LEE'S PHARM.
李 氏 大 藥 廠

Lee's Pharmaceutical Holdings Limited
李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 950)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHT

	For the year ended 31 December		Change
	2019	2018	
	HK$'000	*HK$'000*	
Revenue	**1,218,913**	1,137,626	+7.1%
Gross profit	**798,256**	746,371	+7.0%
Profit attributable to the owners of the Company	**125,553**	418,269	-70.0%
	HK cents	*HK cents*	
Earnings per share			
Basic	**21.22**	70.67	-70.0%
Diluted	**21.21**	70.28	-69.8%

The board of Directors recommends the payment of final dividend of HK3.8 cents (2018: HK8.4 cents) per ordinary share for the year ended 31 December 2019.

* *For identification purpose only*

ANNUAL RESULTS

The directors (the "**Directors**") of Lee's Pharmaceutical Holdings Limited (the "**Company**") are pleased to present the results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2019 and the comparative figures as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Revenue	2	**1,218,913**	1,137,626
Cost of sales		**(420,657)**	(391,255)
Gross profit		**798,256**	746,371
Other income		**75,694**	52,069
Other gains and losses, net		**(91,680)**	239,156
Selling and distribution expenses		**(251,759)**	(221,740)
Administrative expenses		**(239,088)**	(188,926)
Provision for impairment loss on financial assets, net		**(73)**	(6,823)
Research and development expenses		**(149,945)**	(153,171)
Profit from operations		**141,405**	466,936
Finance costs		**(6,624)**	(4,710)
Share of results of associates		**(11,895)**	(15,842)
Profit before taxation		**122,886**	446,384
Taxation	3	**(59,541)**	(56,621)
Profit for the year		**63,345**	389,763
Attributable to:			
Owners of the Company		**125,553**	418,269
Non-controlling interests		**(62,208)**	(28,506)
		63,345	389,763
		HK cents	*HK cents*
Earnings per share	5		
Basic		**21.22**	70.67
Diluted		**21.21**	70.28

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019	2018
	HK$'000	*HK$'000*
Profit for the year	**63,345**	389,763
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(18,714)**	(48,269)
Reclassification of other reserves upon deemed disposal of an associate	**–**	428
Share of other comprehensive income (expense) of associates	**18**	(1,287)
Item that will not be reclassified subsequently to profit or loss:		
Fair value changes of financial assets at fair value through other comprehensive income	**(45,297)**	71,138
Other comprehensive (expense) income for the year, net of tax	**(63,993)**	22,010
Total comprehensive (expense) income for the year	**(648)**	411,773
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**65,988**	433,130
Non-controlling interests	**(66,636)**	(21,357)
	(648)	411,773

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**796,309**	608,639
Intangible assets		**694,617**	587,049
Lease premium for land		**–**	132,024
Goodwill		**3,900**	3,900
Interests in associates		**15,802**	27,623
Financial assets at fair value through profit or loss		**59,217**	36,362
Financial assets at fair value through other comprehensive income		**614,921**	606,415
Deferred tax assets		**14,198**	–
		2,198,964	2,002,012
Current assets			
Lease premium for land		**–**	2,913
Inventories		**255,585**	211,673
Trade receivables	6	**153,039**	149,495
Other receivables, deposits and prepayments		**174,440**	98,639
Advance to associates		**42,738**	38,713
Loan receivables		**–**	26,990
Pledged bank deposits		**40,345**	46,524
Time deposits		**410,136**	207,298
Cash and bank balances		**364,994**	222,296
		1,441,277	1,004,541
Current liabilities			
Trade payables	7	**80,145**	66,079
Other payables and accruals		**605,187**	447,757
Bank and other borrowings		**144,834**	129,234
Lease liabilities/Obligations under finance leases		**9,745**	858
Tax payables		**68,582**	32,897
		908,493	676,825
Net current assets		**532,784**	327,716
Total assets less current liabilities		**2,731,748**	2,329,728

	2019	2018
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**29,396**	29,601
Reserves	**2,266,504**	2,180,942
Equity attributable to the owners of the Company	**2,295,900**	2,210,543
Non-controlling interests	**181,538**	27,526
Total equity	**2,477,438**	2,238,069
Non-current liabilities		
Deferred tax liabilities	**71,631**	27,895
Lease liabilities/Obligations under finance leases	**13,364**	782
Derivative financial liabilities	**80,085**	–
Retirement benefits	**89,230**	62,982
	254,310	91,659
	2,731,748	2,329,728

