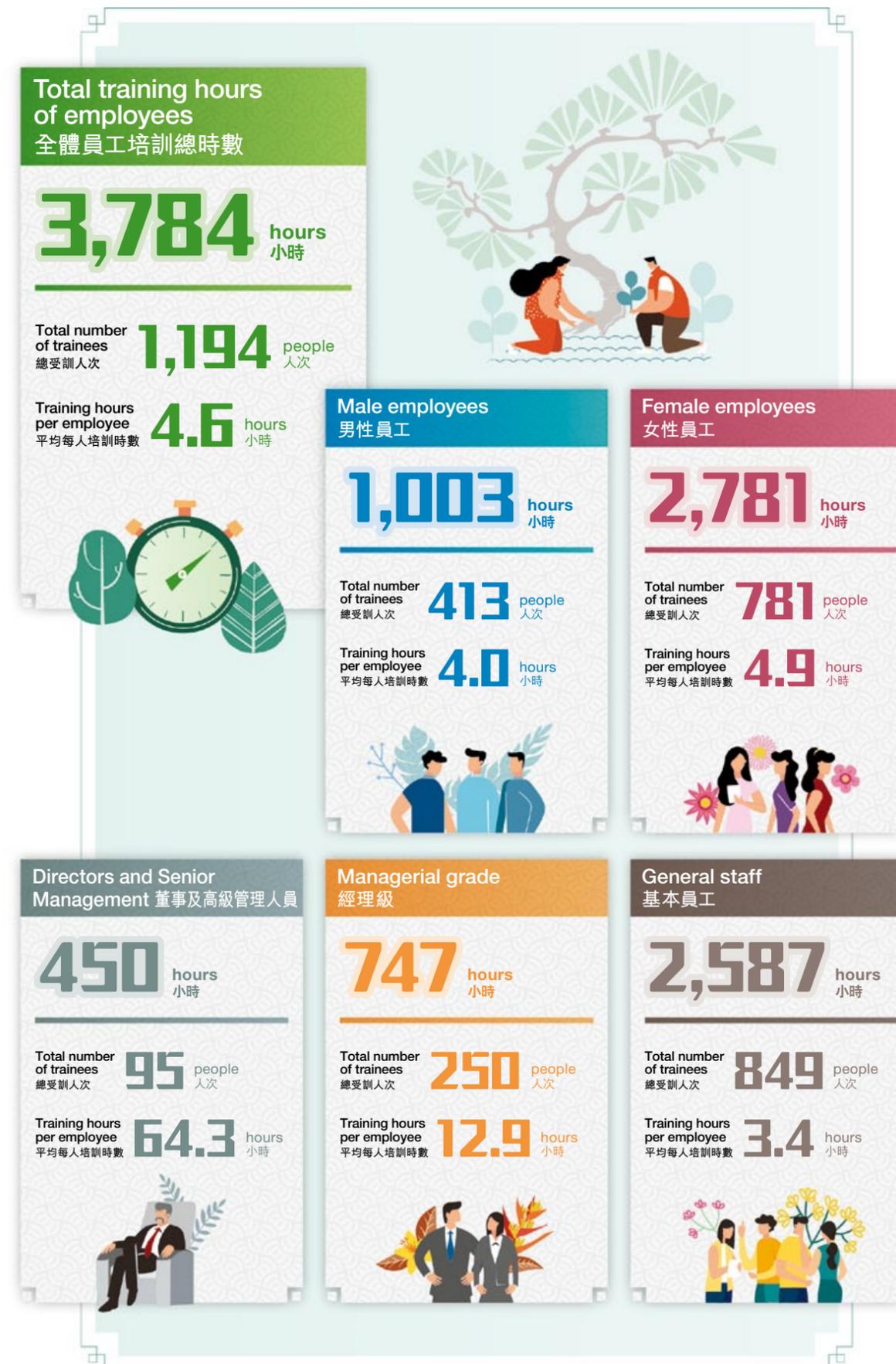
本集團遵守與僱傭及勞工準則相關的法律及規例，例如《僱傭條例》、《僱員補償條例》、《最低工資條例》及《個人資料(私隱)條例》。本年，本集團無發現有關童工或強制勞工的違法違規個案。

持份者本年焦點小組提出了以下有關僱傭的意見及建議，本集團會在未來優化其管理時考慮此等建議，並持續與持份者溝通。

Issues of concern to stakeholders 持份者關注的議題	Comment and suggestion from stakeholders 持份者評價及建議
Employee benefits 員工福利	<ul style="list-style-type: none"> The Group has provided benefits that are better than the market average level, including health insurance, additional leaves for Spring Festival holiday, as well as holidays and subsidies during severe weather conditions such as typhoon “Mangkhut”, showing care to its employees. 本集團提供了優於市場平均水平的福利，如健康保險、額外的春節假期、及颱風「山竹」等災害天氣時的額外假期及補貼等，體現本集團對員工的人文關懷。
Employee training 員工培訓	<ul style="list-style-type: none"> The Group is suggested to focus on the employees’ needs for optimising training system and increasing on-the-job training relating to employees’ professional knowledge and industry trends. Moreover, the staff at retail stores shall be offered more training to increase their knowledge and understanding of our products. 建議從員工需求出發，完善培訓制度，增加針對員工專業知識及行業趨勢的在職培訓。對於零售門店職員，需增加培訓增加其對產品知識的認知了解。

Looking ahead, the Group will continue to optimise relevant policies relating to health and safety, employment, development and training, and labour standard, so as to further improve the management procedures.

展望未來，本集團將持續完善有關健康與安全、僱傭、發展及培訓以及勞工準則的政策，並進一步完善管理流程。



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. Complying with the environment-related law and regulations, we 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.

Energy and Emissions

Carbon emission

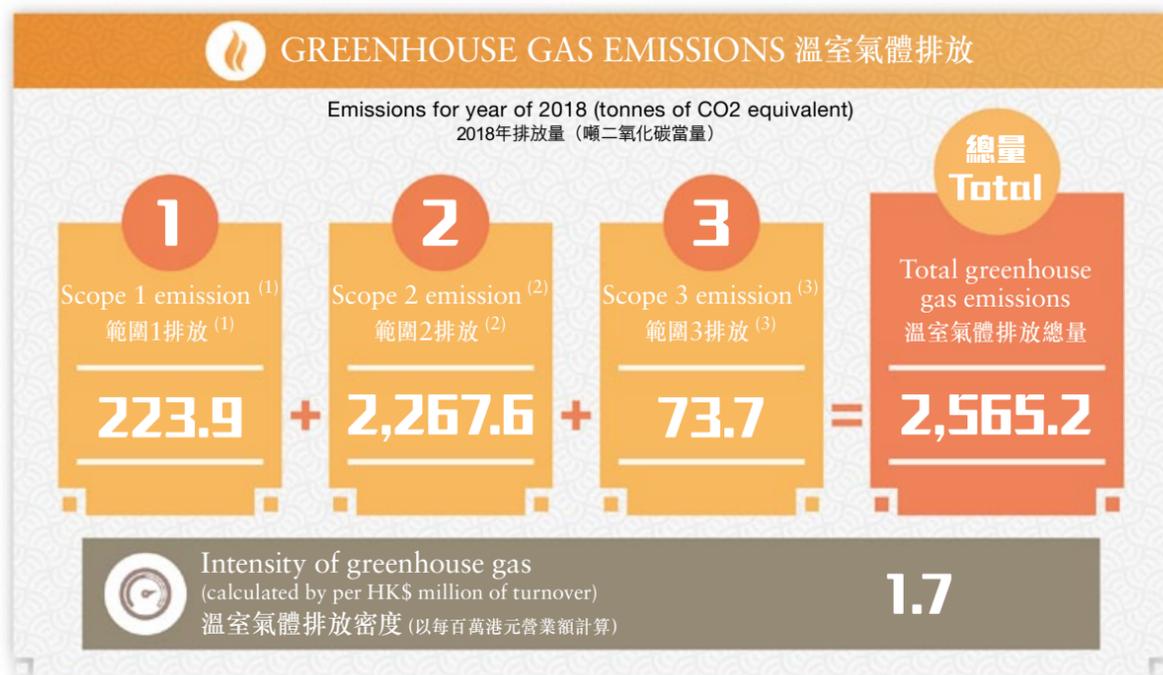
During the Year, the Group commissioned an independent consultant to conduct a carbon assessment for quantifying the greenhouse gas emissions (or “carbon emissions”) generated from its operations. The quantification process is carried out based on the Greenhouse gas protocol: a corporate accounting and reporting standard, ISO14064-1 and other International standards.

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。我們依循相關環境的法律法規，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。我們透過標準化排放物處理、節約資源措施及提高員工意識，把控及持續完善環境表現。

能源及排放

碳排放

本集團本年委託獨立顧問公司進行碳評估，以量化其營運產生的溫室氣體排放（或稱「碳排放」），量化的過程參考溫室氣體核算體系：企業核算與報告標準及 ISO14064-1 等其他國際標準進行。

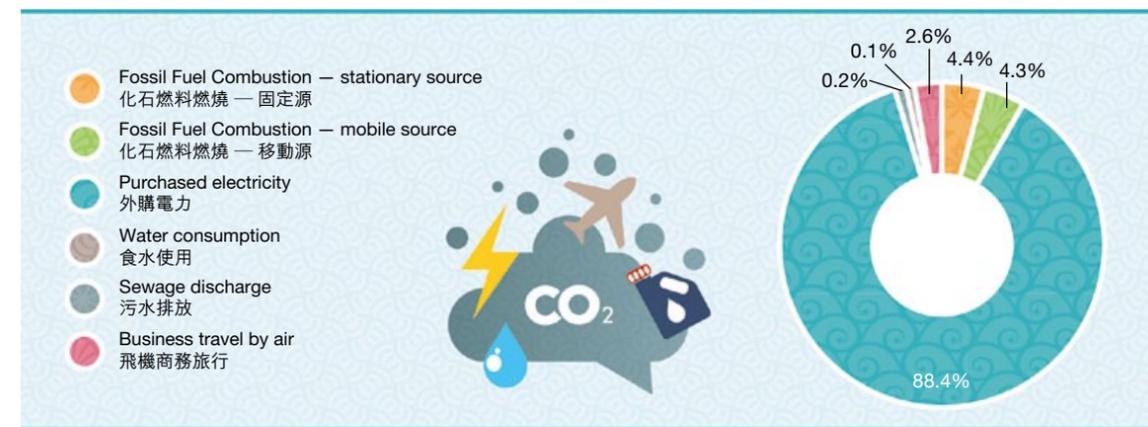


Notes 附註：

- (1) 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。
- (2) Scope 2 includes indirect greenhouse gas emissions from purchased energy. 範圍2包括來自從外購能源的間接溫室氣體排放。
- (3) Scope 3 only includes other indirect greenhouse gas emissions arising from employees in Hong Kong traveling by air, and the electricity consumption derived from water and sewage treatment by the Water Supplies Department and the Drainage Services Department, respectively. 範圍3只包括香港僱員乘搭飛機出外公幹與水務署處理食水及渠務署處理污水時耗用電力所引致的其他間接溫室氣體排放。

GREENHOUSE GAS EMISSIONS (BY SOURCES)

溫室氣體排放量(按排放源劃分)

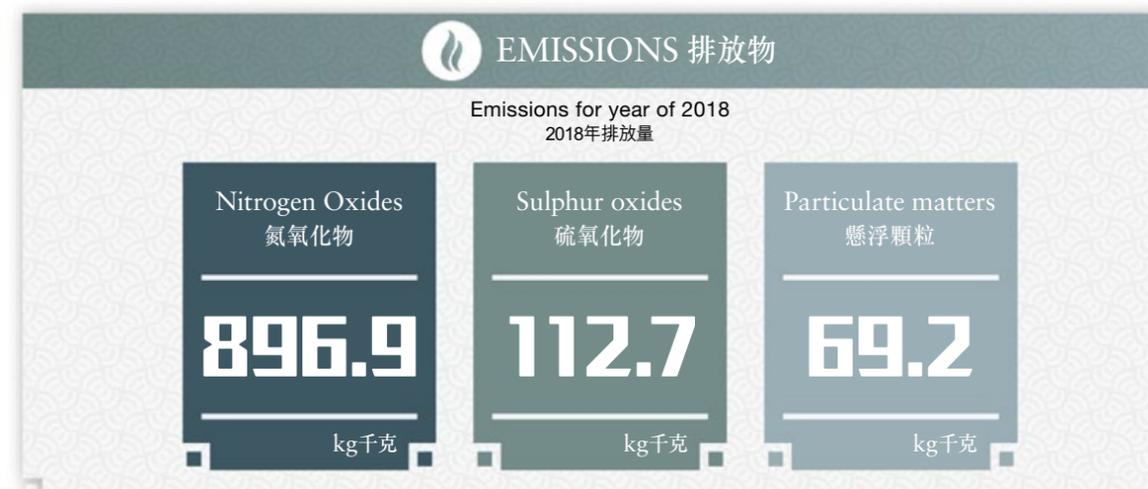


During the Year, the Group’s total carbon emissions were 2,565.2 tonnes. The Group’s carbon emissions were mainly from the use of purchased electricity in Scope 2, which accounted for about 88% of the total emissions, followed by burning of fossil fuel in stationary combustion units in Scope 1, which accounted for about 4% of the total emissions. In response to the major sources of carbon emissions, the Group will continue to assess, record and annually disclose its greenhouse gas emissions and other environmental data. The Group will further use the data for the Year as a benchmark for comparison with future data, so as to review the effectiveness of ongoing measures and help further development of emission reduction targets in the future.

本年，本集團的總碳排放為2,565.2公噸。本集團的碳排放主要來自範圍二之外購電力使用，佔總排放量約88%，其次為範圍一之固定源的化石燃料燃燒，約佔總排放量的4%。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，並以本年的數據作基準，與往後數據作比較，從而檢討現行措施成效，有助日後進一步制定減排目標。

Air pollutant

空氣污染物



Air pollutants are mainly generated from emissions from the combustion of gasoline and diesel when using vehicles.

空氣污染物的主要源自使用車輛時燃燒汽油及柴油產生排放。

Energy Consumption

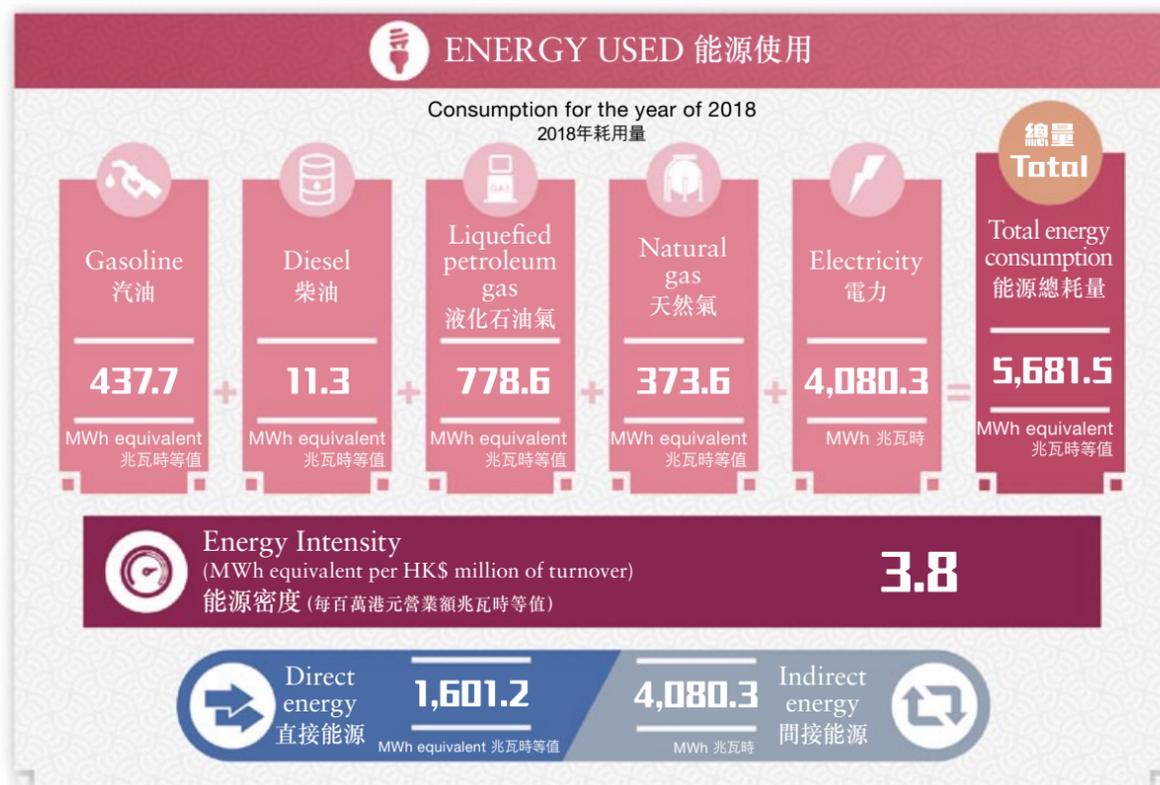
During the Year, the Group's power consumption was 4,080 Mwh.

Other energy usage includes liquefied petroleum gas, natural gas and oil consumption for vehicles. 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 44% of the Group's total electricity consumption.

能源使用

本年，本集團的總耗電量為4,080兆瓦時。

其他的能源使用包括液化石油氣、天然氣及車輛用油。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44%。



The Group's power consumption is mainly generated from Tai Po Production and R&D Base, office and retail outlets.

The indirect emission resulting from the power consumption becomes the primary source of the Group's greenhouse gas emission. The Group controls carbon emission from its operation through the following energy-saving measures:

本集團的耗電主要來自大埔生產研發基地、辦公室和零售終端。

耗電造成的間接排放是本集團溫室氣體排放的主要來源。本集團實施以下節能措施，以控制營運的碳排放：

Energy saving system 節能系統

- The air conditioning and lighting system of Tai Po Production and R&D Base are set at day or night modes to reduce the energy consumption during night time.
大埔生產研發基地和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。
- Air-conditioning temperature of office is set at 25.5°C.
調較空調系統，維持辦公室室溫25.5°C。
- Install timers along the corridor, the surroundings and the concourse of the Tai Po Production and R&D Base to reduce the energy consumption.
於大埔生產研發基地走廊、周邊及大堂設立時間掣，減少能源消耗。

- 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。
- 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。
- Adopt energy-saving lamps with higher energy efficiency.
選用高能源效益的節能燈具。
- Taking into account the actual needs, timers are installed for outdoor advertising signs so that they 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。



Check and maintenance 檢查保養

- 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。
- 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。
- Report abnormalities for immediate repair arrangement.
發現異常情況時立即進行維修。



Consumption monitoring and control 用量監控

- 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。
- Collect and review electricity usage on a regular basis to analyze, so as to rectify any cases of misuse.
定期收集和檢視用電量作分析。如有濫用情況，將及時糾正。



Staff's awareness 員工意識

- Regularly educate the employees on the importance of energy conservation and saving.
定期灌輸員工節省電的重要性。
- Remind the employers to switch off electrical equipment after working hours.
提示員工於辦公以外時間關掉電源。



During the Year, we gradually replace traditional lightings with LED lights for the staircases, corridors and some public areas at Tai Po Production and R&D Base to advocate environmental protection and energy conservation. As there is no ultraviolet and infrared spectra, the LED lights give zero-radiation and low heat, it benefits environment a lot.

Looking forward, the Group plans to continue implementing energy conservation and optimising environmental protection measures.

