

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The board (the “Board”) of directors (the “Directors”) of Essex Bio-Technology Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019 together with comparative figures for the year ended 31 December 2018 as follows:

FINANCIAL HIGHLIGHTS

	Presentation Currency in HK\$			Comparison Results in RMB		
	2019 HK\$'000	2018 HK\$'000	Increase	2019 RMB'000	2018 RMB'000	Increase
Results						
Turnover	1,279,478	1,176,458	8.8%	1,125,941	992,854	13.4%
Profit for the year	302,502	231,092	30.9%	266,202	195,026	36.5%
Financial position						
Total assets	2,077,943	1,449,689	43.3%	1,849,369	1,272,792	45.3%
Total liabilities	880,798	520,787	69.1%	783,910	457,239	71.4%
Net assets	1,197,145	928,902	28.9%	1,065,459	815,553	30.6%
Cash and cash equivalents	473,341	311,098	52.2%	421,274	273,136	54.2%

Financial ratios

Current ratio (Note 1)	2.49	2.74	
Gearing ratio (Note 2)	0.42	0.36	
Gross profit margin (Note 3)	80.8%	82.8%	
Net profit margin (Note 4)	23.6%	19.6%	
Return on equity (Note 5)	25.3%	24.9%	
Earnings per share			
– Basic	HK52.29 cents	HK40.50 cents	29.1%
– Diluted	HK51.13 cents	HK39.44 cents	29.6%
Dividend per ordinary share			
– Interim	HK3.5 cents	HK3.0 cents	16.7%
– Final	HK5.0 cents	HK3.3 cents	51.5%
	<u>HK8.5 cents</u>	<u>HK6.3 cents</u>	34.9%

Notes:

- 1 Current ratio: Total current assets/Total current liabilities
- 2 Gearing ratio: Total liabilities/Total assets
- 3 Gross profit margin: Gross profit/Turnover x 100%
- 4 Net profit margin: Profit for the year/Turnover x 100%
- 5 Return on equity: Profit for the year/Total equity x 100%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 HK\$	2018 HK\$
Turnover	3&4	1,279,478,212	1,176,457,931
Cost of sales		<u>(246,124,414)</u>	<u>(202,916,031)</u>
Gross profit		1,033,353,798	973,541,900
Other revenue, and other gains and losses		39,918,887	25,542,828
Distribution and selling expenses		(632,819,688)	(649,719,067)
Administrative expenses		(81,724,458)	(68,908,719)
Finance costs		<u>(6,963,537)</u>	<u>(7,403,254)</u>
Profit before income tax	5	351,765,002	273,053,688
Income tax	6	<u>(49,262,582)</u>	<u>(41,962,014)</u>
Profit for the year		<u>302,502,420</u>	<u>231,091,674</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(13,907,103)	(47,671,039)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		<u>21,692,526</u>	<u>(25,538,048)</u>
Other comprehensive income for the year		<u>7,785,423</u>	<u>(73,209,087)</u>
Total comprehensive income for the year		<u><u>310,287,843</u></u>	<u><u>157,882,587</u></u>
Earnings per share attributable to owners of the Company			
Basic	8	<u><u>HK52.29 cents</u></u>	<u><u>HK40.50 cents</u></u>
Diluted	8	<u><u>HK51.13 cents</u></u>	<u><u>HK39.44 cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK\$	2018 HK\$
Non-current assets			
Property, plant and equipment	9	180,360,856	169,324,142
Right-of-use assets		8,684,313	–
Land use rights		16,330,301	16,931,785
Goodwill		21,848,995	2,281,895
Other intangible assets	10	377,028,426	218,776,322
Convertible loan receivables	11	46,075,320	10,580,884
Financial assets at fair value through other comprehensive income	12	109,773,705	142,132,332
Financial assets at fair value through profit or loss	12	–	13,739,443
Deposits and prepayments	15	10,200,883	2,323,982
Pledged bank deposit		40,150,000	11,000,000
Total non-current assets		810,452,799	587,090,785
Current assets			
Inventories	13	114,125,276	70,749,493
Trade and other receivables	14	651,737,510	459,083,791
Deposits and prepayments	15	13,847,555	5,454,083
Convertible loan receivable	11	–	16,184,835
Financial assets at fair value through other comprehensive income	12	10,563,798	–
Financial assets at fair value through profit or loss	12	25,212	28,122
Pledged bank deposit		3,850,000	–
Cash and cash equivalents		473,341,165	311,097,828
Total current assets		1,267,490,516	862,598,152
Total assets		2,077,943,315	1,449,688,937
Current liabilities			
Trade and other payables	16	465,956,040	291,514,254
Bank borrowings		19,250,000	–
Lease liabilities		167,564	–
Current tax liabilities		23,716,761	23,772,020
Total current liabilities		509,090,365	315,286,274
Net current assets		758,400,151	547,311,878
Total assets less current liabilities		1,568,852,950	1,134,402,663
Non-current liabilities			
Bank borrowings		200,750,000	55,000,000
Lease liabilities		8,969,466	–
Convertible loan payable	17	140,158,931	134,365,666
Deferred tax liabilities		21,829,518	16,135,101
Total non-current liabilities		371,707,915	205,500,767
Total liabilities		880,798,280	520,787,041
NET ASSETS		1,197,145,035	928,901,896
Capital and reserves attributable to owners of the Company			
Share capital		57,793,700	57,875,000
Reserves		1,139,351,335	871,026,896
TOTAL EQUITY		1,197,145,035	928,901,896