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Attributable to the owners of the Company										
	Share capital	Share premium	Merger difference	Share-based compensation reserve	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits	Sub-total	Attributable to non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2019	29,601	731,771	9,200	18,661	64,787	33,726	(80,236)	1,403,033	2,210,543	27,526	2,238,069
Employee share option benefits	–	–	–	5,461	–	–	–	–	5,461	–	5,461
Exercise of share options	14	1,828	–	(447)	–	–	–	–	1,395	–	1,395
Share of reserve of an associate	–	–	–	–	56	–	–	–	56	–	56
Share of options lapsed in an associate	–	–	–	–	(2)	–	–	2	–	–	–
Gain on deemed disposal of interests in subsidiaries	–	–	–	–	92,545	–	–	–	92,545	218,412	310,957
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	2,236	2,236
Repurchase and cancellation of ordinary shares	(219)	(19,453)	–	–	–	–	–	–	(19,672)	–	(19,672)
Profit (loss) for the year	–	–	–	–	–	–	–	125,553	125,553	(62,208)	63,345
Other comprehensive income (expense) for the year											
– Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	(17,471)	–	(17,471)	(1,243)	(18,714)
– Share of other comprehensive income of associates	–	–	–	–	18	–	–	–	18	–	18
– Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	–	–	(42,112)	–	–	(42,112)	(3,185)	(45,297)
Total comprehensive income (expense) for the year	–	–	–	–	18	(42,112)	(17,471)	125,553	65,988	(66,636)	(648)
2018 final dividend paid	–	–	–	–	–	–	–	(49,754)	(49,754)	–	(49,754)
2019 interim dividend paid	–	–	–	–	–	–	–	(10,662)	(10,662)	–	(10,662)
At 31 December 2019	29,396	714,146	9,200	23,675	157,404	(8,386)	(97,707)	1,468,172	2,295,900	181,538	2,477,438

	Attributable to the owners of the Company										
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Merger difference** *HK$'000*	**Share-based compensation reserve** *HK$'000*	**Other reserves** *HK$'000*	**Investments revaluation reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Retained profits** *HK$'000*	**Sub-total** *HK$'000*	**Attributable to non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 January 2018	29,547	724,868	9,200	15,368	41,407	(30,421)	(31,809)	1,046,186	1,804,346	(7,414)	1,796,932
Employee share option benefits	–	–	–	4,996	–	–	–	–	4,996	–	4,996
Exercise of share options	54	6,903	–	(1,582)	–	–	–	–	5,375	–	5,375
Share of share-based compensation reserve of a subsidiary	–	–	–	22	–	–	–	–	22	18	40
Share of reserve of an associate	–	–	–	–	57	–	–	–	57	–	57
Share options lapsed in an associate	–	–	–	–	(3)	–	–	3	–	–	–
Share options lapsed in a subsidiary	–	–	–	(143)	–	–	–	143	–	–	–
Gain on partial disposal of interests in a subsidiary	–	–	–	–	24,185	–	–	–	24,185	(4,024)	20,161
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	60,303	60,303
Profit (loss) for the year	–	–	–	–	–	–	–	418,269	418,269	(28,506)	389,763
Other comprehensive (expense) income for the year											
– Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	(48,427)	–	(48,427)	158	(48,269)
– Share of other comprehensive expense of associates	–	–	–	–	(1,287)	–	–	–	(1,287)	–	(1,287)
– Reclassification of other reserves upon deemed disposal of an associate	–	–	–	–	428	–	–	–	428	–	428
– Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	–	–	64,147	–	–	64,147	6,991	71,138
Total comprehensive (expense) income for the year	–	–	–	–	(859)	64,147	(48,427)	418,269	433,130	(21,357)	411,773
2017 final dividend paid	–	–	–	–	–	–	–	(41,439)	(41,439)	–	(41,439)
2018 interim dividend paid	–	–	–	–	–	–	–	(20,129)	(20,129)	–	(20,129)
At 31 December 2018	29,601	731,771	9,200	18,661	64,787	33,726	(80,236)	1,403,033	2,210,543	27,526	2,238,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to Hong Kong Accounting Standards ("HKASs") and HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new and amendments to HKASs and HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant for the preparation of the Group's consolidated financial statements:

HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendments, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKFRSs	Annual Improvement to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the other new and amendments to HKASs and HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases" and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and

v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 2.83%.

		At 1 January 2019
	Note	*HK$'000*
Operating lease commitments disclosed as at 31 December 2018		11,958
Lease liabilities discounted at relevant incremental borrowing rates		11,636
Less: Recognition exemption – short-term leases		(2,378)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16		9,258
Add: Obligations under finance leases recognised at 31 December 2018	(b)	1,640
Lease liabilities as at 1 January 2019		10,898
Analysed as:		
Current		5,669
Non-current		5,229
		10,898

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Notes	**Right-of-use assets** *HK$'000*
Included in "Property, plant and equipment":		
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		9,659
Reclassified from lease premium for land	(a)	134,937
Adjustment included in property, plant and equipment under HKAS 17 – Assets previously under finance leases	(b)	3,090
		147,686
By class:		
Leasehold land		134,937
Leased premises		9,659
Motor vehicles		3,090
		147,686

The following table summarises the impacts of transition to HKFRS 16 on retained profits at 1 January 2019.