本年，位於大埔生產研發基地內所有樓梯通道、走廊及部分公眾地方逐步全面更換LED燈以支持環保和節省能源。因LED燈之光譜中沒有紫外線和紅外線，亦沒有輻射和低熱量，使環保效益更佳。

展望未來，本集團計劃持續執行及完善節能環保措施。

Water Resources

Wastewater management

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 production and R&D base every five 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.

Water consumption management

The Group's total water consumption for the year was 12,884 m³, and the water consumption intensity was 8.5 m³/revenue (HK\$'million). The Group had no issue in sourcing water for the year. As we fully understand that water is a valuable natural resource sharing between humans. We pay great emphasis on water conservation and require the employees to be prudent in the use of water resources without wastage. The below measures are also implemented:

水資源

污水管理

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。

用水管理

本年，本集團的總耗水量為12,884立方米，耗水密度為8.5立方米／百萬港元營業額。本集團本年在求取適用水源上並沒有任何問題。我們深明食水是地球上寶貴的自然資源，亦是人類的共享資源。我們重視節約用水，要求員工秉持合理用水、杜絕浪費的原則，並執行以下措施：

Water conservation 節約用水

- Staff are required to consume water without wastage. 要求員工秉持合理用水、杜絕浪費的原則。
- We require all water valves to be closed timely to prevent leakage. 要求用水閘門及時關好，防止「跑、冒、滴、漏」。



Routine inspection 恒常檢查

- We also promptly repair leaks to prevent further wastage. 發生有關「跑、冒、滴、漏」的情況時立即進行維修，防止進一步流失食水。
- We regularly perform inspection and maintenance to ensure proper functioning of water equipment and pipes. 定期檢查和保養用水設備及管道，確保正常運作。



Staff's awareness 員工意識

- Regularly educate the employees on the importance of water conservation. 定期灌輸員工節約用水的重要性。
- Remind the employees to use water without wastage and follow the measures implemented by the Group. 提醒員工審慎用水，避免浪費，配合集團的措施。



Consumption monitoring and control 用量監控

- Maintain water consumption at a reasonable level based on the production requirement. 按照生產需求，合理地安排用水。
- Perform monthly meter-reading to monitor the water usage for further analysis and response, so as to timely rectify any cases of misuse. 每月進行抄錶工作，監測用水量，作分析反饋；如有濫用情況，將及時糾正。
- Where there are irregularities in water consumption record, we will carry out repair, maintenance or replacement. 如水錶紀錄出現異常，立即進行檢查、維修或更換。



During the Year, as one of the water meters and connecting pipes at Tai Po Production and R&D Base showed evidence of wear and deterioration, we immediately replaced the water meter and renovated the pipes to prevent leakage and avoid wasting in a prompt manner.

The production equipment, containers and tools are cleaned and sterilized with self-produced purified water and formulated alcohol. The cleaning and disinfection of immediate containers are processed without the use of detergents. The water discharged are "residue-free, pollution-free", which minimise the damage to medicine preparation and environmental pollution and achieve win-win situations. We adopt food-grade lubricants on production equipment as these are easily degraded and environmentally friendly.

本年，大埔生產研發基地內其中一個水錶及連接管道出現破損老化痕跡，我們已立刻進行水錶更換及管道翻新工程，及時預防漏水，減少浪費。

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，排出的用水為「零殘留、零污染」，把製藥過程及環境污染的損害程度減到最低。而生產設備所使用的潤滑劑亦採用食品等級，容易分解，減少污染。



Waste Management

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 in our 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.

Hazardous waste⁽¹⁾ 有害廢棄物⁽¹⁾

Limited chemicals and other hazardous wastes are generated in the testing 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.

我們的檢測過程只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則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
化學品及其他有害廢棄物

- We understand that the chemicals we use in experiment pose a potential threat to the staff and public health and cause pollution to the environment. Therefore, we implemented treatment and control measures on chemicals and other hazardous waste, which is administered and supervised by laboratory management in accordance with Hazardous Chemicals Control Ordinance of Hong Kong.

我們深明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，我們依照香港《有毒化學品管制條例》制定化學品等有害廢棄物處理控制措施，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，獨立存放於設有防流失、防洩漏、防飛揚及防爆等的設施。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 of — “Used or Contaminated Sharps”. The medical waste treatment methods prepared by us complies with “Waste Disposal Ordinance” and “Codes of Practice for the Management of Clinical Waste”. Our staff at retail outlets is 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」。我們依循香港《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，供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，我們亦須向環境保護署遞交相關申請，以便跟進。

The Group complies with relevant laws and regulations relating to emission, including but not limited to “Air Pollution Control Ordinance”, “Ozone Layer Protection Ordinance”, “Water Pollution Control Ordinance” and “Waste Disposal Ordinance”. During the Year, the Group has not noted any cases of non-compliance in relation to emission.

Going forward, we will further improve recycling measures, such as placing waste separation bins and executing kitchen waste recycling at the Tai Po Production and R&D Base and office. Meanwhile, we also intend to liaise and enter a contract with recycling companies, requiring them to provide relevant data on waste collection, so as to assist the Group in optimising relevant disclosure and continuous management.

本集團遵守排放物相關法律及規例，包括（但不限於）香港《空氣污染管制條例》、《臭氧層條例》、《水污染管制條例》及《廢物處置條例》。本年，本集團並無發現有關排放物的違法違規個案。

展望未來，我們將進一步完善資源回收的措施，如考慮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，要求垃圾回收公司提供廢棄物數據收集相關數據，協助本集團完善相關披露及持續改善管理。

Note 附註：

⁽¹⁾ The Group generated only limited hazardous wastes and will consider to further improve relevant data collection. 本集團只牽涉少量有害廢棄物，將進一步考慮完善未來記錄收集。

廢棄物管理

本集團重視廢棄物對環境、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，針對各廢棄物訂立監管及處理措施。

Non-hazardous waste 無害廢棄物

The waste generated in our 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.

我們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 waste
生產及包裝品垃圾

We adopt the approach of “purchase on demand, select the best quality”, 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. We also require employees to collect and separate recyclable waste, which will be sent to waste collector for recycling.

我們堅持「按需購進」的原則，按產品生產量採購相應數量的包裝材料。我們鼓勵大埔生產研發基地員工循環再用，禁止任意丟棄可回收廢棄物，如報紙及紙箱。我們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. 我們收集及儲存大埔生產研發基地食堂的廚餘於專屬垃圾桶，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。

Office staff are required to reuse and recycle: 我們鼓勵辦公室員工物盡其用及分類回收：

- Adopt paperless communications to reduce printing 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 recycler 收集紙張、墨水匣、舊電池等，交由回收商處理





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 social stakeholders on sustainability, intends to reduce the ecological impact of product life cycle, from raw materials sourcing to the waste generated from the use of products.

Greening

The Group planted a wide variety of trees, flowers and plants in the area of approximately 10,500 m² (net floor area) situated in the Tai Po Production and R&D Base and its surrounding environment, in order to beautify the environment and create a better living environment. Meanwhile, greening offers many advantages, such as lowering the temperature and relieving from the heat.



During the Year, the Group was aware of the comments and suggestions of stakeholders on environment management through the focus group. Looking ahead, the Group will improve relevant policies and management and continue to communicate with stakeholders.

環境及天然資源

本集團在日常營運中遵守法律法規，定期監察各營運點以確保排放物符合法定要求。本集團的日常營運雖然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提高對可持續發展的關注，本集團將計劃從產品生命週期角度，如藥品原材料的採購以至產品使用後所帶來的廢棄物，考慮減低對生態環境的影響。

綠化環境

本集團於大埔生產研發基地內約10,500平方米(實用面積)的用地，以及廠區四邊及樓與樓之間種上各式各樣樹木、花草、盆栽等，以美化環境，創造良好生活環境。同時，綠化帶來各種好處，如降低溫度、消暑納涼。

本集團本年透過焦點小組了解持份者對環境管理的評價及建議。展望未來，本集團將完善相關政策及管理，並持續與持份者溝通。

Issues of concern to stakeholders 持份者關注的議題	Comments from stakeholders 持份者評價	Suggestions 建議
Energy Consumption 能源使用	<ul style="list-style-type: none"> Tai Po Production and R&D Base has invested resources to reduce the environmental impact of our production and operations, such as using energy-saving lights. 大埔生產研發基地已投入資源以減少生產營運對環境的影響，例如使用節能燈。 We also adopted various energy-saving and emission reduction measures in offices, such as setting the air-conditioning temperature at 25.5°C and recycling batteries and toner cartridges. 我們於辦公室亦採取節能減排措施，例如將空調溫度設置於25.5°C，以及回收電池和碳粉盒。 	<ul style="list-style-type: none"> The Group is recommended to install solar panels on the rooftop of Tai Po Factory Complex. On the one hand, renewable energy can be generated for supplying power to the site, while on the other hand, on-grid connection for distributed power can be achieved and contributed to the surrounding communities. 建議於大埔工廠綜合大樓樓頂安裝太陽能板，一方面可引入可再生能源供給廠區電力，另一方面也可將分佈式電力並網捐獻給周邊社區。
Waste Treatment 廢棄物處理	<ul style="list-style-type: none"> Retail outlets have established detailed process and standard for medical waste disposal. 零售終端已有製定詳細的醫療廢棄物處理流程及標準。 Tai Po Production and R&D Base has standardised the storage and treatment process of hazardous waste and reduced the use of cleaning chemicals. 大埔生產研發基地已規範有害廢棄物的存放及處理流程，減少使用化學清潔劑。 Tai Po Production and R&D Base has implemented the recycling of carton boxes and tapes, and donated used furniture and electrical appliances to relevant recycling institutions. 大埔生產研發基地已實行回收使用紙箱及膠帶等物品，將廢舊的家具及電器捐獻予相關回收機構。 	<ul style="list-style-type: none"> The Group is suggested to institutionalise the practice of donating used items (such as computers and tables and chairs) to welfare organizations and extend the practice across the operations network of the Group. 建議向福利機構捐獻廢舊物品(如電腦和桌椅等)的做法制度化並推廣至全集團營運地點。
Greening 綠化環境	<ul style="list-style-type: none"> The plant species for greening Tai Po Production and R&D Base have been deliberately selected and planned. 大埔生產研發基地的綠化植物種類都經認真擇選、規劃設計。 	<ul style="list-style-type: none"> The Group is recommended to increase indoor greening at the office and retail stores to beautify the working environment. 建議於辦公室及店舖內增加室內綠化，美化工作環境。

Advocating the corporate spirit of “Nurturing kindness and virtue, Preserving tranquility and wellness”, Tong Ren Tang has its social responsibility. We leverage our expertise in TCM to facilitate cooperation among different sectors of society and encourage employees to care for and serve the community. With a vision of “Healthy life, Global choice”, we promote community investment in four aspects, including caring for public health, supporting the grassroots and the underprivileged, promoting culture of TCM, and boosting education of TCM.

同仁堂宣揚「同修仁德，濟世養生」的企業精神，肩負社會責任。我們運用中醫藥的專長，緊密聯繫社會各界合作，鼓勵員工關愛和服務社區。我們以「創造健康，全球共享」為使命願景，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。



Caring for public health 關愛公眾健康

Goals 宗旨	Promoting Chinese medicine healthcare, spreading health knowledge and enhancing health awareness 推廣中藥養生，普及健康知識及提高健康意識
Highlights of the Year 年度摘要	<ul style="list-style-type: none"> 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 offered 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 Participated the “Health Expo” at the Hong Kong Convention and Exhibition Centre in Wanchai, and organised seminars, interactive games and workshops centering on “Preventive Treatment” and “Healthcare Should Be Early” 參加了於香港灣仔會議展覽中心舉辦的《健康博覽》，並以「治未病，趁早保健」為主題，舉辦了相關題目的講座、互動遊戲及工作坊活動



Supporting the Grassroots and the Underprivileged 扶植貧困基層

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

- Highlights of the Year** 年度摘要
- Donated to various charities, including The Community Chest of Hong Kong, Public Free Clinic Society of Singapore, Polish Food Bank, Polish Children's Fund and Hong Kong Sheng Kung Hui Welfare Council Limited ("Sheng Kung Hui")
 慈善捐贈予多間慈善機構，包括香港公益金、新加坡大眾醫院、波蘭食物銀行、波蘭兒童基金會及香港聖公會福利協會有限公司（簡稱「聖公會」）
 - Joined "2017/2018 Hong Kong & Kowloon Walk for Millions" activity organised by the Community Chest
 參加由香港公益金主辦的「2017/2018年度港島、九龍區百萬行」步行籌款活動
 - Joined "Christmas Greetings for the Chest 2018" activity organised by the Community Chest
 參加由香港公益金主辦的「聖誕寄語為公益2018」活動
 - Participated in job fair organised by Hong Kong College of Technology
 參與由香港專業進修學校舉辦的招聘會



Promoting TCM Culture 弘揚中醫藥文化

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

- Highlights of the Year** 年度摘要
- Jointly organised the 2nd International Chinese Medicine Cultural Festival with International Chinese Medicine Cultural Festival Limited and held a series of colorful activities in Beijing and Hong Kong. During the festival, "Chinese Medicine without Border", the first-ever Hong Kong documentary film centered on "Chinese medicine going out" and filmed in Myanmar, Nepal and the Philippines, was on a screening tour. Moreover, through the music concert "Calm and Nurturing", the Chinese Medicine Culture Initiative "Let's Move, Let's Go" laser animation projection, "Doctors' Tales" and "Chinese Medicine without Border" book launch event, cultural and art exhibition and other various forms, the extensive and profound traditional TCM treatment was demonstrated to the public. The festival was held across the world to promote TCM culture and highlighted the beauty of TCM in different forms, perspectives and senses
 與國際中醫藥文化節有限公司合辦第二屆國際中醫藥文化節，於北京及香港舉辦一連串精彩活動，並透過舉辦文化節、香港首部以中醫「走出去」為題及遠赴緬甸、尼泊爾和菲律賓三地拍攝的紀錄電影《中醫無國界》巡迴放映、「中和·養心」音樂會、中醫藥文化的「動起來」與「走出去」光雕投影、《懸壺細說》及《中醫無國界》新書出版分享會，以及「醫情·畫意」影像文化藝術展覽等多樣形式向公眾展示中醫藥文化博大精深之處。是次活動遍佈海外，務求以多元形式、角度和感觀推廣中醫藥文化及展現中醫藥文化魅力
 - Opened Tai Po Production and R&D Base as well as the flagship store at Central to the public on "Capital State-owned Enterprises Open Day"
 透過「首都國企開放日」開放大埔生產研發基地及中環旗艦店予公眾參觀



Promoting Medical Education 推動醫學教育

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

- Highlights of the Year**
年度摘要
- 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
 - Hosted receptions at Tai Po Production and R&D Base and the flagship store in Central for the students from the Department of Applied Science (Chinese Medicine) of Hong Kong Institute of Vocational Education (Chai Wan) and Mingxi Charity Foundation, who participated in visits, learning and interactive activities
接待香港專業教育學院(柴灣)應用科學(中藥)系及明曦公益基金會之學生到大埔生產研發基地及中環旗艦店進行參觀學習與互動



“Show Love and Care to Stroke Prevention 2018”
— Carry forward the corporate culture to “Walk with heart, Walk with love”
「同仁關愛防中風2018」— 弘揚企業精神「同心起步」

In response to the “World Stroke Day”, “Show Love and Care to Stroke Prevention Campaign Month” has been held every year since 2016, with the aim of raising public awareness on stroke and its importance, as well as promoting a healthy lifestyle. During the Year, we have joined hands with Sheng Kung Hui to launch “Show Love and Care to Stroke Prevention 2018” and organise a series of activities centering on “Walk with heart, Walk with love”, hoping to boost public awareness towards stroke prevention, individual and family health and stroke patients.
為響應「世界中風日」，我們自2016年起每年舉辦「同仁關愛防中風」宣傳月活動，旨在提高公眾對中風及其重要性的認知，推廣健康生活習慣。本年內的「同仁關愛防中風2018」與聖公會合辦以「同心起步」為主題的一系列活動，希望帶動大眾起步關注預防中風，關愛自己和家人的健康，關懷中風患者。

“Walk with heart, Walk with love”
「同仁同心健步行」

A number of health-conscious families, 25 stroke patients and their families took part in the walkathon along the waterfront promenade at West Kowloon Cultural District, with a distance of 1.3 km. Some participants carried weight to experience the daily inconvenience of the stroke patients, showing support to the stroke patients and their families at presence. The Company provided a subsidy of HK\$500,000 and over 100 stroke prevention and treatment products to Sheng Kung Hui, in order to help the stroke patients who joined “Stroke Rehabilitation Funding” receiving appropriate treatment.
多個關注健康的家庭和25名中風人士及其家人於西九文化區海濱長廊參與健步活動，齊走1.3公里。部分參加者挑戰負重，體驗中風患者生活舉步維艱之不便，為到場的中風患者及其家人予以支持。本公司捐贈港幣50萬，及逾百份防治中風產品予聖公會，幫助旗下「聖公會中風復康慈惠基金」之中風人士接受適當治療。



“Show Love and Care” experience workshop

「同仁關愛體驗坊」

Through experiential games, the public were able to experience the helplessness of the stroke patients and understand the causes, prevention and treatment for stroke.

Liane Chu, a chronic patient and painter, and Brian Sze, an Outstanding Arts Teacher of the Hong Kong Arts Development Council, together with over 200 children, painted a large-scale mural of 6 meters wide with hand-joined and heart-shaped pictures.

The public painted the heart-shaped pictures on the murals to cheer for the ex-stroke patients.

透過模擬中風遊戲，讓公眾體驗中風無助感，了解中風的成因和預防方法。

長期病患畫家朱麗晴和香港藝術發展局傑出藝術教師施華初，聯同過200位兒童，繪出不同的手牽手心型圖畫，拼湊成6米寬大型愛心壁畫。

公眾可於壁畫上的心型圖案填上色彩，攜手為中風復康者打氣。



Caring the elderly and facilitating harmony among generations to pass the love

關愛地區長者，老幼共融愛相傳

In September and October this year, the health ambassadors of the Company visited a total of 4 elderly service centers in Hong Kong and Macau.

The registered Chinese medicine practitioners of Tong Ren Tang cooperated with the young students of the School of Chinese Medicine, Hong Kong Baptist University to instruct and demonstrate acupressure massage, stretching exercise and healthy diet therapy to elderly for facilitating the harmony between the elderly and youngster and promoting stroke prevention, so as to bring happiness and health to the elderly.

本公司健康大使於本年9及10月探訪香港、澳門共4家長者服務中心。

同仁堂註冊中醫師聯同浸會大學中醫藥系的年青學生，向長者教授及示範預防中風的保健穴位按摩、拉筋運動及健康食療等信息，實行老幼共融，預防中風，務求讓長者快樂、健康同在。

Preserving love and offering medical consultations to benefit the community

延續同仁關愛，義診惠澤社群

For three consecutive days from 29 October to 31 October 2018, the Company has provided free medical consultation services at 15 retail outlets across Hong Kong to arouse public concern over individual and family health.

The Company invited a number of well-known Chinese and Western medicine experts and scholars in Hong Kong to various public health education seminars, so as to promote knowledge and measures on the prevention and cure of stroke.

本公司於本年10月29日至10月31日連續三天，於全港15家零售終端提供免費義診，以喚起公眾對自己及其家人健康的關注。

本公司邀請香港多位知名中西醫專家學者，舉辦多場公眾大型健康講座，加強推廣中風防治知識和方法。



In the further, the Group will continuously to understand and care for the community's needs to optimise relevant policy on community investment, thereby creating values for the society and environment. At the focus group, the stakeholders raised the following comment and suggestions which will be taken into consideration by the Group when formulating plans for community investment for the coming year. The Group will also continue the communication with stakeholders.