	Note	**Impacts of adopting HKFRS 16 at 1 January 2019** *HK$'000*
Retained profits		
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		9,659
Lease liabilities relating to operating leases recognised upon application of HKFRS 16		(9,258)
Adjustment on prepaid lease payments	(c)	(401)
Impact at 1 January 2019		–

Notes:

(a) Upfront payments for leasehold lands were classified as lease premium for land as at 31 December 2018. Upon application of HKFRS 16, the non-current and current portions of lease premium for land amounting to HK$132,024,000 and HK$2,913,000 respectively were reclassified to right-of-use assets.

(b) In relation to assets previously under finance leases, the Group recategorised the carrying amount of the relevant assets which were still under leases as at 1 January 2019 amounting to HK$3,090,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK$858,000 and HK$782,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

(c) Rent-free period

These relate to prepaid lease payment for leases of properties in which the lessors provided rent-free period. The carrying amount of the prepaid lease payment as at 1 January 2019 was adjusted to right-of-use assets at transition.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amount previously reported at 31 December 2018	Impacts of adopting HKFRS 16	Carrying amount under HKFRS 16 at 1 January 2019
		HK\$'000 (audited)	*HK\$'000*	*HK\$'000* (restated)
Property, plant and equipment		608,639	144,596	753,235
Lease premium for land – non-current	(a)	132,024	(132,024)	–
Lease premium for land – current	(a)	2,913	(2,913)	–
Other receivables, deposits and prepayments	(b)	98,639	(401)	98,238
Obligations under finance leases – current		(858)	858	–
Obligations under finance leases – non-current		(782)	782	–
Lease liabilities – current		–	(5,669)	(5,669)
Lease liabilities – non-current		–	(5,229)	(5,229)

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

New and amendments to HKASs and HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier application permitted

3 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted

4 Effective for annual periods beginning on or after a date to be determined

In addition to the above new and amendments to HKASs and HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments "the Amendments to References to the Conceptual Framework in HKFRS Standards" will be effective for annual periods beginning on or after 1 January 2020.

The Group has already commenced an assessment of the impact of these new and amendments to HKASs and HKFRSs but is not yet in a position to state whether these new and amendments to HKASs and HKFRSs would have a material impact on its results of operations and financial position.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers during the year which is recognised at point in time.

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on the types of good delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Proprietary products	–	Manufacturing and sales of self-developed pharmaceutical products
Licensed-in products	–	Trading of licensed-in pharmaceutical products

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Proprietary products		**Licensed-in products**		**Consolidated**	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**535,627**	519,557	**683,286**	618,069	**1,218,913**	1,137,626
Segment operating results	**251,376**	250,533	**195,821**	157,706	**447,197**	408,239
Research and development expenses	**(26,885)**	(7,699)	**(123,060)**	(145,472)	**(149,945)**	(153,171)
Impairment of intangible assets	**–**	–	**(117,652)**	(1,365)	**(117,652)**	(1,365)
Segment results	**224,491**	242,834	**(44,891)**	10,869	**179,600**	253,703
Gain on deemed disposal of associates					**–**	216,392
Unallocated income					**19,262**	40,725
Unallocated expenses					**(57,457)**	(43,884)
Profit from operations					**141,405**	466,936
Finance costs					**(6,624)**	(4,710)
Profit before share of results of associates					**134,781**	462,226
Share of results of associates					**(11,895)**	(15,842)
Profit before taxation					**122,886**	446,384
Taxation					**(59,541)**	(56,621)
Profit for the year					**63,345**	389,763

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2018: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of central administration costs including directors' emoluments, transactions with associates, fair value change of certain financial instruments at fair value through profit or loss, interest income, finance costs, share of results of associates, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Proprietary products		**Licensed-in products**		**Consolidated**	
	2019	2018	**2019**	2018	**2019**	2018
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Segment assets	**614,902**	457,940	**2,011,921**	1,852,998	**2,626,823**	2,310,938
Unallocated assets					**1,013,418**	695,615
Total assets					**3,640,241**	3,006,553
Segment liabilities	**286,811**	194,306	**421,630**	321,170	**708,441**	515,476
Unallocated liabilities					**454,362**	253,008
Total liabilities					**1,162,803**	768,484

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, deferred tax assets, part of lease premium for land/right-of-use assets and financial assets at fair value through profit or loss, advance to associates, loan receivables, pledged deposits, time deposits and cash and bank balances. Goodwill is allocated to segment of proprietary products; and

- all liabilities are allocated to operating segments other than bank and other borrowings, tax payables, deferred tax liabilities, derivative financial liabilities and retirement benefits.

Other segment information (included in the measure of segment profit or loss or segment assets or regularly provided to the chief operating decision maker)

	Proprietary products		**Licensed-in products**		**Consolidated**	
	2019	2018	**2019**	2018	**2019**	2018
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Depreciation of property, plant and equipment (including right-of-use assets)	**39,447**	30,685	**45,204**	25,002	**84,651**	55,687
Amortisation of intangible assets	**–**	–	**9,491**	9,390	**9,491**	9,390
Additions to non-current assets (Property, plant and equipment, and intangible assets) during the year	**172,277**	127,489	**213,099**	178,359	**385,376**	305,848
Impairment of intangible assets	**–**	–	**117,652**	1,365	**117,652**	1,365

Geographical information

During the years ended 31 December 2019 and 2018, more than 90% of the Group's revenue was derived from activities conducted in the People's Republic of China ("**PRC**"), no geographical information on revenue is presented. The Group's assets and liabilities for the year, analysed by geographical market, are as follows:

	The PRC		Hong Kong and others		Total	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Total assets	**2,010,685**	2,017,209	**1,629,556**	989,344	**3,640,241**	3,006,553
Total liabilities	**550,134**	343,340	**612,669**	425,144	**1,162,803**	768,484

3. TAXATION

	2019	2018
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**30,120**	43,694
PRC Enterprise Income Tax	**3,569**	25,326
	33,689	69,020
Over provision in prior years		
Hong Kong Profits Tax	**(1,688)**	(2,298)
PRC Enterprise Income Tax	**(3,032)**	(285)
	(4,720)	(2,583)
Deferred tax		
Origination and reversal of temporary differences	**30,572**	(9,816)
	59,541	56,621

Hong Kong Profits Tax for the years ended 31 December 2019 and 2018 is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million according to the two-tiered profits tax rates regime.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rates of the PRC subsidiaries are 15% to 25% (2018: 15% to 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

4. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2019 interim – HK$0.018 (2018: 2018 interim dividend HK$0.034) per share	**10,662**	20,129
2018 final – HK$0.084 (2018: 2017 final dividend HK$0.070) per share	**49,754**	41,439
	60,416	61,568

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2019 of HK3.8 cents per share (2018: final dividend in respect of the year ended 31 December 2018 of HK8.4 cents per share), in an aggregate amount of approximately HK$22,349,000 (2018: HK$49,754,000) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting, and is not included as a dividend payables in the consolidated statement of financial position as at 31 December 2019.

5. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2019	2018
	HK$'000	*HK$'000*
Earnings:		
Net profit attributable to owners of the Company for the purpose of basic and diluted earnings per share	**125,553**	418,269

	2019	2018
	Share(s)	*Share(s)*
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**591,573**	591,841
Effect of dilutive potential ordinary shares:		
Options	**313**	3,313
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**591,886**	595,154

6. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**153,479**	149,876
Less: Allowances for bad and doubtful debts	**(440)**	(381)
	153,039	149,495

The credit period on sales of goods is 30 – 120 days. The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates, and net of allowance for bad and doubtful debts at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**74,044**	79,663
31 – 120 days	**67,541**	51,751
121 – 180 days	**11,196**	7,872
181 – 365 days	**222**	10,206
Over 365 days and under 3 years	**36**	3
	153,039	149,495

The fair value of the Group's trade receivables at 31 December 2019 and 2018 approximates to their corresponding carrying amount.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for bad and doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging analysis of receivables that are past due but not impaired

	2019	2018
	HK$'000	*HK$'000*
Overdue by:		
1 – 180 days	**81,598**	57,621
181 – 365 days	**48**	23
	81,646	57,644

Movement in allowance for bad and doubtful debts

	2019	2018
	HK$'000	*HK$'000*
Balance at beginning of the year	**381**	561
Exchange rate adjustments	**(8)**	(24)
Write-off	**(6)**	–
Provision for (reversal of) allowance for bad and doubtful debts	**73**	(156)
Balance at the end of the year	**440**	381

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Aging analysis of receivables that are past due and impaired

	2019	2018
	HK$'000	*HK$'000*
Overdue by:		
181 – 365 days	**48**	23
Over 365 days and under 3 years	**392**	358
	440	381

7. TRADE PAYABLES

The fair value of the Group's trade payables at 31 December 2019 and 2018 approximates to their corresponding carrying amount.