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。持份者亦在焦點小組提出了以下的評價及建議，本集團會在計劃來年的社區投資計劃時考慮此等建議，並持續與持份者溝通。

Issues of concern to stakeholders 持份者關注的議題	Comments from stakeholders 持份者評價	Suggestions 建議
Charitable activities 慈善活動	<ul style="list-style-type: none"> The Group offers free medical consultation services, donations, encourages the employees to take part in the fundraising event “Walk For Millions” and other activities. 本集團有組織義診、捐款等，並鼓勵員工參與「百萬行」步行籌款等活動。	<ul style="list-style-type: none"> The Group is recommended to increase community investment activities related to environmental protection or response to natural disasters. 建議增加與環境保護或回應自然災害等相關的社區投資活動。
Involvement in the volunteering activities 義工活動參與度		<ul style="list-style-type: none"> The Group is advised to enhance the promotion of the activities. Incentive-related benefit, such as volunteering leave, could be offered to employees. Employees will also be encouraged if the activities are organised on the afternoon of Friday. 建議增加宣傳，並與員工福利關聯，如設立義工假或利用周五下午進行活動等方法鼓勵員工參與。

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
A1: Emissions 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。	62, 68
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	62-63, 66-70
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	62-63
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	68
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	69
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。	62-71
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。	68-71
A2: Use of Resources 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。	64-70
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	64
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	67
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。	64-65
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。	66-67

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	70
A3: The Environment and Natural Resources 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。	70
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。	70
B1: Employment 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。	53, 57-60
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。	54-55
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。	54-55
B2: Health and Safety 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。	52, 56
B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	52
B2.2	Lost days due to work injury. 因工傷損失工作日數。	52
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。	52, 56
B3: Development and Training 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。	58-60

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
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。	61
B4: Labour Standards 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。	60
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。	60
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。	60
B5: Supply Chain Management 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。	44-45
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	45
B5.2	Description of practices relating to engaging suppliers, how they are implemented and monitored. 描述有關聘用供應商的慣例，以及有關慣例的執行及監察方法。	44-45
B6: Product Responsibility 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。	46-51
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。	48
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。	50-51
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。	44-49

Subject Areas 主要範疇	Description 內容	Page Index 頁碼索引
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。	50-51
B7: Anti-corruption 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。	50-51
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。	50-51
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。	50-51
B8: Community Investment 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。	72-79
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	72-79
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	72-79

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 2018, 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 clearly 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 maintain 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 a number of investment summit organized by the world’s leading investment banks in Hong Kong, Beijing and Singapore and also organized one-on-one and group investor meetings, teleconferences and non-deal roadshows in Hong Kong, Shenzhen and Shanghai, communicating with over 300 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 that participated and roadshows held in 2018 are set out below:

Month 月份	Event 事項	Organizers 主辦機構	Location 地點
January 一月	Hong Kong/China Healthcare, Utilities, Energy & Industrials Corporate Day 香港／中國醫療保健、公用、電力及化學藥品企業日	Morgan Stanley 摩根士丹利	Hong Kong 香港
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	First Shanghai 第一上海	Shenzhen 深圳
	Non-Deal Roadshow 非交易路演	GF Securities 廣發證券	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	China International Capital 中金公司	Shanghai 上海
May 五月	Healthcare Corporate Day 醫療保健企業日	BNP Paribas 法國巴黎銀行	Hong Kong 香港
	4th Annual China Summit 第四屆年度中國峰會	Morgan Stanley 摩根士丹利	Beijing 北京
June 六月	2018 Greater China Healthcare Corporate Day 2018年度大中華區峰會	Credit Suisse 瑞士信貸	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	Credit Suisse 瑞士信貸	Hong Kong 香港
	Non-Deal Roadshow 非交易路演	China International Capital 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
October 十月	Non-Deal Roadshow 非交易路演	Daiwa Capital 大和資本	Hong Kong 香港
November 十一月	8th Annual Greater China Conference 第八屆年度大中華區峰會	Jefferies 富瑞	Hong Kong 香港
	17th Annual Asia Pacific Summit 第十七屆年度亞太區峰會	Morgan Stanley 摩根士丹利	Singapore 新加坡

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。

2018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，本公司管理層亦在香港、北京及新加坡參加多個由世界著名投資銀行舉辦之投資者峰會，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、深圳及上海的非交易路演，與逾300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2018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.

LISTING ON MAIN BOARD OF THE EXCHANGE

On 29 May 2018, the Company successfully transferred its listing from GEM to the Main Board of the Exchange. It was a significant milestone for the Group to enhance the profile of the Group, improve the liquidity of the Company's shares and potential investors' recognitions. On the same day, a press conference was held in Hong Kong to facilitate all investors and the media to better understand the operations and outlook of the Group, as well as to provide them with an access to the Directors and the management.

INCLUDED IN HANG SENG FAMILY OF INDEXES AND ELIGIBLE FOR TRADING THROUGH SHENZHEN-HONG KONG CONNECT

In August 2018, we are included in Hang Seng Family of Indexes. In September 2018, we are also eligible stock which trading through Shenzhen-Hong Kong and opened to the investors in the PRC.



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主頁也在不斷更新，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。



成功於聯交所主板上市

本公司於2018年5月29日成功由聯交所GEM轉到聯交所主板上市。這是本集團一個重要的里程碑以提升本集團形象、增加本公司的股份買賣流動性及潛在投資者認可度。同日，本公司在香港召開新聞發佈會，讓一眾投資者及媒體更了解本集團的業務及前景，並提供與董事及管理層接觸的機會。

躋身恒生指數系列、進入深港通

本年8月，本公司躋身成為一系列恒生指數成份股。本年9月，本公司亦成為深港通的合資格股票，開放予中國的投資者買賣。



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 2018 AGM was held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on 7 May 2018, 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 2018 AGM are set out in the circular dated 31 March 2018. All proposed resolutions were passed by way of poll voting at the 2018 AGM.

The 2019 AGM will be held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on Tuesday, 7 May 2019 at 10:30 a.m..

Share Performance 股價表現

	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)	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)	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)	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)	925	469	424	883	1,120	4,200

MARKET CAPITALISATION⁽¹⁾ 市值⁽¹⁾



DIVIDEND PER SHARE AND DIVIDEND YIELD⁽¹⁾ 每股股息及股息率⁽¹⁾



⁽¹⁾ 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。

■ Dividend per share 每股股息
● Dividend yield 股息率

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。

2018年股東週年大會於2018年5月7日假座香港新界大埔工業邨大景街3號舉行。2018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。2018年股東週年大會上經考慮之主要事項詳情載於日期為2018年3月31日之通函內。所有於2018年股東週年大會上提呈之決議案，均以投票方式獲得通過。

2019年股東週年大會將於2019年5月7日(星期二)早上10時30分假座香港新界大埔工業邨大景街3號舉行。



AWARDS AND RECOGNITION

This Year, the Company participated in selecting activity of the “8th China Securities Golden Bauhinia Awards” organized by Hong Kong Ta Kung Wen Wei Media Group. We stood out from few hundreds of renowned Mainland and local enterprises and have been awarded “The Best Listed Company”. Ms. Ding Yong Ling, our chairman and CEO, also has been awarded “The Best CEO of Listed Company”. In the ceremony, Ms. Ding gave a speech “TCM Serves the Health of the People” to nearly a thousand of elites and leaders of the political and commercial circles, sharing the development of internationalization of TCM in the new era and the experience of Tong Ren Tang’s overseas development. The Chief Executive of the Hong Kong Special Administrative Region, the representatives of the Hong Kong and mainland governance institutes, celebrities of the political and commercial circles, experts and scholars attended the awards ceremony. Local and overseas mainstream media were also attracted to report in the ceremony. The Company’s promotion video was broadcasted in the awards ceremony. Foam boards for promotion of corporate image was set up in the exhibition area of the venue with concerns and praises from the attending guests and media.

屢獲殊榮

本年，本公司參與由《香港大公文匯傳媒集團》主辦的「第八屆中國證券金紫荊獎」評選活動，從數百家國內外知名企業中脫穎而出，榮獲「最佳上市公司」獎項。而本公司主席及首席執行官丁永玲女士更榮獲「最佳上市公司CEO」獎項，並在典禮上向在場近千名城中精英、政商賢才發表「讓中醫藥為世界人民健康服務」的主題演講，詳盡分享新時代中醫藥國際化發展思路，以及同仁堂海外發展形成的豐富經驗。頒獎盛典當天，香港特別行政區行政長官、香港及內地監管機構代表、以及眾多知名企業等政商界名流、專家學者共同出席，也吸引國內外主流媒體前往報導。我們在頒獎典禮現場專門播放了本公司宣傳片，在會場展示區設立了企業形象宣傳展板，受到了與會嘉賓和媒體的關注和盛讚。



EXECUTIVE DIRECTORS

Ding Yong Ling, aged 55, is an executive Director, the chairman of the Board and chief executive officer of the Company and is mainly responsible for our day-to-day operation and management. Ms. Ding has been appointed as a managing director of the Company since September 2004 and has been appointed as chairman of the Board of the Company since 11 March 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 a course for research student under employment in international business administration at Business School of the University of International Business and Economics in April 2002.

Zhang Huan Ping, aged 58, is an executive Director and a deputy general manager of the Company and is mainly responsible for production. Mr. Zhang joined the Company as a deputy general manager in May 2008 and was appointed as a Director on 1 February 2011. 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 Beijing Intermediate Professional Technical Titles Evaluation Committee in November 2002.

Lin Man, aged 43, 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.

執行董事

丁永玲，55歲，本公司執行董事兼董事會主席及首席執行官，主要負責本公司的日常營運及管理。丁女士自2004年9月獲委任為本公司董事總經理，並於2019年3月11日獲委任為本公司董事會主席。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，58歲，本公司執行董事兼副總經理，主要負責生產事宜。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。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，43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。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tsang Yok Sing, Jasper, G.B.M., G.B.S., J.P., aged 71, 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 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 61, was appointed as an independent non-executive Director of the Company on 15 April 2013. Mr. Zhao is currently a professor and an associate dean 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 47, 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. 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，大紫荊勳章、金紫荊星章、太平紳士，71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，61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及副院長，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，47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。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 44, is a deputy general manager of the Company, and is mainly responsible for the brand management, marketing, information management 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.

Anyang Ma, J.P., aged 57, is a deputy general manager of the Company, and is mainly responsible for the project investment. By holding a master's degree of Herbal Medicine from the University of Sydney and a doctorate degree in Clinical Discipline of Chinese and Western Integrative Medicine from the Fujian University of Traditional Chinese Medicine, Mr. Ma is the founder and the managing director of Beijing Tong Ren Tang (Australia) Pty Ltd.. During the past of more than 30 years in his career, Mr. Ma has accumulated extensive experiences in various TCM sectors including chinese herbal medicine processing and manufacturing, import and export, wholesale and retail, research and development, quality assurance, clinics and management. Mr. Ma has been appointed as the committee member of Australian Mirror Committee (HE031) of the Chinese medicine standardization committee under the International Standard Organization (ISO/TC249). Mr. Ma is also the current president of Chinese Medicine Industry Council of Australia (CMIC).

Li Xia, aged 52, 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

The change in the information of the Directors of the Company since the publication of the interim report of the Company for the six months ended 30 June 2018 which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Directors	Detail of changes
<i>Non-executive Director</i>	
Mr. Mei Qun	Retired as the non-executive Director and the chairman of the Board of the Company on 11 March 2019.
<i>Executive Director</i>	
Ms. Ding Yong Ling	Appointed as the chairman of the Board of the Company with effect from 11 March 2019.
<i>Independent Non-executive Director</i>	
Mr. Zhao Zhong Zhen	Retired as a member of Chinese Medicine Development Committee on 31 January 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，44歲，本公司副總經理，主要負責本公司的品牌管理、市場推廣、資訊管理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。

馬安陽太平紳士，57歲，本公司副總經理，主要負責本公司的項目投資。馬先生亦為北京同仁堂(澳大利亞)有限公司創始人及董事總經理，擁有悉尼大學植物藥碩士及福建中醫藥大學中西醫結合臨床醫學博士學位。30多年來，馬先生一直從事中醫藥相關領域，並累積了廣泛經驗，包括中藥生產加工、進出口貿易、批發與零售、研發質控和門診管理等。馬先生現兼任為國際標準組織(ISO/TC249)中醫藥標準化技術委員會澳洲專家委員會(HE031)理事，同時也是現任澳大利亞中藥行業聯合會會長。

李霞，52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截至2018年6月30日止六個月之中期報告刊發以來之董事資料之變更載列如下：

董事姓名	變動詳情
<i>非執行董事</i>	
梅群先生	於2019年3月11日退任本公司非執行董事及董事會主席。
<i>執行董事</i>	
丁永玲女士	獲委任為本公司董事會主席，並於2019年3月11日生效。
<i>獨立非執行董事</i>	
趙中振先生	於2019年1月31日退任中醫中藥發展委員會委員。

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。

The Directors are pleased to present the report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

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 2018 are set out in the consolidated income statement on pages 152 to 153 of this annual report.

The Board has proposed a final dividend of HK\$0.23 (2017: HK\$0.19) per ordinary share for the year ended 31 December 2018. Such final dividend will be proposed for approval by shareholders at the AGM to be held on Tuesday, 7 May 2019 and if approved, will be payable on or before Friday, 31 May 2019 to shareholders whose names appear on the Register of Members of the Company on Thursday, 16 May 2019.

Details of the dividend for the year ended 31 December 2018 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 Tuesday, 30 April 2019 to Tuesday, 7 May 2019 (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 Monday, 29 April 2019; and
- (ii) from Tuesday, 14 May 2019 to Thursday, 16 May 2019 (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 Friday, 10 May 2019.

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 2018, the Group had borrowings of HK\$1.2 million (2017: HK\$0.6 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 2018 are set out in note 22 to the consolidated financial statements.

董事欣然呈列本集團截至2018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2018年12月31日止年度之業績載於本年報第152至153頁之合併收益表。

董事會建議就截至2018年12月31日止年度派付末期股息每股普通股0.23港元(2017年：0.19港元)。建議之末期股息將於2019年5月7日(星期二)舉行的股東週年大會上提呈股東批准，倘獲批准，將於2019年5月31日(星期五)或之前派發予2019年5月16日(星期四)登記在本公司股東名冊的股東。

截至2018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2019年4月30日(星期二)至2019年5月7日(星期二)(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2019年4月29日(星期一)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2019年5月14日(星期二)至2019年5月16日(星期四)(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2019年5月10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(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2018年12月31日，本集團之借貸為1.2百萬港元(2017年：0.6百萬港元)，詳情載於合併財務報表附註24。

股本

本公司於截至2018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 2018 are set out in note 23 and 31 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 158 to 159 of the annual report respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the reserves of the Company available for distribution amounted to HK\$2,012.0 million (2017: HK\$1,582.9 million).

DONATIONS

Cash charitable donations made by the Group during the year ended 31 December 2018 amounted to HK\$1.9 million (2017: HK\$0.1 million).

SIX YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last six financial years is set out on pages 10 to 11 of the annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, revenue received/receivable from the top five customers in aggregate and the single largest customer accounted for approximately 46.0% (2017: 49.4%) and 17.1% (2017: 19.0%) of the Group's revenue, respectively.

During the year ended 31 December 2018, purchases paid/payable to the top five suppliers in aggregate and the largest supplier constituted approximately 70.1% (2017: 72.9%) and 37.0% (2017: 42.6%) of the Group's total purchases, respectively.

For the years ended 31 December 2018 and 2017, among the Group's top five customers include a subsidiary of the ultimate holding company and a subsidiary 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(u) 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. Majority of the Group's trade receivables are due within 90 days from the date of billings, and it normally grants credit periods ranging from 30 days to 90 days for wholesales to distributors. Details are set out in note 20 to the consolidated financial statements. During the year ended 31 December 2018, 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2018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23及31及本年報第158至159頁之合併權益變動表。

可供分派儲備

於2018年12月31日，本公司的可供分派儲備為2,012.0百萬港元(2017年：1,582.9百萬港元)。

捐贈

截至2018年12月31日止年度，本集團慈善現金捐贈為1.9百萬港元(2017年：0.1百萬港元)。

六年財務摘要

本集團於過去六個財政年度之業績、資產及負債概要載於本年報第10至11頁。

主要客戶及供應商

截至2018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46.0%(2017年：49.4%)及17.1%(2017年：19.0%)。

截至2018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70.1%(2017年：72.9%)及37.0%(2017年：42.6%)。

截至2018年及2017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一家附屬公司。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(u)。

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。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，批發予分銷商(包括同系附屬公司、合營企業及聯營公司)授出的信貸期則為30至90天，詳情載於合併財務報表附註20。截至2018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:

Non-executive Director

Mei Qun (Chairman) (retired on 11 March 2019)

Executive Directors

Ding Yong Ling (Chairman and chief executive officer) (appointed as chairman of the Board on 11 March 2019)

Zhang Huan Ping (Deputy General Manager)

Lin Man (Chief Financial Officer and Company Secretary)

Independent Non-executive Directors

Tsang Yok Sing, Jasper

Zhao Zhong Zhen

Chan Ngai Chi

In accordance with Article 97 of the Articles of Association, two directors, namely, Mr. Zhang Huan Ping and Mr. Chan Ngai Chi 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.

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) 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 2016.

Each of 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 2016 and 15 April 2016, 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 92 to 97 of the annual report.

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.

董事

於年內及截至本報告日期止之董事如下：

非執行董事

梅群(主席)(於2019年3月11日退任)

執行董事

丁永玲(主席兼首席執行官)(於2019年3月11日獲委任為董事會主席)

張煥平(副總經理)

林曼(財務總監兼公司秘書)

獨立非執行董事

曾鈺成

趙中振

陳毅馳

根據本公司之章程第97條，兩位董事張煥平先生及陳毅馳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。

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)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2016年4月15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、2016年4月15日及2016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92至97頁。

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。

RETIREMENT SCHEMES

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2018, 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
The Company 本公司				
Ding Yong Ling 丁永玲	Personal 個人	Beneficial owner 實益擁有人	330,000	0.039%
Lin Man 林曼	Personal 個人	Beneficial owner 實益擁有人	250,000	0.029%
Tong Ren Tang Technologies 同仁堂科技				
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 ⁽¹⁾	0.234%
Tong Ren Tang Ltd. 同仁堂股份				
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 ⁽²⁾	0.007%

Notes:

(1) These shares represent 0.46% of domestic shares of Tong Ren Tang Technologies.

(2) 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 of the Exchange.

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 2018 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.

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(u)。

董事及主要行政人員於股份中的權益

於2018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：

(1) 該等股份佔同仁堂科技內資股的0.46%。

(2) 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聯交所證券上市規則附錄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2018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 2018.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2018, 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. ⁽¹⁾ 同仁堂股份 ⁽¹⁾	Beneficial owner 實益擁有人	281,460,000	33.62%
	Interest of a controlled corporation 受控制公司的權益	318,540,000	38.05%
Tong Ren Tang Holdings ⁽²⁾ 同仁堂集團公司 ⁽²⁾	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 2018 are set out in note 28 to the consolidated financial statements, certain of these transactions also constitute connected transactions/continuing connected transactions under Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing). The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing).