The following is an ageing analysis of trade payables at 31 December 2019 and 2018:

	2019	2018
	HK$'000	*HK$'000*
0 – 90 days	**79,948**	44,609
91 – 180 days	**–**	21,213
181 – 365 days	**–**	115
Over 365 days	**197**	142
	80,145	66,079

The average credit period on purchases of certain goods is 90 days. The Group has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Given the backdrop of the volatile global macro environment, 2019 was the year not without its challenges.

The large population in China and the relatively low healthcare spending as a portion of its gross domestic product ("**GDP**") have been continuing to provide the huge growth potential to the pharmaceutical industry, which has also enabled the Group to maintain a modest revenue growth during the year under review. Nevertheless, the trade tension between the U.S. and China as well as the Brexit uncertainty created instability in global economy which in turn affected the world's currency, and unavoidably put the value of Renminbi under pressure. Together with raw material costs, manufacturing costs, and administrative overhead continued to run high and inflation persisted in China, tough commercial conditions remained throughout the year under review.

From the policy and regulatory perspective, Chinese government continued to reshape and balance the affordability and innovation in the industry. During the year under review, the centralised bulk procurement program has been expanded across the country which aim at reducing the cost of generic products. Meanwhile, the new Drug Administrative Law has brought many new rules and practices, such as Marketing Authorisation Holder ("**MAH**") system and 60-workday deadline for the National Medical Products Administration ("**NMPA**") for the approval of clinical trial application, which focus on the acceleration of the time-to-market of new products. In addition, the new 2019 National Reimbursement Drug List ("**2019 NRDL**") that has been published by National Healthcare Security Administration ("**NHSA**") highlights the government's effort to support innovation that addresses highly unmet medical needs such as rare disease and malignancy. The Group sees these positive reforms have gradually creating a better environment which encourages its innovation especially for the drugs that address highly unmet medical needs, areas where the Group has committed its research and development ("**R&D**") resources.

Despite the challenging global macroeconomic and domestic pharmaceutical market environment in 2019, the Group continued to make progress and delivered modest revenue growth. Together with the acceleration in R&D and the upgrade of manufacturing capabilities, the Group has been reshaped into a more efficient organisation with higher growth potential.

Revenue and Profit

During the year under review, the Group's revenue increased by 7.1% from HK$1,137,626,000 to HK$1,218,913,000 from the sales of pharmaceutical products. Major six products contributed 93.1% of revenue in 2019, decrease by 0.9 percentage points as compared to that of in 2018. Sales of licensed-in products was HK$683,286,000 (2018: HK$618,069,000) and accounted for 56.1% (2018: 54.3%) of the Group's revenue while sales of proprietary products was HK$535,627,000 (2018: HK$519,557,000) and contributed 43.9% (2018: 45.7%) of the Group's revenue.

Revenue of licensed-in products sustained double digit growth for another year. Ferplex®, Zanidip® and Remodulin® achieved decent revenue growth of 22.0%, 23.8% and 19.7%, respectively, while that of Carnitene® remained flat during the year. The Group has recorded revenue growth of 10.6% from its licensed-in products in 2019, decreased by 2.9 percentage points as compared to that of in 2018.

Revenue growths of proprietary products were mixed in 2019. Yallaferon® achieved another year of robusting growth in its revenue of 35.3% and surpassed the HK$150 million mark for the first time. However, overall revenue growth has been dragged down by the underperformance of Livaracine® and Slounase® during the year under review. The Group has recorded a modest revenue growth of 3.1% from its proprietary products in 2019, decreased by 8.8 percentage points as compared to that of in 2018.

Overall gross profit margin was held at 65.5% in 2019, declined by 0.1 percentage point from 65.6% in 2018. Amid inflationary pressures on production costs especially material costs, such adverse impacts were largely mitigated by cost containment and productivity enhancement measures which enabled the Group to maintain stable gross margin level throughout the year under review. In addition, the Group's R&D in new drugs remains at full throttle and HK$325,985,000 was spent in R&D activities during 2019 (2018: HK$290,177,000), representing 26.7% (2018: 25.5%) to the corresponding yearly revenue, which is among the highest in domestic pharmaceutical companies. Among which HK$149,945,000 (2018: HK$153,171,000) has been recognised as expenses and HK$176,040,000 (2018: HK$137,006,000) has been capitalised as intangible assets.

The Group continued to transform its sales team and streamline its sales and marketing efficiency in 2019. Nevertheless, with new products coming onto the markets, the Group has deployed more resources for the newly launched products during the year under review and the selling expenses to revenue ratio has increased to 20.7% (2018: 19.5%).

Combined with the full impairment of the R&D costs amounted to HK$108,564,000 by China Oncology Focus Limited ("**COFL**"), a 65% owned subsidiary of the Group, in relations to the Pexa-Vec global Phase III clinical trial for advanced liver cancer (the "**PHOCUS Study**") previously capitalised has been made during the second quarter of the year under review, net profit attributable to the owners of the Company was HK$125,553,000 (2018: HK$418,269,000), decrease by 70.0% as compared to that of in 2018, and recorded net profit margin of 10.3% (2018: 36.8%).