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2018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2018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2018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)規定的關連交易/持續關連交易。本公司確認一直遵守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 the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) 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 2018 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) was 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 Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing). The annual caps for the transactions contemplated under the PRC Distribution Framework Agreement for the years ended 31 December 2017 and 2018 and the year ending 31 December 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 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 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 Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and the Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing).

The PRC Distribution Framework Agreement was approved by the independent shareholders of the Company in the extraordinary general meeting held on 6 January 2017.

(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 Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing). The annual caps in respect of the transactions under the Exclusive Distributorship Framework Agreements for the year ended 31 December 2018 and the years ending 31 December 2019 and 2020 are HK\$146,000,000, HK\$191,000,000 and HK\$248,000,000.

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 Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing).

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2018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)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,因此中國分銷框架協議及所涉交易均須遵守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)的申報、公告、年度審核及獨立股東批准規定。

此中國分銷框架協議已於2017年1月6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)所指本公司的關連人士。截至2018年、2019年及2020年12月31日止年度根據獨家經銷框架協議項下之交易的年度上限分別為146,000,000港元、191,000,000港元及248,000,000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)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 28 October 2015 (the "Angong Niu Huang Wan Powder Master Purchase Agreement") and a supplemental Angong Niu Huang Wan Powder master purchase agreement on 8 August 2016 (the "Angong Niu Huang Wan Powder Master Purchase Supplemental 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 2016 to 31 December 2018.

Tong Ren Tang Ltd. is our controlling shareholder of the Company and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing). The annual caps for the transactions contemplated under the Angong Niu Huang Wan Powder Master Purchase Supplemental Agreement for the years ended 31 December 2016, 2017 and 2018 are HK\$17,400,000, HK\$23,200,000 and HK\$26,500,000, respectively.

As the Angong Niu Huang Wan Powder Master Purchase Agreement and Angong Niu Huang Wan Powder Master Purchase Supplemental Agreement expired on 31 December 2018, on 6 December 2018, the Company entered into a renewed Angong Niu Huang Wan Powder master purchase agreement with Tong Ren Tang Ltd. (the "Renewed Angong Niu Huang Wan Powder Master Purchase Agreement") to renew the procurement arrangement for a further term of three years from 1 January 2019 to 31 December 2021. The annual caps for the transactions under the Renewed Angong Niu Huang Wan Powder Master Purchase Agreement for the years ending 31 December 2019, 2020 and 2021 are HK\$31,000,000, HK\$42,000,000 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 Chapter 14A of 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 Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing). The annual caps for the transactions contemplated under the Master Lease Framework Agreement for the years ended 31 December 2017 and 2018 and year ending 31 December 2019 are HK\$6,200,000, HK\$6,900,000 and HK\$7,000,000, 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 Master Lease Framework Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Chapter 14A of the Listing Rules (applicable to the Company immediately after the Transfer of Listing).

(3) 自同仁堂股份採購安宮牛黃丸粉

於2015年10月28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」）及2016年8月8日訂立安宮牛黃丸粉總採購補充協議（「安宮牛黃丸粉總採購補充協議」），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2016年1月1日至2018年12月31日。

同仁堂股份乃本公司的控股股東，故此屬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）所指本公司的關連人士。截至2016年、2017年及2018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17,400,000港元、23,200,000港元及26,500,000港元。

由於安宮牛黃丸粉總採購協議及安宮牛黃丸粉總採購補充協議已於2018年12月31日屆滿，本公司於2018年12月6日與同仁堂股份訂立續訂安宮牛黃丸粉總採購協議（「續訂安宮牛黃丸粉總採購協議」），以進一步重續為期三年的採購安排，期限為2019年1月1日至2021年12月31日。截至2019年、2020年及2021年12月31日止年度根據續訂安宮牛黃丸粉總採購協議項下之交易的年度上限分別為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第14A章的申報、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）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%，因此租賃框架總協議及所涉交易均須遵守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 2018 截至2018年 12月31日 止年度交易額 HK\$'000 千港元	Annual cap for the year ended 31 December 2018 截至2018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	214,187	230,000
(2) Tong Ren Tang Technologies Group and Tong Ren Tang Ltd. Group 同仁堂科技集團及同仁堂股份集團	Purchase of Tong Ren Tang branded products for distribution 購買用於分銷的同仁堂品牌產品	108,730	146,000
(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	16,284	26,500
(4) Parent Group 母集團	Lease of premises 物業租賃	4,643	6,900

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 "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 110 to 115 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「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110至115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.

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。

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 2018.

除上文所披露外，截至2018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 2018.

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 2018 ESG Report. For more comprehensive information, please refer to the ESG Report on pages 34 to 83 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

The Group does not have significant event occurred after this Year need to disclose.

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 118 to 145 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, 11 March 2019

購買、出售或贖回本公司上市證券

截至2018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2018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34至83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

本集團沒有於本年之後發生的重大事項需要披露。

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118至145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，2019年3月11日

CORPORATE GOVERNANCE FRAMEWORK
企業管治架構

SHAREHOLDERS
股東

BOARD GOVERNANCE FRAMEWORK
董事會管治框架

BOARD OF DIRECTORS 董事會

董事會轄下委員會
BOARD COMMITTEES

管理層
MANAGEMENT



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 2018, the Group had complied with all applicable provisions of the CG Code. Since 11 March 2019, there has been a deviation from the code provision A.2.1 of CG Code 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 Directors of Listed Issuers contained in Appendix 15 of GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Appendix 10 of the Listing Rules (applicable to the Company immediately after the Transfer of Listing) 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2018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，惟自2019年3月11日起涉及偏離管治守則內的守則條文第A.2.1條，相關原因詳列於下文「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GEM上市規則附錄15(適用於本公司轉板上市前)及上市規則附錄10(適用於本公司轉板上市後)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

Board composition

The Board consists of 6 Directors, comprising 3 executive Directors and 3 independent non-executive Directors. Details of the composition of the Board and the Directors' biographical information are set out on pages 92 to 97 of the annual report, respectively. Half 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 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 February, March, April, August and December during the year ended 31 December 2018. In consultation with members of the Board, the company secretary of the Company assists the Chairman in preparing the meeting agenda, where applicable, matters proposed by other Directors are included in the agenda. During the year ended 31 December 2018, 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 2018, the Directors actively participated in meetings and a summary of the Directors' attendance records in 2018 are as follows:

Members of the Board 董事會成員	Attendance/Number of Meetings 出席次數/會議次數				Annual General Meeting 股東週年大會
	Board ^(Note) 董事會 ^(附註)	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Non-executive Director 非執行董事					
Mei Qun 梅群 (retired on 11 March 2019 於2019年3月11日退任)	6/6	-	-	-	1/1
Executive Directors 執行董事					
Ding Yong Ling 丁永玲	5/5	-	1/1	1/1	1/1
Zhang Huan Ping 張煥平	5/5	3/3	-	-	1/1
Lin Man 林曼	5/5	3/3	1/1	1/1	1/1
Independent Non-executive Directors 獨立非執行董事					
Tsang Yok Sing, Jasper 曾鈺成	6/6	3/3	1/1	1/1	1/1
Zhao Zhong Zhen 趙中振	6/6	3/3	1/1	-	1/1
Chan Ngai Chi 陳毅馳	6/6	3/3	1/1	1/1	1/1

Note: Included a Board meeting where the Chairman of the Board met 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6名董事組成，包括3名執行董事及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92至97頁。董事會二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2月、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2018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2018年12月31日止年度，各董事積極參加會議，彼等於2018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 2018, no claim was made against the Directors.

Chairman and Chief Executive

Ms. Ding Yong Ling, our chairman (was appointed on 11 March 2019) and CEO, 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 ensures that all Directors are properly briefed on all key and appropriate issues in a timely manner. The Chairman 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 he 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 Mr. Mei Qun, being the then chairman of the Board, and independent non-executive Directors was held without the presence of the executive Directors.

Ms. Ding Yong Ling, our chief executive officer of the Company, was appointed as the Chairman of the Board on 11 March 2019. There is a deviation from the code provision A.2.1 of CG Code, which provides that the roles of chairman 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 in the current circumstances:

Ms. Ding Yong Ling makes great efforts on oversea business of Tong Ren Tang, and is 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 considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. In addition, out of 6 Directors of the Board, there are 3 independent non-executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

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 Article 97 of the Articles of Association, two directors, namely, Mr. Zhang Huan Ping and Mr. Chan Ngai Chi 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 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2018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（於2019年3月11日委任）及首席執行官丁永玲女士，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，主席確保全體董事及時妥善地了解所有重要及相關問題。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。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，本公司時任董事會主席梅群先生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，首席執行官丁永玲女士獲委任為董事會主席。此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，但基於以下原因，丁永玲女士在現時情況下被考慮為最合適之人選。

丁永玲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。

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97條，兩位董事張煥平先生及陳毅馳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 Director 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 independent non-executive Directors not only exercise their independent judgment and advise on the future business direction and strategic plans of the Company, they 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 2018.

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 2018, 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。

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2018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2018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 出席有關董事職責或其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日退任)	✓	✓	✓	✓
Ding Yong Ling 丁永玲	✓	✓	✓	✓
Zhang Huan Ping 張煥平	✓	✓	✓	✓
Lin Man 林曼	✓	✓	✓	✓
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 2018, the Company has complied with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Rule 3.10 of the Listing Rules (applicable to the Company immediately after the Transfer of Listing) relating to the appointment of at least 3 independent non-executive directors representing more than one-third of the Board and the non-executive directors 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2018年12月31日止年度，本公司已遵照GEM上市規則第5.05(1)條、第5.05(2)條、第5.05A條(適用於本公司轉板上市前)及上市規則第3.10條(適用於本公司轉板上市後)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 2018, 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, April and August of 2018.

The following is a summary of the work of the Audit Committee during 2018:

- (1) Review the financial reports for 2017 annual results, 2018 first quarterly results and 2018 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 4 March 2019, the Audit Committee met to review the Group's 2018 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 2018 complied with the applicable accounting standards and the Listing Rules.

The Group's annual report for the year ended 31 December 2018 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 2018. The Audit Committee also recommended to the Board the re-appointment of PricewaterhouseCoopers as the Company's external auditor for 2019 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2019 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2018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2018年3月、4月及8月召開會議。

審核委員會於2018年的工作概述如下：

- (1) 審閱2017年年度業績、2018年第一季度業績及2018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2019年3月4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2018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2018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2018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2018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2019年度的外聘核數師，並建議將有關決議案於2019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 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 2018, 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 2018 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 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 2018, the Nomination Committee had held a meeting to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.

For the nomination by the Board of Mr. Tsang Yok Sing, Jasper and Mr. Zhao Zhong Zhen to stand for re-election as an Independent non-executive Director at the annual general meeting in 2018, 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 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 recognises 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2018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2018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2018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、人數及組成（包括技能、知識、經驗及多元化方面）。

董事會提名曾鈺成先生及趙中振先生在2018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、人數和組成（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合意的候選人，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：

- 品格與誠實。
- 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。



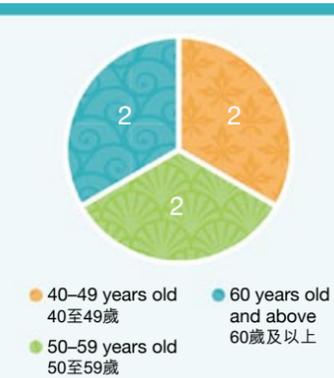
BOARD DIVERSITY

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 sustainable development 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 146 to 151 of this annual report.

DIRECTORS' INTERESTS IN SHARES

Details of Directors' interests in the shares of the Company are set out in the section headed "Directors' Report" on pages 98 to 117 of this annual report.

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, discharged the functions of Company Secretary of the Company with her professional skill and extensive experience. To update her skills and knowledge, Ms. Lin had complied with the relevant professional training requirements under Rule 5.15 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Rule 3.29 of the Listing Rules (applicable to the Company immediately after the Transfer of Listing) during the year ended 31 December 2018. 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.

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146至151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98至117頁的「董事會報告」一節。

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2018年12月31日止年度，林女士已遵守GEM上市規則第5.15條(適用於本公司轉板上市前)及上市規則第3.29條(適用於本公司轉板上市後)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，公司秘書的任職須經董事會批准。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。

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 2018 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	3,459
Non-audit services 非核數服務	295
Total 總計	3,754

Fee paid/payable to other auditors were approximately HK\$954,000.

Non-audit services include tax consultancy services and professional service for transfer of listing.

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 is 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 training programs of the Group's accounting, internal auditing and financial reporting, and also considers the adequacy of staff and if they are of sufficient competence to carry out their roles and responsibilities.

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 respective mitigation strategies and ensuring risk management effectiveness. The Company has set up a risk management committee, which is composed of the management of the Company. The risk management committee discuss and collect risk monitoring report through meeting to review the management of these risks and effectiveness of mitigation strategies and controls, 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 and strategic risks, operation risk, and also compliance and regulatory risks. Certain control 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 control 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 the risk management status to the Audit Committee.

核數師薪酬

截至2018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954,000港元。

非核數服務為稅務諮詢服務及轉板專業服務費。

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、內部審核及財務彙報職能方面的資源、員工資歷、經驗及培訓計劃是否足夠作年度檢討，並認為員工數目足夠及足以勝任其職務及履行職責。

辨認、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緩解策略，並確保風險管理的有效性。本集團已設立風險管理小組，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緩解策略與控制的成效，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，範疇包括商業及戰略風險、運營風險，以及合規及監管風險。本集團已制定十大風險的控制措施，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控制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彙報風險管理情況。

The Group's risk management approach is a structured mechanism and a continuous process of identifying, evaluating, prioritizing, managing and monitoring of the risks that the Group faces. The significant process of the Group's risk management is illustrated below:



本集團之企業風險管理方針具有結構分明之機制，持續辨認、評估、安排優先處理次序、管理及監察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：



According to the risk assessment conducted, top risks affecting the Group and relevant controls for the Year are set out as below:

根據風險評估，本年影響本集團的最主要風險及相應的應對措施列示如下：

Top Risks of the Group 本集團主要風險	Impact(s) 影響	Control Measure(s) 控制措施
Change of Global Economy and Commercial Environment Risk 全球經濟及商業環境變化風險	The Group's business covers Hong Kong, the PRC 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 may be affected. 本集團的業務覆蓋香港、中國及其他海外地區。若相關區域的經濟、社會環境、政治、法律法規等出現變動，可能影響本集團的業務、經營業績及財務狀況。	<ul style="list-style-type: none"> The Group assesses the changes of economy and business environment of the relevant regions and their impacts on the Group's business. 本集團透過探討有關區域的經濟和營商環境的轉變，以檢討其轉變對本集團業務的影響。
Counterfeit Risk 假冒風險	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. 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。	<ul style="list-style-type: none"> 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、公司的打擊力度。 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。
Rental of Property Risk 租賃物業風險	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. 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。	<ul style="list-style-type: none"> 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。 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。

Evaluation on the effectiveness of the risk management and internal control system

Through the Audit Committee, the Board has regularly conducted review of the effectiveness of the Group's risk management and internal control systems, 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, etc..

Based on the results of the above review, for the year ended 31 December 2018, the Board considers that the risk management and internal monitor systems are still 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 mitigation 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.

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.

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，定期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2018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已然奏效，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彙報。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緩解措施。

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彙報。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。

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。

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 2018, the Company establishes different communication channels with shareholders and investors, including:

- (i) printed copies of corporate communications (including but not limited to financial reports, notices of meetings, circulars and proxy forms) required under the Listing Rules;
- (ii) the annual general meeting and other shareholders meetings provide a forum for shareholders to raise comments and exchange views with the Board;
- (iii) updated and key information on the Group is available on the website (www.tongrentangcm.com) of the Company;
- (iv) the Company's website (www.tongrentangcm.com) offers a communication channel between the Company and its shareholders and stakeholders;
- (v) meetings with analysts are arranged from time to time to update on the performance of the Group;
- (vi) 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;
- (vii) the Company's Registrar deals with shareholders for share registration and related matters; and
- (viii) the investor relations department of the Company handles enquires from shareholders and investors.

In 2018, 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 2018 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 2018, 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 2018. Poll results were then posted on the websites of the Company and the Exchange.

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.

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2018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：

- (i) 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)；
- (ii) 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；
- (iii) 於本公司網站(www.tongrentangcm.com)發佈本集團最新及重要信息；
- (iv) 於本公司網站(www.tongrentangcm.com)開闢溝通渠道供本公司與股東和持份者溝通；
- (v) 不時與分析師會面更新本集團表現；
- (vi) 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；
- (vii) 設立登記處處理股東的股份登記及相關事宜；及
- (viii) 設有投資者關係部處理股東與投資者的詢問。

2018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2018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2018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2018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。

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。

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) 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 2018, there was no change to the Articles of Association of the Company.

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)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2018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 152 to 259, which comprise:

- the consolidated balance sheet as at 31 December 2018;
- 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 2018, 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 MATTERS

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.

羅兵咸永道

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152至259頁的合併財務報表，包括：

- 於2018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布的《香港財務報告準則》真實而中肯地反映了 貴集團於2018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布的《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布的《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概述為商譽減值。

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 notes 4 (Critical accounting estimates and judgements) and note 16 to the consolidated financial statements.</p> <p>As at 31 December 2018, 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"> comparing management's short-term forecasted sales and profit margins with historical performance; comparing the management's key assumptions for discount rate and long-term growth rate in the forecast with industry data; and 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. <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2018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"> 將管理層對短期銷售預測及利潤率與歷史業績作比較； 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 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。 <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.

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.

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布的《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。

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責或承擔任何責任。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滙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。

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, 11 March 2019

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，2019年3月11日

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

合併收益表

截至2018年12月31日止年度

		2018	2017
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue 收入	5	1,513,873	1,265,994
Cost of sales 銷售成本	6	(435,452)	(349,561)
Gross profit 毛利		1,078,421	916,433
Distribution and selling expenses 分銷及銷售開支	6	(233,154)	(193,517)
General and administrative expenses 一般及行政開支	6	(148,326)	(127,293)
Other net gains 其他利得 — 淨額		1,073	2,061
Operating profit 經營利潤		698,014	597,684
Finance income 財務收益	9	23,392	13,356
Finance costs 財務支出	9	(19)	(32)
Finance income, net 淨財務收益		23,373	13,324
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	(489)	(42)
Profit before income tax 除所得稅前利潤		720,898	610,966
Income tax expense 所得稅開支	11	(119,575)	(105,454)
Profit for the year 年度利潤		601,323	505,512
Profit attributable to: 以下人士應佔利潤:			
Owners of the Company 本公司擁有人		580,720	489,967
Non-controlling interests 非控股權益		20,603	15,545
		601,323	505,512
Earnings per share attributable to owners of the Company for the year (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)			
Basic and diluted earnings per share 每股基本及攤薄盈利	12	0.69	0.59

The notes on pages 162 to 259 are an integral part of these consolidated financial statements.

第162至259頁的附註為該等合併財務報表的組成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

合併綜合收益表

截至2018年12月31日止年度

		2018	2017
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Profit for the year 年度利潤		601,323	505,512
Other comprehensive (losses)/income: 其他綜合(虧損)/收益:			
<i>Items that may be reclassified to profit or loss 其後可能重新分類至損益的項目</i>			
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	17	-	2,005
Currency translation differences 貨幣兌換差額		(14,386)	16,519
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	-
<i>Item that will not be reclassified to profit or loss 其後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	150	-
Other comprehensive (losses)/income for the year 年度其他綜合(虧損)/收益		(12,533)	18,524
Total comprehensive income for the year 年度綜合收益總額		588,790	524,036
Attributable to: 以下人士應佔:			
Owners of the Company 本公司擁有人		571,784	504,287
Non-controlling interests 非控股權益		17,006	19,749
Total comprehensive income for the year 年度綜合收益總額		588,790	524,036

The notes on pages 162 to 259 are an integral part of these consolidated financial statements.

第162至259頁的附註為該等合併財務報表的組成部分。

CONSOLIDATED BALANCE SHEET

合併資產負債表

As at 31 December 2018

於2018年12月31日

		2018	2017
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Assets 資產			
Non-current assets 非流動資產			
Leasehold land 租賃土地	14	15,465	16,008
Property, plant and equipment 物業、廠房及設備	15	286,303	263,555
Intangible assets 無形資產	16	72,487	79,001
Investments accounted for using the equity method 按權益法入賬之投資	10	20,181	20,766
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	15,468	-
Available-for-sale financial asset 可供出售金融資產	17	-	15,318
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		2,866	1,988
Deferred income tax assets 遞延所得稅資產	18	11,851	9,132
		424,621	405,768
Current assets 流動資產			
Inventories 存貨	19	244,535	235,536
Trade receivables and other current assets 貿易應收款項及其他流動資產	20	236,489	221,570
Short-term bank deposits 短期銀行存款	21	1,715,609	1,147,338
Cash and cash equivalents 現金及現金等價物	21	549,831	750,443
		2,746,464	2,354,887
Total assets 總資產		3,171,085	2,760,655
Equity and liabilities 權益及負債			
Equity attributable to owners of the Company 本公司擁有人應佔權益			
Share capital 股本	22	938,789	938,789
Reserves 儲備	23		
– Other reserves 其他儲備		(19,983)	(11,047)
– Retained earnings 保留收益		1,986,821	1,565,150
		2,905,627	2,492,892
Non-controlling interests 非控股權益		118,600	115,285
Total equity 權益總額		3,024,227	2,608,177
Liabilities 負債			
Non-current liabilities 非流動負債			
Borrowings 借貸	24	1,053	605
Deferred income tax liabilities 遞延所得稅負債	18	4,874	4,419
		5,927	5,024
Current liabilities 流動負債			
Borrowings 借貸	24	166	-
Trade and other payables 貿易及其他應付款項	25	119,011	114,486
Current income tax liabilities 當期所得稅負債		21,754	32,968
		140,931	147,454
Total liabilities 總負債		146,858	152,478
Total equity and liabilities 權益及負債總額		3,171,085	2,760,655

The notes on pages 162 to 259 are an integral part of these consolidated financial statements.

第162至259頁的附註為該等合併財務報表的組成部分。

The consolidated financial statements on pages 152 to 259 were approved by the Board of Directors on 11 March 2019 and were signed on its behalf.

第152至259頁的合併財務報表於2019年3月11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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

合併權益變動表

截至2018年12月31日止年度

	Attributable to owners of the Company 本公司擁有人應佔								
	Share capital 股本	Merger reserve 合併儲備	Other reserves 其他儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總額	Non-controlling interests 非控股權益	Total equity 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
At 1 January 2017 於2017年1月1日	938,789	(13,124)	355	5,295	(18,827)	1,210,053	2,122,541	104,696	2,227,237
Comprehensive income 綜合收益									
Profit for the year 年度利潤	-	-	-	-	-	489,967	489,967	15,545	505,512
Other comprehensive income 其他綜合收益									
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	-	-	2,005	-	-	-	2,005	-	2,005
Currency translation differences 貨幣兌換差額									
- Group 本集團	-	-	-	-	11,317	-	11,317	4,204	15,521
- Joint ventures 合營企業	-	-	-	-	998	-	998	-	998
Total comprehensive income 綜合收益總額	-	-	2,005	-	12,315	489,967	504,287	19,749	524,036
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									
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲備	-	-	-	934	-	(934)	-	-	-
Dividends relating to 2016 2016年相關股息	-	-	-	-	-	(133,936)	(133,936)	(24,665)	(158,601)
Capital injections into subsidiaries 向附屬公司注資	-	-	-	-	-	-	-	15,505	15,505
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	-	-	-	934	-	(134,870)	(133,936)	(9,160)	(143,096)
At 31 December 2017 於2017年12月31日	938,789	(13,124)	2,360	6,229	(6,512)	1,565,150	2,492,892	115,285	2,608,177
At 1 January 2018 於2018年1月1日	938,789	(13,124)	2,360	6,229	(6,512)	1,565,150	2,492,892	115,285	2,608,177
Comprehensive income 綜合收益									
Profit for the year 年度利潤	-	-	-	-	-	580,720	580,720	20,603	601,323
Other comprehensive losses 其他綜合虧損									
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)
Total comprehensive income 綜合收益總額	-	-	150	-	(9,086)	580,720	571,784	17,006	588,790
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									
Dividends relating to 2017 2017年相關股息	-	-	-	-	-	(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)
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	-	-	-	-	-	(159,049)	(159,049)	(13,691)	(172,740)
At 31 December 2018 於2018年12月31日	938,789	(13,124)	2,510	6,229	(15,598)	1,986,821	2,905,627	118,600	3,024,227

The notes on pages 162 to 259 are an integral part of these consolidated financial statements.

第162至259頁的附註為該等合併財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

合併現金流量表

截至2018年12月31日止年度

		2018	2017
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Cash flows from operating activities 經營活動所產生的現金流量			
Cash generated from operations 經營所產生的現金	26(a)	710,857	575,085
Interest paid 已付利息		(19)	(32)
Income tax paid 已付所得稅		(133,154)	(105,909)
Net cash generated from operating activities 經營活動所產生的現金淨額		577,684	469,144
Cash flows from investing activities 投資活動所產生的現金流量			
Interest received 已收利息		23,392	13,356
Dividends received 已收股息		165	135
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增加		(568,271)	(361,294)
Proceeds from sale of property, plant and equipment 出售物業、廠房及設備所得款	26(b)	10	63
Purchase of property, plant and equipment 購買物業、廠房及設備		(47,215)	(30,917)
Deposit paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		(6,013)	(3,168)
Net cash used in investing activities 投資活動所用現金淨額		(597,932)	(381,825)
Cash flows from financing activities 融資活動所產生的現金流量			
Capital injections by non-controlling interests 非控股權益注資		3,152	15,505
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		(159,049)	(133,936)
Dividends paid to non-controlling interests 已付非控股權益的股息		(17,314)	(23,444)
Proceeds from borrowing 借貸所得款		1,165	–
Repayment of borrowing 償還借貸		(522)	–
Net cash used in financing activities 融資活動所用現金淨額		(173,007)	(141,875)
Net decrease in cash and cash equivalents 現金及現金等價物減少淨額			
Cash and cash equivalents at beginning of year 年初之現金及現金等價物		750,443	797,557
Exchange (losses)/gain on cash and cash equivalents 現金及現金等價物匯兌(損失)/收益		(7,357)	7,442
Cash and cash equivalents at end of year 年終之現金及現金等價物		549,831	750,443

The notes on pages 162 to 259 are an integral part of these consolidated financial statements.

第162至259頁的附註為該等合併財務報表的組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

合併財務報表附註

截至2018年12月31日止年度

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 11 March 2019.

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 all applicable 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 (2017 — available-for-sale financial asset), 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 standards, interpretation and amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 January 2018:

HKAS 28 (Amendment)	Investments in Associates and Joint Ventures
HKAS 40 (Amendment)	Transfers of Investment Property
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendment)	Clarifications to HKFRS 15
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration

Except for the impact for HKFRS 9 and HKFRS 15 which have been disclosed in Note 2(b), the adoption of the above new standards, 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2019年3月11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(2017 — 按公允價值計量的可供出售金融資產)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2018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28號(修訂本)	聯營公司及合營企業的投資
香港會計準則第40號(修訂本)	投資物業轉讓
香港財務報告準則第1號(修訂本)	首次採用香港財務報告準則
香港財務報告準則第2號(修訂本)	股份支付交易的分類和計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號
香港財務報告準則解釋第22號	外幣交易及預收對價

除了已於附註2(b)披露了影響的香港財務報告準則第9號及香港財務報告準則第15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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) New standards, interpretation and amendments to standards which are not yet effective

The following are new standards, interpretation and amendments to standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2019 or later periods, but have not been early adopted by the Group.

Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ⁽²⁾
HKAS 1 and HKAS 8 (Amendment)	Definition of Material ⁽²⁾
HKAS 12 (Amendment)	Income Taxes ⁽¹⁾
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement ⁽¹⁾
HKAS 23 (Amendment)	Borrowing Costs ⁽¹⁾
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures ⁽¹⁾
HKFRS 3 (Amendment)	Business Combinations ⁽¹⁾
HKFRS 3 (Amendment)	Definition of Business ⁽²⁾
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation ⁽¹⁾
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾
HKFRS 11 (Amendment)	Joint Arrangements ⁽¹⁾
HKFRS 16	Leases ⁽¹⁾
HKFRS 17	Insurance Contracts ⁽³⁾
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments ⁽¹⁾

⁽¹⁾ Effective for the accounting period beginning on 1 January 2019

⁽²⁾ Effective for the accounting period beginning on 1 January 2020

⁽³⁾ Effective for the accounting period beginning on 1 January 2021

⁽⁴⁾ Effective date to be determined

The Group will apply the above new standards, interpretation and amendments to standards when they become effective. The Group has commenced an assessment of the expected impact of the HKFRS 16 as set out below. Except for HKFRS 16, none of the rest of the new standards, interpretation and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

HKFRS 16

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors.

The Group is a lessee of various properties which are currently classified as operating leases. The current accounting policy of such leases and the Group's future operating lease commitments are set out in Note 2(z) and Note 27(b) to the consolidated financial statements, respectively.

HKFRS 16 provides new provisions for the accounting treatment of leases and will no longer allow lessees to recognise certain leases outside the consolidated balance sheet in the future. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right-of-use) and a financial liability (for the payment obligation). The new standard will therefore result in an increase in assets and financial liabilities in the consolidated balance sheet to the Group upon initial adoption. As for the financial impact in the consolidated income statement, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability. The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the consolidated income statement in the initial years of the lease, and a lower total charge during the latter part of the lease term.

This new standard is not expected to be applied until the financial year beginning on or after 1 January 2019.

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、新解釋及準則之修訂

下列新訂準則、新解釋及準則之修訂與本集團於2019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	財務報導之觀念性架構2018 ⁽²⁾
香港會計準則第1號及第8號(修訂本)	重大的定義 ⁽²⁾
香港會計準則第12號(修訂本)	所得稅 ⁽¹⁾
香港會計準則第19號(修訂本)	計劃修正、縮減或清償 ⁽¹⁾
香港會計準則第23號(修訂本)	借款成本 ⁽¹⁾
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 ⁽¹⁾
香港財務報告準則第3號(修訂本)	企業合併 ⁽¹⁾
香港財務報告準則第3號(修訂本)	企業的定義 ⁽²⁾
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 ⁽¹⁾
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 ⁽⁴⁾
香港財務報告準則第11號(修訂本)	聯合協議 ⁽¹⁾
香港財務報告準則第16號	租賃 ⁽¹⁾
香港財務報告準則第17號	保險合約 ⁽³⁾
香港財務報告準則解釋第23號	所得稅處理的不確定性 ⁽¹⁾

⁽¹⁾ 於2019年1月1日開始的會計期間生效

⁽²⁾ 於2020年1月1日開始的會計期間生效

⁽³⁾ 於2021年1月1日開始的會計期間生效

⁽⁴⁾ 生效日期待定

當上述新訂準則新解釋及準則之修訂生效時，本集團將應用此等準則新解釋及準則之修訂。本集團現正對香港財務報告準則第16號之預期影響作出評估。除香港財務報告準則第16號以外，沒有其他新訂準則、新解釋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。

香港財務報告準則第16號

香港財務報告準則第16號「租賃」提供了租賃的定義及其確認和計量要求，並確立了出租人和承租人的租賃活動向財務報表使用者報告有用信息的原則。

本集團是一系列物業的承租人，而該等物業被劃分為經營租賃。針對此等租賃的會計政策及本集團的未來經營租賃承擔分別載列於合併財務報表附註2(z)及27(b)中。

香港財務報告準則第16號提供有關租賃會計處理的新規定，且在將來不再允許承租人在合併資產負債表外確認某些租賃。相反，當本集團作為承租人時，幾乎所有的租賃都須確認為一項資產(該租賃專案的使用權)及一項金融負債(該租賃項目的付款義務)。初次採納的新準則會因而導致合併資產負債表中資產和金融負債的增加。就新準則對合併收益表所產生的財務影響而言，租賃費用將被使用權資產的直線折舊費用和租賃負債的利息費用所取代。使用權資產採用直線法進行折舊以及租賃負債採用實際利率法核算，將共同導致在租賃起初的數年裡計入合併收益表的總金額會較高，而計入租賃後期的費用則較低。

預計2019年1月1日或之後開始的財政年度方會採納此新準則。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(b) Changes in accounting policies

(b) 會計政策變動

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's consolidated financial statements.

本附註解釋了採納香港財務報告準則第9號金融工具和香港財務報告準則第15號客戶合同收入對本集團合併財務報表的影響。

The Group elects to adopt HKFRS 9 and HKFRS 15 without restating comparatives. The reclassification and the adjustments arising from the adoption of HKFRS 9 and HKFRS 15 are therefore not reflected in the consolidated balance sheet as at 31 December 2017, but are recognised in the opening of the consolidated balance sheet on 1 January 2018.

本集團選擇在不重述比較信息下採納香港財務報告準則第9號和香港財務報告準則第15號。故採用香港財務報告準則第9號和香港財務報告第15號產生的重分類和調整未於2017年12月31日的合併資產負債表中反映，但於2018年1月1日合併資產負債表期初結餘中確認。

The following tables show, the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

下表呈列了各報表項目的調整。不受影響的報表項目不包括在內。因此，所披露的小計和總計無法根據以下所呈列的數字重新計算得出。相關調整在後文中按準則進行了更詳盡的說明。

Consolidated balance sheet (extract) 合併資產負債表(節錄)	31 December 2017 2017年12月31日		1 January 2018 2018年1月1日	
	As originally presented 重述前	HKFRS 9 香港財務報告 準則第9號	HKFRS 15 香港財務報告 準則第15號	Restated 經重述
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets 非流動資產				
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	-	15,318	-	15,318
Available-for-sale financial asset 可供出售金融資產	15,318	(15,318)	-	-
Current liabilities 流動負債				
Trade and other payables 應付賬款及其他應付款				
- Trade payables 應付賬款	52,679	-	-	52,679
- Accruals and other payables 應計費用及其他應付款	61,807	-	(5,512)	56,295
- Contract liabilities 合同負債	-	-	5,512	5,512
Equity 權益				
Reserves 儲備				
- Other reserves 其他儲備				
- Available-for-sale financial asset reserve 可供出售金融資產儲備	1,530	(1,530)	-	-
- 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儲備的金融資產	-	1,530	-	1,530
- Other reserves 其他儲備	(12,577)	-	-	(12,577)

(i) HKFRS 9 Financial Instruments

(i) 香港財務報告準則第9號金融工具

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

香港財務報告準則第9號取代了香港會計準則第39號關於金融資產和金融負債的確認、分類與計量、金融工具終止確認、金融資產減值與套期會計處理的相關規定。

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 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(k) and 2(n) below.

自2018年1月1日起採納香港財務報告準則第9號金融工具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(k)和附註2(n)。

There is no material impact on the Group's retained earnings as at 1 January 2018 and no restatement is made.

會計政策變更對本集團於2018年1月1日的保留收益未產生重大影響，因此未進行重述。

(1) Classification and measurement

(1) 分類與計量

The Group elected to present the changes in the fair value of its equity investment previously classified as available-for-sale financial asset in other comprehensive income, because these investments are held as long-term strategic investments that are not expected to be sold in short to medium term. As a result, assets with a fair value of HK\$15,318,000 were reclassified from available-for-sale financial asset to financial asset at fair value through other comprehensive income and fair value gain of HK\$1,530,000 were reclassified from the available-for-sale financial asset reserve to the financial asset at fair value through other comprehensive income reserve within the other reserves on 1 January 2018.

由於該部分投資為本集團預計在中短期內都不會出售的戰略性長期投資，故本集團選擇將之前分類為可供出售金融資產的權益投資公允價值變動列入其他綜合收益。因此，公允價值為港幣15,318,000元的資產從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益的金融資產，公允價值利得港幣1,530,000元從可供出售金融資產儲備重分類至於2018年1月1日其他儲備中的以公允價值計量且其變動計入其他綜合收益儲備的金融資產。

Other than the change in the classification of available-for-sales financial assets, the classification of other financial assets and liabilities remained unchanged.

除可供出售的金融資產分類發生變化外，其他金融資產和負債的分類保持不變。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Changes in accounting policies (Continued)

(i) HKFRS 9 Financial Instruments (Continued)

(2) Impairment of financial assets

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables
- deposits and other receivables

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity was immaterial.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was also immaterial.

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. The resulted increase of loss allowance for trade receivables on 1 January 2018 was immaterial. Note 3(a) provides for details about the calculation of the allowance.

Deposits and other receivables

Deposits and other receivables at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. The resulted increase of loss allowance for deposit and other receivables on 1 January 2018 was immaterial. The loss allowance for deposits and other receivables have not further increased during the current reporting period.

(ii) HKFRS 15 "Revenue from contracts with customers"

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in HKFRS 15, comparative figures have not been restated.

Under HKFRS 15, a contract liability, rather than a payable, is recognised when a customer pays non-refundable consideration before the Group recognises the related revenue. Receipt in advance from customers amounting to HK\$5,512,000 which were previously included in accruals and other payable are now recognised as contract liability as at 1 January 2018 to reflect the terminology of HKFRS 15.

(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) 會計政策變動(續)

(i) 香港財務報告準則第9號金融工具(續)

(2) 金融資產減值

本集團持有的如下兩種金融資產在香港財務報告準則第9號新預期信用損失模型的適用範圍內：

- 貿易應收款項
- 按金及其他應收款項

本集團須按照香港財務報告準則第9號的規定對各類資產採用新的減值模型。減值模型的變更對本集團保留收益和權益的影響並不重大。

現金及現金等價物亦須遵循香港財務報告準則第9號的減值要求，但已確認的減值損失並不重大。

貿易應收款項

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2018年1月1日，產生的貿易應收款項損失撥備增加並不重大。附註3(a)說明了撥備計算的詳細情況。

按金及其他應收款項

本集團認為以攤餘成本計量的按金及其他應收款項的風險很低，因此確認的減值撥備為12個月內的預期信用損失。於2018年1月1日，產生的按金及其他應收款項的減值撥備增加並不重大。於本報告期內，按金及其他應收款項的減值撥備並未進一步增加。

(ii) 香港財務報告準則第15號「客戶合約收益」

本集團已於2018年1月1日採納香港財務報告準則第15號「客戶合約收益」，使得會計政策發生變動，合併財務報表中確認的數額發生調整。根據香港財務報告準則第15號的過渡性要求，比較數據未重述。

根據香港財務報告準則第15號規定，當本集團在尚未確認相關收入前收到客戶支付的不可退還對價，確認一項合同負債，而非應付款。之前計入應計款項及其他應付款的預收款項港幣5,512,000元，於2018年1月1日確認為合同負債以反映香港財務報告準則第15號的術語。

(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、被收購方前擁有人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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(c) Subsidiaries (Continued)

(c) 附屬公司(續)

(i) Consolidation (Continued)

(i) 合併(續)

Business combinations (Continued)**業務合併(續)**

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.