Manufacturing Facilities and Production Capability

During the year under review, the Group continued to enhance the production capability in both Nansha and Hefei sites and achieved substantial progress. In Nansha site, batch samples such as Apremilast tablets, Zotiraciclib (TG02) capsules, Gimatecan liquid capsules, Mictonorm® capsules and Epinastine tablets have been manufactured for GMP application and clinical trials. Besides, the manufacturing of Tecarfarin tablet batch samples for GMP application and clinical trials is actively moving forward in good progress. Moreover, the transfer of Aliskiren manufacturing technology has been completed and batch samples have been manufactured and submitted for GMP application. In Hefei site, the upgrading of facilities for APIs such as Nadroparin calcium (那曲肝素鈣) has been completed. In addition, the Group had erected three new manufacturing facilities in the Nansha premise. The Staccato® fentanyl facility involves sophisticated thin coating process with precision control. The stainless steel strip is cut and welded in situs and the drug fentanyl is coated on the strip to complete the building of drug cassette. As Staccato® fentanyl is a drug/device combination, the device part is assembled and tested in house. The device will enable Staccato® fentanyl to be the only opioid drug with truly abused-deterrent and overdosed-prevention features built in. Clinical sample has been successfully produced in the Staccato® fentanyl facility and Investigational New Drug ("**IND**") is expected to be filed in June 2020. The other two new facilities are the plants for oral cytotoxic drugs and for continuous glucose monitor, a medical device, respectively. Equipment installation is ongoing in both facilities and full commission is expected during the second quarter of 2020.

Drug Development

The Group's pipeline includes 58 projects from early- to late-stage development in various therapeutic areas and measurable progress has been made during the year under review and up to date.

During the year under review and up to date, the Group's applications for Import Drug License ("**IDL**"), namely Trazodone®, Prulifloxacin, INOMax® and Zingo®, are under review by the Centre for Drug Evaluation (the "**CDE**"). The Group's applications for Abbreviated New Drug Application ("**ANDA**"), namely Sodium Phenylbutyrate Tablet, Sodium Phenylbutyrate Granule, Treprostinil Injection, Fondaparinux, Nadroparin Calcium, Azilsartan and Bimatoprost (貝美前列素滴眼液), were also in good progress. Among these ANDA submissions, Fondaparinux is in the final technical review and is pending for ANDA approval. Supplement data for Sodium Phenylbutyrate Granule and Sodium Phenylbutyrate Tablet has been requested by CDE and will be submitted soon. The bioequivalence studies of Nadroparin Calcium has been completed with success and the technical review is underway. Azilsartan and Bimatoprost are currently under review by the CDE. For Treprostinil Injection, the Group has received the final approval from the NMPA on 18 March 2020.

In addition, the Group is also actively introducing and developing other products such as Apremilast, Leuprorelin, and Natulan® which aim at optimising its product mix in the medium term.

Oncology

There are 10 oncology assets, including 5 innovative and 5 generic, administered under COFL and in development for the treatment of a range of cancers.

In August 2019, the PHOCUS Study eventually ended in vain after its interim results has suggested that the PHOCUS Study was unlikely to meet the primary objective by the time of the final analysis. As a result, full impairment of the R&D costs amounted to HK$108,564,000 in relations to the PHOCUS Study previously capitalised has been made, and net profit attributable to the owners of the Company has been negatively impacted thereby for the first half of 2019. Emerging from the failure of the PHOCUS Study of the Group's oncology R&D arm, COFL has conducted a pre-IND meeting with the CDE for the combination Phase Ib/II trial of ZKAB001 and Pexa-Vec to treat melanoma and has reached an agreement for the IND application with sufficient scientific basis.

Nevertheless, the clinical studies for ZKAB001 (PD-L1) have made good progress in the during the year under review and up to date, particularly the study of ZKAB001 monotherapy in recurrent and metastatic cervical cancer. The trial for cervical cancer is led by Doctor Lingying Wu as the principal investigator. The trial consists of two phases, a traditional open labeled 3+3 dose escalation phase followed by an expansion phase. During the dose escalation phase, 3 doses, 5mg/kg, 10mg/kg, 15mg/kg, was tested with 14 days administration cycle in patients with recurrent and metastatic cervical cancer, and 5mg/kg was selected for the expansion phase.

So far the outcome of the expanded registration enabling clinical study of ZKAB001 for cervical cancer has been very encouraging. To date, all 60 patients have been enrolled of whom 36 patients have had at least one radiographic response evaluation. Among those evaluated patients, 2 of whom had complete response (CR) and 8 of whom had partial response (PR), which indicated an implied Objective Response Rate ("**ORR**") of 27.7% among the evaluated patients. Together with 15 out of the 36 evaluated patients had stable disease (SD), which indicated a disease control rate of 69.4%. With reference to a similar study of Pembrolizumab under Keynote-158 conducted by Merck and Co., Inc. in the United States in 2018, 98 patients were enrolled with an ORR of 12.2%, and in turn Pembrolizumab has successfully obtained approval for patients with recurrent and metastatic cervical cancer from the U.S. Food and Drug Administration using the results thereof. The application to the NMPA shall be made in 2020 if the results are able to continue with such positive consistency which could lead to conditional approval of ZKAB001 for this indication.

To date, two other Phase I clinical trials for ZKAB001 in urothelial cancer and sarcoma have been completed. Based on the results thereof, a pivotal Phase III study of ZKAB001 in combination with chemotherapy for the first line treatment of urothelial cancer and a pivotal Phase III study of ZKAB001 monotherapy for maintenance stage of sarcoma after its first line treatment (to compare the event-free survival (EFS)) will be initiated in 2020. In addition, several studies are ongoing or being prepared for other solid tumors such as ovarian cancer, glioblastoma and melanoma for other oncology products such as TG02, Gimatecan and Pexa-Vec.

Ophthalmology

There are 15 ophthalmology assets, including 5 innovative and 10 generic, administered under China Ophthalmology Focus Limited ("**COPFL**") and aim at developing for the treatment of full range of ophthalmic diseases.

During the year under review and to date, COPFL has successfully completed a Phase II trial of Cyclosporine A ("**CsA**") Ophthalmic Gel for the treatment of dry eye syndrome (the "**DES**") in China (clinicaltrials.gov registration No.: NCT03676335), with the topline data show that the experimental drug has similar or a trend towards better efficacy than that of the marketed CsA Ophthalmic Emulsion. COPFL plans to meet with the CDE to discuss and agree upon a Phase III protocol of the CsA Ophthalmic Gel trial. The pivotal study is expected to initiate patient recruitment in early 2020.

Dermatology

In addition, the registration enabling Phase III study of the Group's in-house product, Adapalene and Clindamycin combination gel for acne, which is currently administered by COPFL and is led by Professor Gu Heng from the Hospital for Skin Diseases, Chinese Academy of Medical Sciences and involved 28 dermatology centers in China has successfully completed patient enrollment of 1,617 patients. Following the treatment of the last patient that in early February 2020, the readout of the topline data will be made available and New Drug Application submission is expected during the first half of 2020.

International Partnership

In-licensing strategy is the Group's preferred mode of its business development. However, in view of the overall number of clinical trial programs has grown substantially in recent years, the Group has become more selective in entering into new deals. During the year under review and up to date, the Group has been reviewing various projects, especially in specialty areas in ophthalmology, but has not yet concluded any deal.

Strategic Investments

On 2 April 2019, the Company made an investment of US$200,000 (approximately HK$1,560,000 equivalent) in the convertible debt issued by RegeneRx Biopharmaceuticals, Inc. (OTCQB: RGRX) ("**RegeneRx**") to support its accelerating development of RGN-259 for ophthalmic indications in which the Group had licensed RGN-259 in the territories of China, Taiwan, Macau and Hong Kong many years ago. In May 2019, RegeneRx enrolled the first patient for ARISE-3, the third Phase III clinical trial to evaluate RGN-259, a sterile, preservative-free eye drop in 700 patients with DES. This trial conducted by RegeneRx is expected to be completed during mid-2020 and the Group will commence the registration enabling studies of RGN-259 in China thereafter.

On 6 December 2019, the Company has participated in the private placement of Windtree Therapeutics, Inc. (OTCQB: WINT) together with certain investors in Asia and the United States and made an investment of US$5,000,000 therein for the purpose to support its initiation of a new clinical study to evaluate Istaroxime in early cardiogenic shock and its listing application to list its common stock on the Nasdaq Capital Market®.

Corporate Development

The Group's commitment to separate its R&D arms and to incubate them into standalone biotech entities has reported initial success. In May 2019, the Group has completed a fundraising event for COPFL amounted to US$50,000,000 (approximately HK$390,000,000 equivalent) from a good set of renowned investors by mean of the issuance of Series A Preferred Shares thereto which enabled COPFL to build an ophthalmology specific scientific advisory board, executive management team and R&D team, and to bring its clinical trial programs moving forward at full throttle.