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。

Acquisition-related costs are expensed as incurred.

收購相關成本在產生時支銷。

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.

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。

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.

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。

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.

集團內交易、結餘及集團及公司間交易所得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。

Changes in ownership interests in subsidiaries without change of control**不導致控制權變動之附屬公司所有權權益變動**

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.

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。

Disposal of subsidiaries**出售附屬公司**

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.

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) Separate financial statements

(ii) 獨立財務報表

Investments in subsidiaries are accounted for at cost less impairment. Cost includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

於附屬公司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的業績按已收及應收股息入賬。

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary 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.

倘投資附屬公司收取之股息超過附屬公司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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(d) Associates

(d) 聯營公司

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.

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。

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.

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。

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.

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。

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.

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。

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.

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。

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

於聯營公司股權的攤薄收益或虧損於收益表確認。

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.

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。

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.

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。

(e) Joint arrangements

(e) 合營安排

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.

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。

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.

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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements (Continued)

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.

(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.

2 主要會計政策概要(續)

(e) 合營安排(續)

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入。

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。

(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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Foreign currency translation (Continued)

(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

Land and buildings comprise mainly a factory, offices and retail shops. Leasehold land classified as finance lease and all other 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. 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
— 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 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(j)).

(i) 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.

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.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(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.

2 主要會計政策概要(續)

(g) 外幣換算(續)

(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

土地及樓宇主要為廠房、辦公室及零售商舖。分類為融資租賃的租賃土地與其他物業、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。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
— 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(j))。

(i) 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。

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。

對商譽的減值檢討每年進行,或如事件或情況轉變顯示可能存在減值,則更頻密地檢討。包含商譽的現金產出單元的賬面值與可收回數額(使用價值與公允價值減處置成本較高者)比較。任何減值須即時確認及不得在之後期間撥回。

(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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2 主要會計政策概要(續)****(i) Intangible assets (Continued)****(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.

(j) 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.

(k) Financial assets**(i) Classification**

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through 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.

(i) 無形資產(續)**(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的可使用年期，並按成本減累計攤銷列賬。攤銷是按預計可使用年期利用直線法分攤計算。

(j) 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。

(k) 金融資產**(i) 分類**

自2018年1月1日起，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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Measurement (Continued)

(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

From 1 January 2018, 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.

(v) Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9 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.

Until 31 December 2017 the Group classified its financial assets in the following categories:

- loans and receivables, and
- available-for-sale financial assets.

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition.

(a) Reclassification

The Group could choose to reclassify a non-derivatives trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event choose to reclassify financial assets that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and not reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

2 主要會計政策概要(續)

(k) 金融資產(續)

(iii) 計量(續)

(b) 債務工具

債務工具的后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

自2018年1月1日起，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)。

(v) 截至2017年12月31日前採用的會計政策

本集團已追溯應用香港財務報告準則第9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。

2017年12月31日之前，本集團將其金融資產分類為以下類別：

- 貸款及應收賬款，及
- 可供出售金融資產

分類取決於投資之目的。管理層在初始確認時即釐定投資的分類。

(a) 重分類

若金融資產不再持有作短期出售用途，本集團或可選擇將為交易目的所持有的非衍生金融資產自為交易目的所持有的類別中重分類。只有在由特殊和極不可能在短期內再發生的單一事件產生的極少的情況下，貸款及應收款項以外的金融資產才容許自為交易目的所持有的類別中重分類。此外，如本集團有意圖和能力在可見將來或至到期持有該等金融資產，本集團或可選擇將符合貸款及應收款項定義的金融資產自為交易目的所持有的類別或可供出售類別中重分類。

重分類按重分類日期的公允價值入賬。公允價值成為新成本或攤餘成本(按適用)，而在重分類日期前記錄的公允價值利得或虧損不得在其後撥回。重分類至貸款及應收款項以及持有至到期類別的金融資產的實際利率，按重分類日期釐定。現金流量估計的進一步增加自生效日起對實際利率作出調整。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(k) Financial assets (Continued)

(k) 金融資產(續)

(v) Accounting policies applied until 31 December 2017 (Continued)

(v) 截至2017年12月31日前採用的會計政策(續)

(b) Subsequent measurement

The measurement at initial recognition did not change an adoption of HKFRS 9, see description above.

Subsequent to the initial, recognition loans and receivables were subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets was subsequently carried at fair value. Gains or losses arising from changes from changes in fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency — translation differences related to changes in the amortised cost of the securities were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 3(c).

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and other losses from investment securities.

(c) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets were impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the assets was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in Note 3(a)(ii)(2).

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

(b) 後續計量

初始確認時的計量不會對採納香港財務報告準則第9號產生變更，詳情請參加上述描述。

初始計量後，貸款及應收款其後利用實際利率法按攤餘成本列賬。

可供出售金融資產其後按公允價值列賬。因公允價值變動產生的利得和損失按如下方法確認：

- 對於外幣貨幣證券可供出售金融資產 — 與證券攤餘成本變動相關的外幣折算差額確認為損益，賬面價值的其他變動確認為其他綜合收益。
- 對於分類為可供出售的其他貨幣性及非貨幣性證券 — 公允價值變動利得和損失在其他綜合收益中確認。

金融工具公允價值釐定方法詳情披露於附註3(c)。

當分類為可供出售的證券出售時，在其他綜合收益中確認的公允價值累計變動作為投資證券利得或其他損失重分類至損益。

(c) 減值

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明發生一宗或多宗事件對金融資產的預計未來現金流量構成可合理估計的影響，有關的金融資產或金融資產組才出現減值及產生減值損失。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。

以攤餘成本列賬的資產

對於貸款及應收款，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在損益確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在損益中轉回。

應收賬款的減值測試見附註3(a)(ii)(2)。

可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

至於權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中重分類並在損益中記賬。在合併收益表中就權益工具確認的減值虧損，不得透過合併收益表轉回。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2 主要會計政策概要(續)****(l) 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.

(l) 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。

(m) 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). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) 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)，而不包括借貸成本。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。

(n) 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.

(n) 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，則於業務的正常運營週期內)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。

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.

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。

(o) 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).

(o) 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、其他原期限為三個月或以內之短期高流動性投資。

(p) Share capital

Ordinary shares are classified as equity.

(p) 股本

普通股分類為權益。

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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)。

(q) 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.

(q) 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。

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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。

(r) 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.

(r) 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。

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.

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。

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.

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。

For the year ended 31 December 2018

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(s) 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.

(t) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's 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

Inside basis differences

Deferred income tax is recognised, 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, the deferred income tax is 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 substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(s) 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。

(t) 即期及遞延所得稅

期內稅項支出包括即期及遞延所得稅。稅項於收益表確認,惟與其他綜合收益或直接於權益確認的項目有關者除外。於此情況下,稅項亦分別於其他綜合收益或直接於權益確認。

(i) 即期所得稅

即期所得稅支出根據本公司附屬公司及聯營公司營運及產生應課稅收益的國家於結算日已頒佈或實質頒佈的稅務法律計算。管理人員就相關稅務法規詮釋所規限的情況定期評估報稅表狀況,並在適用情況下根據預期須向稅務機關支付的稅款作出撥備。

(ii) 遞延所得稅

內部基礎差額

遞延所得稅以負債法就資產及負債的稅基與合併財務報表所示賬面值的暫時差額確認。然而,若遞延所得稅負債來自商譽之初步確認,則不予確認,倘遞延所得稅從於交易(業務合併除外)時初次確認資產或負債產生而於交易時不影響會計或應課稅損益,則不會入賬。遞延所得稅按於結算日已頒佈或實質頒佈的稅率(及稅法)釐定,並預期應用於實現相關遞延所得稅資產或償還遞延所得稅負債。

在可能有未來應課稅利潤的情況下,而暫時差額可用以抵銷,方會確認遞延所得稅資產。

外部基礎差額

遞延所得稅負債就附屬公司、聯營公司及合營安排投資產生的應課稅暫時差額計提撥備,惟本集團可控制暫時差額的轉回時間,而暫時差額在可預見將來可能不會轉回的遞延所得稅負債除外。一般而言,本集團無法控制聯營公司暫時差額的轉回。僅當訂有協議讓本集團於可預見未來可控制暫時差額的轉回,則不會就聯營公司未分配利潤引致的應課稅暫時差額確認遞延所得稅負債。

遞延所得稅資產就附屬公司、聯營公司及合營安排投資產生的可扣稅暫時差額確認,惟以日後可能轉回暫時差額且有足夠應課稅利潤用以抵銷暫時差額為限。

(iii) 抵銷

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷,且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意以淨額基準結算所得稅結餘時,則可將遞延所得稅資產與負債互相抵銷。

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截至2018年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(u) Employee benefits

(u) 僱員福利

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.

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) 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.

(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) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(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。

(v) 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.

(v) 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。

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.

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。

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.

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。

(w) Revenue recognition

(w) 收入確認

(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.

(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。

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.

批發

批發方面，批發商對出售產品的渠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。

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.

在於銷售存在90天的信用期，與市場慣例相同，故沒有融資成分。

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.

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。

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.

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。零售通常以現金或信用卡結付。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(w) Revenue recognition (Continued)

(w) 收入確認(續)

(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.

(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) 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.

(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) 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.

(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。

(v) Accounting policies applied until 31 December 2017

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns, rebates and value added taxes and after eliminating sales within the Group.

(v) 截至2017年12月31日前採用的會計政策

收入按已收或應收對價的公允價值計量，並相當於供應貨品和提供服務的應收款項，扣除折扣、退貨、折讓和增值稅後經集團內銷售抵銷後列帳。

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group’s activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

Sales of goods

The Group sells healthcare products and Chinese medicine to wholesalers and individual customers. Sales of goods are recognised when a group entity has delivered products to the wholesaler or customer.

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。

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.

批發方面，批發商對出售產品的渠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。

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. Retail sales are usually in cash or by credit card.

零售方面，本集團透過連鎖零售商舖銷售產品。銷售貨品於集團實體向客戶銷售產品時確認。零售通常以現金或信用卡結付。

Service income

The Group provides Chinese medical consultation and treatments in retail outlets. Service income is recognised in the accounting period in which the service is provided to the customer and it is settled in cash or by credit card.

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。

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.

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。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Interest income

Interest income on financial assets at amortised cost (2017 – loans and receivables) 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).

(y) Dividend income

Dividends are received from a financial asset measured at fair value through other comprehensive income (“FVOCI”) (2017 – from an available-for-sale financial asset). Dividends are recognised as other net gain in consolidated income statement when the right to receive payment is established.

(z) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

(aa) 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 2018, 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 2018 would have been HK\$6,726,000 (2017: HK\$5,616,000) 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 主要會計政策概要(續)

(x) 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(2017 – 貸款及應收款)利息收益於合併利潤表中確認為融資收入 – 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入，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。

(y) 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(2017 – 源自可供出售金融資產)。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。

(z) 租賃

出租人保留所有權大部分風險及回報的租賃歸類為經營租賃。根據經營租賃作出的付款(扣除自出租人收取的任何獎勵金)於租期內以直線法在合併收益表支銷。

(aa) 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。

2018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2018年12月31日止年度的除所得稅前利潤增加/減少6,726,000港元(2017年：5,616,000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。

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3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Market risk (Continued)

(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 2018, 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\$11,319,000 (2017: HK\$9,478,000) higher/lower, respectively, mainly as a result of higher/lower interest income on bank deposits.

(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 group 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 the date of billings. As at 31 December 2018, 78.0% of the Group's trade receivables were due within 90 days (2017: 74.3%). 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.

The Group considers the credit risk characteristics and the days past due to measure the expected credit losses. For the year ended 31 December 2018, the expected credit losses rate for customers of sales of goods is minimal, given there is no history of significant defaults from customers and insignificant impact from forward-looking estimates. The assessed expected credit losses for trade receivables are not material.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

3 財務風險管理(續)

(a) 財務風險因素(續)

(i) 市場風險(續)

(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2018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11,319,000港元(2017年：9,478,000港元)。

(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2018年12月31日，本集團78.0%(2017年：74.3%)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

貿易應收款項

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準備。

本集團按照相同的信用風險特徵和逾期天數計量預期信用損失。截至2018年12月31日止年度，由於過去客戶未發生重大違約事件且前瞻性估計的影響不重大，貨品銷售相關客戶的預期信用損失率極小。經評估，應收賬款不存在重大的預期信用損失。

之前關於應收賬款減值會計政策

去年，本集團基於已發生損失模型對應收賬款進行減值評估。已知無法收回的應收款通過直接減少賬面價值予以核銷。其他應收款進行統一評估，以確定是否存在客觀證據表明已發生尚未識別的減值。對於該等應收賬款，其經評估後的減值損失計入單獨的減值撥備中。本集團認為出現以下任一跡象即表明存在減值證據：

- 債務方面臨重大財務困難；
- 債務人很可能破產或進行財務重組；以及
- 違約或逾期付款。

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。

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3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

(2) Impairment of financial assets (Continued)

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.

(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 2018, the Group's financial liabilities were mainly trade and other payables amounting to HK\$119,011,000 (2017: HK\$114,486,000), which were due within 12 months and equal their carrying balance as the impact of discounting is not significant.

(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 (2017 — available-for-sale financial asset) is carried at fair value as at 31 December 2018 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 and borrowing are measured at amortised cost.

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)

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。

(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2018年12月31日，本集團的金融負債主要為119,011,000港元(2017年：114,486,000港元)於12個月內到期的貿易及其他應付款項，由於貼現影響不重大，故負債金額相等於其賬面結餘。

(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2018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(2017年：可供出售金融資產)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及借款)的賬面值按攤銷成本計量。

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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 which are subject to change of economic environment in future. Details are set out in Note 16.

(b) Other intangible assets

The Group tests whether the other intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2(i). The recoverable amount of the other intangible assets has been determined as its value in use.

5 SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive directors of the Company (the “Executive Directors”. The Executive Directors 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 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, including Macao.

Segment assets include leasehold land, property, plant and equipment, intangible assets, investments accounted for using equity method, financial asset at fair value through other comprehensive income (2017 — available-for-sale financial asset), 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 borrowing, 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 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或會受將來經濟環境而改變。詳情載於附註16。

(b) 其他無形資產

根據附註2(i)的會計政策，本集團將按發生的事件或情況變化，對其他無形資產進行減值測試以確定可收回金額。其他無形資產的可收回金額以資產的使用價值來釐定。

5 分部資料

主要經營決策者已被確認為本公司的執行董事(「執行董事」)。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產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(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。

分部資產包括租賃土地、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(2017：可供出售金融資產)、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、短期銀行存款於現金及現金等價物，分部負債包括借貸、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。

For the year ended 31 December 2018

截至2018年12月31日止年度

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
Year ended 31 December 2018 截至2018年12月31日止年度				
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 and amortisation 折舊及攤銷	(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

	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
Year ended 31 December 2017 截至2017年12月31日止年度				
Segment revenue 分部收入	936,461	425,532	307,607	1,669,600
Inter-segment revenue 分部間收入	(300,204)	(102,654)	(748)	(403,606)
Revenue from external customers 來自外部客戶之收入	636,257	322,878	306,859	1,265,994
Contribution to segment results 分部業績之貢獻	577,880	27,866	24,935	630,681
Depreciation and amortisation 折舊及攤銷	(15,082)	(644)	(8,969)	(24,695)
Amortisation of intangible assets 無形資產攤銷	(1,300)	-	(1,146)	(2,446)
Impairment loss on property, plant and equipment 物業、廠房及設備之減值計提	(5,509)	-	(1,177)	(6,686)
Impairment loss on inventories 存貨之減值計提	-	-	(523)	(523)
Write-off of inventories 存貨撇減	(950)	-	(534)	(1,484)
Segment results 分部業績	555,039	27,222	12,586	594,847
Inter-segment elimination 分部間對銷				2,837
Operating profit 經營利潤				597,684
Finance income 財務收益	13,025	225	106	13,356
Finance cost 財務支出	-	-	(32)	(32)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(42)
Profit before income tax 除所得稅前利潤				610,966
Income tax expense 所得稅開支	(94,350)	(7,163)	(3,941)	(105,454)
Profit for the year 年度利潤				505,512

For the year ended 31 December 2018

截至2018年12月31日止年度

5 SEGMENT INFORMATION (Continued)

(b) Analysis of consolidated balance sheets

5 分部資料(續)

(b) 合併資產負債表的分析

	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
At 31 December 2018 於2018年12月31日				
Segment assets and liabilities 分部資產及負債				
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 ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	11,086	857	41,285	53,228
Total liabilities 總負債	(82,769)	(27,289)	(36,800)	(146,858)
At 31 December 2017 於2017年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	2,260,150	203,558	296,947	2,760,655
Investments accounted for using the equity method 按權益法入賬之投資	12,900	–	7,866	20,766
Additions to non-current assets ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	8,083	122	26,068	34,273
Total liabilities 總負債	(86,864)	(33,576)	(32,038)	(152,478)

⁽¹⁾ 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 (2017 – available-for-sale financial asset) and deferred tax assets.

⁽¹⁾ 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(2017 – 可供出售金融資產)和遞延所得稅資產。

(c) Revenue

The analysis of revenue by category is as follows:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Sales of products 銷售產品	1,453,344	1,217,907
Service income 服務收入	60,078	47,548
Royalty fee income 品牌使用費收益	451	539
	1,513,873	1,265,994

(c) 收入

按類別劃分的收入分析如下：

(d) Information about major customers

For the year ended 31 December 2018, revenue from three (2017: 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:

	2018	2017
	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	258,672	239,930
– Entities under the control of the ultimate holding company ⁽¹⁾ (Note 28(a)) 最終控股公司所控制的實體 ⁽¹⁾ (附註28(a))	214,187	197,304
– Customer B 客戶B	160,531	138,479
	633,390	575,713

⁽¹⁾ It represents a group of entities under common control considered as a single customer.

⁽¹⁾ 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 2018 (2017: Nil).

截至2018年12月31日止年度，其他分部概無客戶(2017年：無)個別佔本集團總收入的百分之十或以上。

For the year ended 31 December 2018

截至2018年12月31日止年度

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

(e) Information about geographical areas

(e) 有關地區的資料

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:

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) Revenue⁽¹⁾(i) 收入⁽¹⁾

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	807,345	636,257
PRC 中國	373,602	322,878
Macao 澳門	157,415	142,300
Australia 澳大利亞	56,226	53,173
Canada 加拿大	39,172	35,943
Singapore 新加坡	24,488	23,969
New Zealand 新西蘭	19,798	19,627
United States 美國	14,767	9,562
Other countries 其他國家	21,060	22,285
	1,513,873	1,265,994

(ii) Non-current assets⁽²⁾(ii) 非流動資產⁽²⁾

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	245,136	250,048
PRC 中國	1,656	1,600
Macao 澳門	46,437	8,802
Australia 澳大利亞	35,038	40,803
Canada 加拿大	6,676	8,722
New Zealand 新西蘭	3,975	5,644
United States 美國	20,092	24,201
Europe 歐洲	16,703	17,294
Other countries 其他國家	1,408	3,438
	377,121	360,552

⁽¹⁾ The geographical location of revenue is analysed based on the location where goods are sold and services are provided.

⁽¹⁾ 收入來源地區按銷售貨品及提供服務所在地分析。

⁽²⁾ 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 (2017 — available-for-sale financial asset) and deferred tax assets.

⁽²⁾ 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(2017 — 可供出售金融資產)和遞延所得稅資產。

For the year ended 31 December 2018

截至2018年12月31日止年度

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

(f) Assets and liabilities related to contracts with customers

(f) 與客戶合同有關的資產和負債

The Group has recognised the following liability related to contract with customers:

本集團已確認以下與客戶合同有關的資產和負債：

	31 December 2018 2018年12月31日	1 January 2018 2018年1月1日 (Restated) (經重列)
	HK\$'000 千港元	HK\$'000 千港元
Contract liabilities – Service income 合同負債 – 服務收入	4,935	5,512
	4,935	5,512

The Group has not recognised any contract assets related to contract with customers as at 1 January and 31 December 2018.

於2018年1月1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。

There is no significant changes in contract assets and liabilities during the year ended 31 December 2018.

截至2018年12月31日止年度，合同資產和負債未發生重大變更。

(g) Revenue recognised in relation to contract liabilities

(g) 已確認的與合同負債有關的收入

The following table shows revenue recognised in relation to contract liabilities in the year ended 31 December 2018 related to carried forward contract liabilities as at 1 January 2018.

下表所示為至2018年12月31日止年度已確認的與合同負債有關的收入中與2018年1月1日已結轉合同負債有關的收入金額。

	31 December 2018 2018年12月31日
	HK\$'000 千港元
Revenue recognised in relation to contract liabilities at 1 January 2018 於2018年1月1日已確認的與合同負債有關的收入	4,430
	4,430

6 EXPENSES BY NATURE

6 按性質分類的開支

	2018	2017
	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)	363,372	278,329
Employee benefit expenses (Note 7) 僱員福利開支(附註7)	201,448	175,818
Operating leases payments 經營租賃付款	86,713	75,321
Amortisation of prepaid operating lease payments (Note 14) 預付經營租賃款項攤銷(附註14)	543	543
Amortisation of intangible assets (Note 16) 無形資產攤銷(附註16)	6,558	2,446
Depreciation of property, plant and equipment (Note 15) 物業、廠房及設備折舊(附註15)	23,745	24,152
Impairment loss on property, plant and equipment (Note 15) 物業、廠房及設備之減值計提(附註15)	–	6,686
Losses on disposals of property, plant and equipment (Note 26) 出售物業、廠房、設備之虧損(附註26)	774	110
Impairment loss on inventories (Note 19) 存貨之減值計提(附註19)	1,423	523
Write-off of inventories (Note 19) 存貨撇減(附註19)	611	1,484
Auditors' remuneration 核數師酬金		
– Audit services 核數服務	4,413	3,850
– Non-audit services 非核數服務	295	155
Research and development 研發	18,546	9,581
Net exchange gain 匯兌收益淨額	(1,727)	(286)
Promotion and advertising expenses 宣傳及廣告開支	29,546	22,540
Legal and professional expenses 法律及專業開支	5,352	6,671

For the year ended 31 December 2018

截至2018年12月31日止年度

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

7 僱員福利開支，包括董事酬金

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Salaries, wages and bonuses 薪金、工資及花紅	176,206	154,366
Pension costs — defined contribution plans 退休金成本—定額供款計劃	11,678	10,280
Other benefits 其他福利	13,564	11,172
	201,448	175,818

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2017: two) directors whose emoluments are reflected in the analysis presented in Note 8(a). The emoluments paid or payable to the remaining three (2017: 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(2017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(2017年：三位)人士的酬金如下：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Basic salaries and other benefits 基本薪金及其他福利	1,009	1,208
Bonuses 花紅	3,365	2,874
Pension costs — defined contribution plans 退休金成本—定額供款計劃	18	106
	4,392	4,188

The emoluments fell within the following bands:

酬金介乎以下範圍：

Emolument bands 酬金範圍	Number of individuals 人數	
	2018	2017
HK\$ 港元 1,000,001 — HK\$ 港元 1,500,000	2	3
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 for the year ended 31 December 2018 fell within the following bands:

(b) 高級管理人員酬金

截至2018年12月31日止年度已付或應付高級管理人員的酬金介乎以下範圍：

Emolument bands 酬金範圍	Number of individuals 人數	
	2018	2017
HK\$ 港元 1,000,001 — HK\$ 港元 1,500,000	3	3

(c) For the year ended 31 December 2018, no emoluments (2017: 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.

(c) 截至2018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(2017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。

For the year ended 31 December 2018

截至2018年12月31日止年度

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 2018 and 2017 are set out below:

截至2018年及2017年12月31日止年度的本公司各董事薪酬如下：

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				
	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	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
Non-executive Director 非執行董事					
Mr. Mei Qun ⁽¹⁾ 梅群先生 ⁽¹⁾	-	-	-	-	-
Executive Directors 執行董事					
Ms. Ding Yong Ling ⁽²⁾ 丁永玲女士 ⁽²⁾	-	-	-	-	-
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
Independent Non-executive Directors 獨立非執行董事					
Mr. Tsang Yok Sing, Jasper ⁽³⁾ 曾鈺成先生 ⁽³⁾	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

For the year ended 31 December 2018

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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)

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) Directors' emoluments (Continued)

(a) 董事酬金(續)

Year ended 31 December 2017 截至2017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	
Non-executive Director 非執行董事						
Mr. Mei Qun ⁽¹⁾ 梅群先生 ⁽¹⁾	-	-	-	-	-	-
Executive Directors 執行董事						
Ms. Ding Yong Ling ⁽²⁾ 丁永玲女士 ⁽²⁾	-	-	-	-	-	-
Mr. Zhang Huan Ping 張煥平先生	-	715	928	18	1,661	
Ms. Lin Man 林曼女士	-	715	928	18	1,661	
Independent Non-executive Directors 獨立非執行董事						
Mr. Tsang Yok Sing, Jasper ⁽³⁾ 曾鈺成先生 ⁽³⁾	80	-	-	-	80	
Ms. Leung, Oi Sie Elsie ⁽⁴⁾ 梁愛詩女士 ⁽⁴⁾	180	-	-	-	180	
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240	
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240	
	740	1,430	1,856	36	4,062	

⁽¹⁾ Mr. Mei Qun was retired from the non-executive director of the Company on 11 March 2019.

⁽¹⁾ 梅群先生於2019年3月11日退任本公司非執行董事。

⁽²⁾ Ms. Ding Yong Ling is also the Chief Executive of the Company.

⁽²⁾ 丁永玲女士亦為本公司最高行政人員。

⁽³⁾ Mr. Tsang Yok Sing, Jasper was appointed as the independent non-executive director of the Company on 12 September 2017.

⁽³⁾ 曾鈺成先生於2017年9月12日委任為本公司獨立非執行董事。

⁽⁴⁾ Ms. Leung, Oi Sie Elsie was resigned from the independent non-executive director of the Company on 12 September 2017.

⁽⁴⁾ 梁愛詩女士於2017年9月12日辭任本公司獨立非執行董事。

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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)

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) Directors' emoluments (Continued)

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.

(a) 董事酬金(續)

本公司並無董事放棄或退還任何酬金。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) 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 2018 (2017: Nil).

(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(2017年：無)。

(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 2018 (2017: Nil).

(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(2017年：無)。

(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 2018 (2017: Nil).

(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(2017年：無)。

(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 2018 (2017: Nil).

(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信息

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信息(2017年：無)。

(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 2018 (2017: Nil).

(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(2017年：無)。

9 FINANCE INCOME, NET

9 財務淨益

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Finance income 財務收益	23,392	13,356
Finance costs 財務支出	(19)	(32)
Finance income, net 淨財務收益	23,373	13,324

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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：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
At 31 December 於12月31日		
Joint ventures 合營企業	20,181	20,766

(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：

	2018	2017
	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	(489)	(42)

(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。

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	20,766	19,810
Share of losses for the year 應佔年度虧損	(489)	(42)
Share of other comprehensive (losses)/income 應佔其他綜合(虧損)/收益		
– Currency translation differences 貨幣兌換差額	(96)	998
At 31 December 於12月31日	20,181	20,766
The Group's share of joint ventures' commitments 本集團應佔合營企業承擔	5,009	5,657

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。

	2018	2017
	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 2018 and 2017, the Group's investment in one of the associates which is still under the process of being wound up, was fully impaired.
- (d) In 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2018年及2017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2018年並無確認其應佔的虧損。

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11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year. PRC corporate income tax has been provided at the rate of 25% (2017: 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.

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Current income tax 當期所得稅		
– Current year 本年度	122,326	105,249
– Over provision in prior years 往年多計撥備	(485)	(988)
	121,841	104,261
Deferred income tax (Note 18) 遞延所得稅(附註18)	(2,266)	1,193
Income tax expense 所得稅支出	119,575	105,454

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:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Profit before income tax 除所得稅前利潤	720,898	610,966
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	116,791	101,464
Tax effects of: 以下的稅務影響		
– Income not subject to tax 免稅收益	(5,681)	(3,857)
– Expenses not deductible for tax purposes 不可扣稅開支	5,319	2,125
– 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	4,419	4,478
– Withholding income tax on royalty fee from overseas entities 自海外實體品牌使用費代扣所得稅	309	284
– Over provision in prior years 往年多計撥備	(485)	(988)
– Research and development enhanced deduction 研究開發費的加倍扣稅額	(1,059)	–
– Others 其他	(38)	1,948
Income tax expense 所得稅	119,575	105,454

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.

	2018	2017
	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	580,720	489,967
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)	0.69	0.59

For the years ended 31 December 2018 and 2017, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive shares.

11 所得稅支出

就年內估計應課稅利潤按16.5%(2017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%(2017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。

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2018年及2017年12月31日止年度，無具潛在攤薄效應之股份。

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13 DIVIDENDS

The dividends paid in 2018 and 2017 were HK\$159,049,000 (HK\$0.19 per share) and HK\$133,936,000 (HK\$0.16 per share) respectively. Dividend in respect of the year ended 31 December 2018 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 7 May 2019. These financial statements do not reflect this dividend payable.

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Interim dividend paid of HK\$Nil (2017: HK\$Nil) per ordinary share 已付每股普通股中期股息零港元 (2017年：零港元)	-	-
Proposed final dividend of HK\$0.23 (2017: HK\$0.19) per ordinary share 建議每股普通股末期股息0.23港元 (2017年：0.19港元)	192,533	159,049
	192,533	159,049

14 LEASEHOLD LAND

The Group's interest in leasehold land represents prepaid operating lease payments and its net book value is analysed as follows:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
In Hong Kong, held on: 於香港所持：		
Lease of between 10 and 50 years 租期為10至50年	15,465	16,008
At 1 January 於1月1日	16,008	16,551
Amortisation of prepaid operating lease payments (Note 6) 預付經營租賃款項攤銷 (附註6)	(543)	(543)
At 31 December 於12月31日	15,465	16,008

13 股息

2018年及2017年的已付股息分別為159,049,000港元(每股0.19港元)及133,936,000港元(每股0.16港元)。截至2018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2019年5月7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 租賃土地

本集團租賃土地的權益指預付經營租賃款項，其賬面淨值分析如下：

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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
Year ended 31 December 2017 截至2017年12月31日止年度							
Opening net book amount 期初帳面淨值	98,323	99,322	31,514	10,000	15,823	1,030	256,012
Additions 增加	6,802	5,550	13,114	3,472	4,339	229	33,506
Disposals (Note 26(b)) 出售(附註26(b))	-	-	(1)	-	(120)	(52)	(173)
Depreciation charge (Note 6) 折舊支出(附註6)	(2,127)	(2,796)	(11,350)	(3,029)	(4,451)	(399)	(24,152)
Impairment loss 減值計提	-	-	(5,963)	-	(723)	-	(6,686)
Currency translation differences 貨幣兌換差額	651	2,174	1,177	-	1,023	23	5,048
Closing net book amount 期末帳面淨值	103,649	104,250	28,491	10,443	15,891	831	263,555
At 31 December 2017 於2017年12月31日							
Cost 成本	114,680	129,176	83,264	53,056	33,790	3,097	417,063
Accumulated depreciation and impairment 累計折舊及減值	(11,031)	(24,926)	(54,773)	(42,613)	(17,899)	(2,266)	(153,508)
Net book amount 帳面淨值	103,649	104,250	28,491	10,443	15,891	831	263,555
Year ended 31 December 2018 截至2018年12月31日止年度							
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)
Closing net book amount 期末帳面淨值	133,573	104,354	20,996	10,678	16,026	676	286,303
At 31 December 2018 於2018年12月31日							
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)
Net book amount 帳面淨值	133,573	104,354	20,996	10,678	16,026	676	286,303

The net book value of the interests in freehold land and leasehold land classified as finance lease are analysed as follows:

分類為永久業權土地及根據融資租賃持有的租賃土地權益的賬面淨值分析如下：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
In Hong Kong, held on: 於香港所持：		
Leases of between 10 and 50 years 租期為10至50年	85,342	87,469
Outside Hong Kong, held on: 於香港境外所持：		
Freehold 永久業權	48,231	16,180

As at 31 December 2018, bank borrowing is secured by a freehold land and building amounted to HK\$10,913,000 (2017: HK\$12,343,000) (Note 24).

於2018年12月31日，銀行借款以賬面值10,913,000港元(2017年：12,343,000港元)的永久業權土地及樓宇作為抵押(附註24)。

Depreciation expenses were charged to the consolidated income statements as follows:

折舊開支於合併收益表中計入如下：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Cost of sales 銷售成本	5,348	6,122
Distribution and selling expenses 分銷及銷售開支	11,757	11,356
General and administrative expenses 一般及行政開支	6,640	6,674
	23,745	24,152

No impairment loss on property, plant and equipment (2017: HK\$6,686,000) was charged to general and administrative expenses in the consolidated income statement.

本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(2017年：6,686,000港元)。

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16 INTANGIBLE ASSETS

16 無形資產

The net book value of the Group's intangible assets is analysed as follows:

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 2017 於2017年1月1日	49,419	31,860	81,279
Amortisation (Note 6) 攤銷(附註6)	–	(2,446)	(2,446)
Currency translation difference 貨幣兌換差額	–	168	168
At 31 December 2017 and 1 January 2018 於2017年12月31日日及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 於2018年12月31日	49,419	23,068	72,487

Note:

Other intangible assets represent customer relationships, a management contract and an exclusive supply contract.

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。

Impairment test for goodwill

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.

商譽減值測試

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辦識的現金產生單位。

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.

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。

The value-in-use calculation is based on a five-year financial budget approved by management, with five-year sales growth rate ranging between 1% and 5%. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 3%. A pre-tax discount rate of 16% (2017: 16%) is used which reflects the specific risks relating to the relevant operating segment.

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1%至5%。五年期以後之財政預算乃使用3%的估計增長率推算。所用之稅前貼現率為16% (2017: 16%)，亦反映有關分部之特定風險。

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 Honour Essence Trading Limited's cash-generating unit within the Hong Kong segment.

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出單元中進行減值測試。

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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 investment was classified as available-for-sale financial asset in 2017. 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:

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，在2017年分類至可供出售金融資產，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：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	15,318	–
Valuation gain transfer to equity (Note 23) 利得轉撥至權益(附註23)	150	–
At 31 December 於12月31日	15,468	–

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18 DEFERRED INCOME TAX

18 遞延所得稅

The analysis of deferred income tax assets and liabilities is as follows:

遞延所得稅資產及負債的分析如下：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets 遞延所得稅資產		
– to be recovered after more than 12 months 將於12個月後收回	–	–
– to be recovered within 12 months 將於12個月內收回	11,851	9,132
	11,851	9,132
Deferred income tax liabilities 遞延所得稅負債		
– to be settled after more than 12 months 將於超過12個月後結算	(3,384)	(3,106)
– to be settled within 12 months 將於12個月內結算	(1,490)	(1,313)
	(4,874)	(4,419)
Deferred income tax assets, net 遞延所得稅資產淨額	6,977	4,713

The net movement in the deferred income tax account is as follows:

遞延所得稅賬目淨變動如下：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	4,713	5,852
Credited/(charged) to the consolidated income statement (Note 11) 計入/(扣自)合併收益表(附註11)	2,266	(1,193)
Currency translation differences 貨幣兌換差額	(2)	54
At 31 December 於12月31日	6,977	4,713

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:

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：

	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	Provision 撥備	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets 遞延所得稅資產				
At 1 January 2017 於2017年1月1日	41	8,376	1,573	9,990
(Charged)/credited to the consolidated income statement (扣自)/計入合併收益表	11	695	(1,626)	(920)
Currency translation differences 貨幣兌換差額	4	5	53	62
At 31 December 2017 於2017年12月31日	56	9,076	–	9,132
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)
At 31 December 2018 於2018年12月31日	84	11,767	–	11,851

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18 DEFERRED INCOME TAX (Continued)

18 遞延所得稅(續)

	Accelerated tax depreciation 加速稅項折舊	Other 其他	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax liabilities 遞延所得稅負債			
At 1 January 2017 於2017年1月1日	(3,593)	(545)	(4,138)
Credited/(charged) to the consolidated income statement 計入/(扣自)合併收益表	(382)	109	(273)
Currency translation differences 貨幣兌換差額	(8)	–	(8)
At 31 December 2017 於2017年12月31日	(3,983)	(436)	(4,419)
At 1 January 2018 於2018年1月1日	(3,983)	(436)	(4,419)
Credited/(charged) to the consolidated income statement 計入/(扣自)合併收益表	(569)	104	(465)
Currency translation differences 貨幣兌換差額	10	–	10
At 31 December 2018 於2018年12月31日	(4,542)	(332)	(4,874)

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\$13,703,000 (2017: HK\$11,463,000) in respect of tax losses amounting to approximately HK\$72,021,000 (2017: HK\$61,348,000) at 31 December 2018 that can be carried forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$30,263,000 (2017: HK\$24,255,000) which will expire between 2019 and 2038 (2017: expire between 2018 and 2037).

The Group did not recognise the deferred income tax liabilities of HK\$3,652,000 (2017: HK\$3,521,000) in respect of the withholding tax that would be payable on the unremitted earnings of certain subsidiaries amounting to HK\$73,049,000 (2017: HK\$66,228,000) at 31 December 2018, as the Group can control the dividend policies of these subsidiaries and these unremitted earnings will not be distributed in the foreseeable future.

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72,021,000港元(2017年：61,348,000港元)確認遞延所得稅資產約13,703,000港元(2017年：11,463,000港元)。除稅項虧損30,263,000港元(2017年：24,255,000港元)惟於2019至2038年間到期(2017年：2018至2037年間到期)，該等稅項虧損並無屆滿日期。

於2018年12月31日，本集團並無就若干附屬公司未結匯之盈利73,049,000港元(2017年：66,228,000港元)計提應付之代扣稅項之遞延所得稅負債3,652,000港元(2017年：3,521,000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

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Raw materials 原材料	118,586	115,833
Work in progress 在製品	8,056	8,050
Finished goods and trading merchandise 製成品及貿易商品	117,893	111,653
	244,535	235,536

The cost of inventories recognised as expense and included in “cost of sales” amounted to HK\$363,372,000 (2017: HK\$278,329,000) 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\$1,423,000 (2017: HK\$523,000) and HK\$611,000 (2017: HK\$1,484,000) for the year ended 31 December 2018, respectively.