Before the completion of the Series A Shares Subscription Agreement (the "**Completion**"), the Group owned 92% of the interest in COPFL. Upon the Completion on 13 June 2019, the Group's equity interest in COPFL was reduced to 50.117% of the total issued share capital thereof (on as an enlarged basis by taking into account the issuance of the Series A Preferred Shares on an as if converted basis), and remains an indirect non-wholly owned subsidiary of the Group.

In addition, the Group's commitment to R&D has also brought the number one ranking in the "Most Innovative Small and Medium-sized Pharmaceutical Enterprises Award on the Asia Pacific Region 2019" by Clarivate Analytics, a digital health intelligence solution provider during the year under review.

PROSPECT

With the macroeconomic and geopolitical environment getting increasingly volatile and complicated which may bring up inflationary and foreign currency issues, together with the recent coronavirus outbreak which could last for some time, 2020 will be the most challenging year that the Group has ever faced before. Nevertheless, the Group remains confident that its investment and commitment to new drug development, sales organisation reform and expansion, and cost containment will eventually make the difference, chartering the Group to a new growth path.

In 2020, the upcoming new products, including the newly approved Treprostinil Injection, as well as the redesigned 30g Yallaferon® and 4-vial box Ferplex® via new distribution channels, may enable the Group to unlock the potential and create more value. Together with 10 IDLs and ANDAs pending for approval by the NMPA in the foreseeable future, the Group will eventually drive strong and sustainable growth for the future and create value for the shareholders.

FINAL DIVIDEND

The board of Directors recommended a final dividend of HK$0.038 (2018: HK$0.084) per share to shareholders registered in the Company's register of members as at the close of business on Monday, 1 June 2020.

ANNUAL GENERAL MEETING

The annual general meeting of the Company was scheduled to be held on Thursday, 21 May 2020 ("**AGM**"). The notice of AGM will be issued to shareholders of the Company and published on the Company's website at www.leespharm.com and the designated website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk in due course.

CLOSURE OF REGISTER OF MEMBERS

(a) AGM

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Thursday, 21 May 2020 (both days inclusive), during which period no transfer of shares will be effected for determining the shareholders who are entitled to attend and vote at the AGM.

In order to qualify for the right to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2020.

(b) Payment of the proposed final dividend

The register of members of the Company will be closed from Friday, 29 May 2020 to Monday, 1 June 2020 (both days inclusive), during which period no transfer of shares will be effected for determining the shareholders who are entitled for the proposed final dividend for the year ended 31 December 2019.

In order to qualify for the proposed final dividend for the year ended 31 December 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 May 2020.

Subject to shareholders' approval of the proposed final dividend of shares at the AGM, the final dividend is payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 1 June 2020. The final dividend will be paid on Monday, 15 June 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2019, the Company repurchased its own shares on the Stock Exchange as follows:

Month/Year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid (including expenses)
		HK$	*HK$*	*HK$*
September 2019	1,931,000	4.58	4.18	8,655,084
October 2019	2,458,000	4.55	4.23	10,985,975
	4,389,000			19,641,059

The repurchase of the Company's shares by the Directors during the year under review were made pursuant to the mandate granted by the shareholders of the Company at the 2019 annual general meeting of the Company held on 20 May 2019 with a view to benefiting the shareholders thereof as a whole by enhancing the earnings per share of the Company.

The above repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value of these shares accordingly. The premium and transaction costs paid on the repurchase of the shares of HK$19,422,000 and HK$31,000 respectively were charged to the Company's share premium account.

Saved as disclosed above, there were no other purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2019.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

During the year ended 31 December 2019, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). The Company has made specific enquiries to all Directors, and the Company was not aware of any non-compliance with such Model Code and required standard of dealing throughout the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "**CG Code**") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2019, with deviation from provision A.5 of the CG Code which stipulates that every listed company should establish a nomination committee. Detailed corporate governance practices and considered reasons for the deviation from provision A.5 of the CG Code will be stated in the annual report of the Company for the year ended 31 December 2019.

REVIEW OF ANNUAL RESULTS

The Group's annual results (including the audited consolidated financial statements) for the year ended 31 December 2019 including the accounting principles and practices adopted have been reviewed by the Audit Committee which consists of three independent non-executive Directors, namely, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2019 have been agreed by the Group's independent auditor, HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by HLM CPA Limited on this preliminary results announcement.

PUBLICATION OF FINANCIAL INFORMATION

The annual report of the Company for the year ended 31 December 2019 containing all the detailed information will be dispatched to the shareholders of the Company and published on the Company's website at www.leespharm.com and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

By order of the Board
Lee's Pharmaceutical Holdings Limited
Lee Siu Fong
Chairman

Hong Kong, 26 March 2020

As at the date of this announcement, Ms. Lee Siu Fong (Chairman), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive Directors; Mr. Simon Miles Ball is a non-executive Director; Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive Directors.