截至2018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363,372,000港元(2017年：278,329,000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1,423,000港元(2017年：523,000港元)及611,000港元(2017年：1,484,000港元)。

20 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

20 貿易應收款項及其他流動資產

	2018	2017
	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	74,576	50,110
– joint ventures 合營企業	9,465	2,558
– associate 聯營公司	911	1,877
– third parties 第三方	91,973	116,222
Trade receivables 貿易應收款項	176,925	170,767
Prepayments and other receivables 預付款項及其他應收款項	36,227	26,080
Deposits 按金	22,223	23,609
Amount due from a joint venture (Note b) 應收合營企業款項(附註b)	1,114	1,114
	236,489	221,570

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20 TRADE RECEIVABLES AND OTHER CURRENT ASSETS (Continued)

20 貿易應收款項及其他流動資產(續)

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2018年及2017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:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Up to 3 months 3個月或以內	138,079	126,921
3 to 6 months 3至6個月	29,121	31,275
6 months to 1 year 6個月至1年	8	6,905
Over 1 year 1年以上	9,717	5,666
	176,925	170,767

- (d) 於2018年12月31日,本集團的貿易應收款項36,281,000港元(2017年:36,274,000港元)已逾期但未減值。該等貿易應收款項與多位客戶(包括同系附屬公司及合營企業)有關,彼等近期並無預期信用損失。

該等貿易應收款項的賬齡分析如下:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Past due less than 3 months 逾期少於3個月	29,730	27,937
Past due within 3 to 6 months 逾期3至6個月	6,059	1,983
Past due over 6 months 逾期6個月以上	492	6,354
	36,281	36,274

- (f) 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:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	113,632	123,162
Renminbi 人民幣	87,326	53,970
United States dollar 美元	22,677	27,718
Australian dollar 澳元	3,935	4,961
South Korea won 韓元	2,497	3,752
Canadian dollar 加元	1,010	1,520
Euro 歐元	1,027	1,119
Other currencies 其他貨幣	4,385	5,368
	236,489	221,570

- (g) 本集團並無持有任何抵押品作為擔保(2017年:無)。

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 2018 and 2017, the aging analysis of trade receivables based on invoice date (including amounts due from related parties of trading in nature) is as follows:

- (d) At 31 December 2018, the Group's trade receivables of HK\$36,281,000 (2017: HK\$36,274,000) were past due but not impaired. These trade receivables relate to a number of customers, including fellow subsidiaries and joint ventures, for whom there is no expected credit loss.

The aging analysis of these trade receivables is as follows:

- (f) The carrying amounts of the Group's trade receivables and other current assets are denominated in the following currencies:

- (g) At 31 December 2018, the Group does not hold any collateral as security (2017: Nil).

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21 CASH AND BANK BALANCES

21 現金及銀行結餘

	2018	2017
	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	442,881	749,562
– 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	106,950	881
	549,831	750,443
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	1,715,609	1,147,338
Total 總計	2,265,440	1,897,781

At 31 December 2018, the Group has no bank overdraft (2017: Nil).

於2018年12月31日，本集團並無銀行透支(2017年：無)。

At 31 December 2018, the Group's cash and cash equivalents and short-term bank deposits included balances of HK\$52,336,000 (2017: HK\$49,994,000), 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2018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52,336,000港元(2017年：49,994,000港元)，該等款項屬於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：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	2,102,778	1,719,517
Renminbi 人民幣	54,143	50,837
Macao pataca 澳門元	15,289	23,289
Singapore dollar 新加坡元	22,563	22,666
United States dollar 美元	12,453	19,018
South African rand 南非蘭特	4,874	14,680
Canadian dollar 加元	19,319	14,128
Australian dollar 澳元	17,564	12,388
Other currencies 其他貨幣	16,457	21,258
	2,265,440	1,897,781

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 2017 and 2018 於2017年及2018年12月31日	837,100,000	938,789

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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
At 1 January 2017 於2017年1月1日	(13,124)	355	5,295	(18,827)	1,210,053	1,183,752
Comprehensive income 綜合收益						
Profit for the year 年度利潤	-	-	-	-	489,967	489,967
Other comprehensive income 其他綜合收益						
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	-	2,005	-	-	-	2,005
Currency translation differences 貨幣兌換差額						
– Group 本集團	-	-	-	11,317	-	11,317
– Joint ventures 合營企業	-	-	-	998	-	998
Total comprehensive income 綜合收益總額	-	2,005	-	12,315	489,967	504,287
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						
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲蓄	-	-	934	-	(934)	-
Dividends relating to 2016 (Note 13) 2016年相關股息(附註13)	-	-	-	-	(133,936)	(133,936)
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	-	-	934	-	(134,870)	(133,936)
At 31 December 2017 於2017年12月31日	(13,124)	2,360	6,229	(6,512)	1,565,150	1,554,103
At 1 January 2018 於2018年1月1日	(13,124)	2,360	6,229	(6,512)	1,565,150	1,554,103
Comprehensive income 綜合收益						
Profit for the year 年度利潤	-	-	-	-	580,720	580,720
Other comprehensive losses 其他綜合虧損						
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)
Total comprehensive income 綜合收益總額	-	150	-	(9,086)	580,720	571,784
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						
Dividends relating to 2017 (Note 13) 2017年相關股息(附註13)	-	-	-	-	(159,049)	(159,049)
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	-	-	-	-	(159,049)	(159,049)
At 31 December 2018 於2018年12月31日	(13,124)	2,510	6,229	(15,598)	1,986,821	1,966,838

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，公司可按照董事會決議案使用其除稅後利潤向法定儲備作出進一步供款。

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24 BORROWINGS

24 借貸

		2018	2017
	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	605
— Unsecured government loan 無抵押政府借款	(d)	999	—
Total non-current borrowings		1,053	605
Current 流動			
— Unsecured government loan 無抵押政府	(d)	166	—
Total borrowings		1,219	605

Notes:

- (a) The bank borrowing is secured by the land and building of the Group amounted to HK\$10,913,000 (2017: HK\$12,343,000) (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\$7,691,000 (2017: HK\$7,956,000) 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 Macau Economic Bureau under a special assistance scheme for small-medium corporations affected by typhoon. The interest free loan is unsecured and repayable in 8 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10,913,000港元的土地及樓宇做抵押(2017年：12,343,000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7,691,000港元(2017年：7,956,000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8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

	2018	2017
	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	13,727	16,270
— immediate holding company 直接控股公司	6,792	5,688
— third parties 第三方	31,196	30,721
Trade payables (Note a) 貿易應付款項(附註 a)	51,715	52,679
Accruals and other payables 應計費用及其他應付款項	62,361	61,807
Contract liabilities 合同負債	4,935	—
	119,011	114,486

Notes:

- (a) At 31 December 2018 and 2017, 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:

附註：

- (a) 於2018年及2017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：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Up to 3 months 3個月或以內	43,439	51,086
3 to 6 months 3至6個月	237	587
6 months to 1 year 6個月至1年	7,485	981
Over 1 year 1年以上	554	25
	51,715	52,679

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25 TRADE AND OTHER PAYABLES (Continued)

25 貿易及其他應付款項(續)

(b) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

(b) 本集團貿易及其他應付款項的賬面值以下列貨幣計值：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar 港元	56,170	51,244
Renminbi 人民幣	31,813	37,206
South African rand 南非蘭特	7,766	5,065
Canadian dollar 加元	4,954	4,830
Australian dollar 澳元	5,235	4,380
United States dollar 美元	1,885	1,964
Singapore dollar 新加坡元	2,348	3,799
Other currencies 其他貨幣	8,840	5,998
	119,011	114,486

26 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

26 合併現金流量表附註

(a) Cash generated from operations

(a) 經營所產生之現金

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Profit before income tax 除所得稅前利潤	720,898	610,966
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	543
– Depreciation of property, plant and equipment (Note 6) 物業、廠房及設備折舊(附註6)	23,745	24,152
– Impairment loss on property, plant and equipment (Note 6) 物業、廠房及設備之減值計提(附註6)	–	6,686
– Amortisation of intangible assets (Note 6) 無形資產攤銷(附註6)	6,558	2,446
– Impairment loss on inventories (Note 6) 存貨之減值計提(附註6)	1,423	523
– Write-off of inventories (Note 6) 存貨撤銷(附註6)	611	1,484
– 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)	774	110
– Dividend income 股利收益	(165)	(135)
– Finance income, net (Note 9) 淨財務收益(附註9)	(23,373)	(13,324)
– 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)	489	42
– 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	–
	733,206	633,493
Changes in working capital: 營運資金變動：		
– Inventories 存貨	(16,757)	(54,532)
– Trade receivables and other current assets 貿易應收款項及其他流動資產	(20,841)	(19,486)
– Trade and other payables 貿易及其他應付款項	15,249	15,610
Cash generated from operations 經營所產生之現金	710,857	575,085

(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：

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Net book amount (Note 15) 賬面淨值(附註15)	784	173
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)	(774)	(110)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	10	63

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26 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

26 合併現金流量表附註(續)

(Continued)

(c) Reconciliation of cash flows from financing activities

This section sets out an analysis of cash flows of financial liabilities from financing activities and its movement for each of the year presented.

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
Bank borrowing — variable interest rates 銀行借貸—浮動利率	(54)	(605)
Government loan — interest free 政府借款-無利息	(1,165)	—
	(1,219)	(605)

	Borrowings due within 1 year 一年內到期借貸	Borrowings due over 1 year 超過一年後到期借貸	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Liability from financing activity as at 1 January 2017 於二零一七年一月一日融資活動的負債	—	(556)	(556)
Foreign exchange adjustments 匯兌調整	—	(49)	(49)
Liability from financing activity as at 31 December 2017 於二零一七年十二月三十一日融資活動的負債	—	(605)	(605)
Proceeds from borrowing 借貸所得款	(166)	(999)	(1,165)
Repayment of borrowing 償還借貸	—	522	522
Foreign exchange adjustments 匯兌調整	—	29	29
Liability from financing activity as at 31 December 2018 於二零一八年十二月三十一日融資活動的負債	(166)	(1,053)	(1,219)

(c) 融資活動所產生的現金流量調節

本節載列每個期間內所列示的融資活動所產生的現金流量的分析和變動。

27 COMMITMENTS

(a) Capital commitments

27 承擔

(a) 資本承擔

	2018	2017
	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	2,627	3,281

(b) Operating lease commitments

The Group leases various retail outlets, warehouses and staff quarters under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years and certain lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	HK\$'000 千港元	HK\$'000 千港元
No later than 1 year 1年內	58,222	65,193
Later than 1 year and no later than 5 years 1年以上及5年以內	50,331	78,212
Later than 5 years 5年以上	4,990	9,623
	113,543	153,028

(b) 經營租賃承擔

本集團根據不可撤銷經營租約租用多個零售店舖、倉庫及員工宿舍。租期介乎1至10年，若干租約可於租期結束時按市場租金續約。

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

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28 SIGNIFICANT RELATED PARTY TRANSACTIONS

At 31 December 2018, 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

		2018	2017
	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)	18,297	7,752
Fellow subsidiaries 同系附屬公司	(i)	214,187	197,304
An associate 聯營公司	(i)	2,378	1,894
		234,862	206,950
Purchases of products from 自以下公司購買產品			
Immediate holding company 直接控股公司	(i)	35,847	48,815
Intermediate holding company 中間控股公司	(i)	87,561	85,636
Fellow subsidiaries 同系附屬公司	(i)	1,606	1,013
		125,014	135,464

(b) Royalty fee income

		2018	2017
	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)	451	437

28 重大關聯方交易

於2018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**(b) 品牌使用費收益**

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28 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

28 重大關聯方交易(續)

(c) Rental expenses

(c) 租金開支

		2018	2017
	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)	287	184
Fellow subsidiaries 同系附屬公司	(i)	4,356	4,400
		4,643	4,584

(d) Key management compensation

(d) 主要管理人員薪酬

Key management includes executive directors and senior management. The emoluments paid or payable to key management for employee services is as follows:

主要管理人員包括執行董事及高級管理人員。就僱員服務向主要管理人員支付或應付的酬金如下：

		2018	2017
		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		8,060	7,911
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃		129	178
		8,189	8,089

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 turnover of its joint ventures in accordance with the royalty agreements. Pursuant to these agreements, these joint ventures are allowed to trade under "Tong Ren Tang" brand name.

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額的1%至3%按年收取。根據該等協議，該等合營企業獲准以「同仁堂」品牌名稱交易。

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29 PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

29 主要附屬公司和合營企業

The following is a list of principal subsidiaries and joint ventures at 31 December 2018 and 2017:

下文載列於2018年及2017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 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2018	2017
(a) Subsidiaries 附屬公司					
(i) Directly held by the Company 本公司直接持有					
Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. ⁽¹⁾ 北京同仁堂國際藥業有限公司 ⁽¹⁾	PRC, limited liability company 中國，有限公司	Wholesale of Chinese medicine products and healthcare products 批發中藥產品與保健品 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%

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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 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2018	2017
(a) Subsidiaries 附屬公司					
(i) Directly held by the Company 本公司直接持有					
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%
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	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 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%

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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 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2018	2017
(a) Subsidiaries (Continued) 附屬公司(續)					
(i) Directly held by the Company (Continued) 本公司直接持有(續)					
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%
Beijing Tong Ren Tang Africa (Pty) Ltd 北京同仁堂非洲有限公司	South Africa, limited liability company 南非, 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 Johannesburg, South Africa 南非, 約翰內斯堡	ZAR.24,000,000 24,000,000 南非蘭特	51%	51%
(ii) Indirectly held by the Company 本公司間接持有					
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%

For the year ended 31 December 2018

截至2018年12月31日止年度

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 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2018	2017
(a) Subsidiaries (Continued) 附屬公司(續)					
(ii) Indirectly held by the Company (Continued) 本公司間接持有(續)					
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 treatments 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 Farlong Healthcare Center LLC 北京同仁堂發龍有限公司	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 San Francisco, United States 美國, 三藩市	US\$800,000 800,000 美元	51%	51%

For the year ended 31 December 2018

截至2018年12月31日止年度

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 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2018	2017
(b) Joint ventures 合營企業					
(i) Directly held by the Company 本公司直接持有					
Peking Tongrentang (M) SDN. BHD ⁽²⁾ 北京同仁堂(馬來西亞)有限公司 ⁽²⁾	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. ⁽²⁾ 北京同仁堂(泰國)有限公司 ⁽²⁾	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%

- (1) 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.
- (2) 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.
- (3) The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.

- (1) 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。
- (2) 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。
- (3) 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。

For the year ended 31 December 2018

截至2018年12月31日止年度

30 BALANCE SHEET OF THE COMPANY

30 公司資產負債表

	2018	2017
	Note 附註	HK\$'000 千港元
Assets 資產		
Non-current assets 非流動資產		
Leasehold land 租賃土地		15,465
Property, plant and equipment 物業、廠房及設備		169,116
Investment property 投資物業		12,213
Investments in subsidiaries 於附屬公司之投資		286,179
Investments in joint ventures 於合營企業之投資		26,942
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		15,468
Available-for-sale financial asset 可供出售金融資產		-
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		2,866
		532,179
Current assets 流動資產		
Inventories 存貨		152,906
Trade receivables and other current assets 貿易應收款項及其他流動資產		265,687
Short-term bank deposits 短期銀行存款		1,691,613
Cash and cash equivalents 現金及現金等價物		387,466
		2,497,672
Total assets 資產總額		3,029,851
Equity and liabilities 權益及負債		
Equity attributable to owners of the Company 本公司擁有人應佔權益		
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		1,680
– Available-for-sale financial asset reserve 可供出售金融資產儲備		-
– Retained earnings 保留收益	31	1,582,872
Total equity 權益總額		2,952,436
Liabilities 負債		
Non-current liability 非流動負債		
Deferred income tax liabilities 遞延所得稅負債		4,370
Current liabilities 流動負債		
Trade and other payables 貿易及其他應付款項		54,222
Current income tax liabilities 當期所得稅負債		18,823
		73,045
Total liabilities 負債總額		77,415
Total equity and liabilities 權益及負債總額		3,029,851

The balance sheet of the Company was approved by the Board of Directors on 11 March 2019 and was signed on its behalf.

公司的資產負債表於2019年3月11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

For the year ended 31 December 2018

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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儲備	Available-for-sale financial asset reserve 可供出售金融資產儲備
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017 於2017年1月1日	1,220,410	-	(475)
Profit for the year 年度利潤	496,398	-	-
Dividends relating to 2016 (Note 13) 2016年相關股息(附註13)	(133,936)	-	-
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	-	-	2,005
At 31 December 2017 於2017年12月31日	1,582,872	-	1,530
At 1 January 2018, as originally presented 於2018年1月1日，如前呈列	1,582,872	-	1,530
Change in accounting policies 會計政策變動	-	1,530	(1,530)
At 1 January 2018, as restated 於2018年1月1日，經重列	1,582,872	1,530	-
Profit for the year 年度利潤	588,144	-	-
Dividends relating to 2017 (Note 13) 2017年相關股息(附註13)	(159,049)	-	-
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	-
At 31 December 2018 於2018年12月31日	2,011,967	1,680	-

INVESTOR CALENDAR

26 April 2018	2018 first quarterly results announcement
29 May 2018	Transferred from GEM to Main Board
8 August 2018	2018 interim results announcement
11 March 2019	2018 annual results announcement
7 May 2019	Annual General Meeting
30 April to 7 May 2019 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at annual general meeting)
14 May to 16 May 2019 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who qualify for the final dividend)
16 May 2019	Record Date (for determination of shareholders who qualify for the final dividend)
On or before 31 May 2019	Payment of final dividend

SHARE INFORMATION

Company Name	Beijing Tong Ren Tang Chinese Medicine Company Limited
Listing	The Main Board of The Stock Exchange of Hong Kong Limited
Stock Code	3613
GEM Listing Date	7 May 2013
Transferred from GEM to Main Board Date	29 May 2018
Lot Size	1,000 shares
Issued Share Capital as at 31 December 2018	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

2018年4月26日	2018年第一季度業績公告
2018年5月29日	由GEM轉至主板
2018年8月8日	2018年中期業績公告
2019年3月11日	2018年年度業績公告
2019年5月7日	股東週年大會
2019年4月30日至5月7日 (包括首尾兩日)	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)
2019年5月14日至5月16日 (包括首尾兩日)	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)
2019年5月16日	記錄日期(確定合資格收取末期股息的股東)
2019年5月31日或之前	派付末期股息

股份資料

公司名稱	北京同仁堂國藥有限公司
上市	香港聯合交易所有限公司主板
股份代號	3613
GEM上市日期	2013年5月7日
由GEM轉至主板日期	2018年5月29日
買賣單位	1,000股股份
於2018年12月31日之已發行股本	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

DIRECTORS

Executive Directors

Ding Yong Ling (*Chairman*)
Zhang Huan Ping
Lin Man

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

COMPLIANCE OFFICER

Ding Yong Ling

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

REGISTERED ADDRESS

Room 1405–1409, Office Tower
Convention Plaza, 1 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISER

DLA Piper Hong Kong
17th Floor, Edinburgh Tower
The Landmark, 15 Queen's Road Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

董事

執行董事

丁永玲 (*主席*)
張煥平
林曼

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

監察主任

丁永玲

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

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
皇后大道中15號置地廣場
公爵大廈17樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

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 15 of the GEM Listing Rules (applicable to the Company prior to the Transfer of Listing) and Appendix 14 of the Listing Rules (applicable to the Company immediately after the Transfer of Listing)	管治守則	GEM上市規則附錄15(適用於本公司轉板上市前)及上市規則附錄14(適用於本公司轉板上市後)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 and independent non-executive directors	董事	本公司之董事，包括所有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 2018 to 31 December 2018	本年	由2018年1月1日至2018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，概以英文版本作準。

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