NOTES:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. ADOPTION OF HKFRSs

Adoption of new/revised HKFRSs – effective 1 January 2019

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs

HKFRS 16 – Leases

HKFRS 16, which supersedes HKAS 17 *Leases* and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Land use rights of the Group are accounted for in accordance with HKFRS 16 with effect from 1 January 2019 and there is no impact on their balances as at 1 January 2019.

The effect of adoption of HKFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	<i>HK\$</i>
Assets	
Right-of-use assets	<u><u>1,157,335</u></u>
Liabilities	
Lease liabilities	<u><u>1,157,335</u></u>

There is no material impact on the opening balance of reserves as at 1 January 2019.

(i) *Nature of the effect of adoption of HKFRS 16*

The Group has lease contracts for properties. Before the adoption of HKFRS 16, the Group classified its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Upon adoption of HKFRS 16, the Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Based on the foregoing, as at 1 January 2019, right-of-use assets of HK\$1,157,335 were recognised and presented separately in the statement of financial position, and lease liabilities of HK\$1,157,335 were recognised.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2018 as follows:

	<i>HK\$</i>
Operating lease commitments as at 31 December 2018	1,174,264
Incremental borrowing rate as at 1 January 2019	2.7%
Lease liabilities as at 1 January 2019	<u>1,157,335</u>

(ii) *Summary of new accounting policies*

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

	Right-of-use assets	Lease liabilities
	<i>HK\$</i>	<i>HK\$</i>
As at 1 January 2019	1,157,335	1,157,335
Additions	10,549,942	10,549,942
Depreciation expense	(2,926,158)	–
Interest expense	–	263,737
Payments	–	(2,732,057)
Exchange adjustment	(96,806)	(101,927)
	<u>8,684,313</u>	<u>9,137,030</u>
As at 31 December 2019	<u>8,684,313</u>	<u>9,137,030</u>

The adoption of these new/revised HKFRSs, apart from HKFRS 16 described above, has no material impact on the Group's financial statements.

3. TURNOVER

Turnover represents the sales value of goods supplied to customers and service income (net of sales tax, value-added tax, commercial discounts and sales returns), further details of which are set out in note 4.

4. SEGMENT REPORTING

The Group manages its businesses by business lines. The segment information is reported internally to the chief operating decision-maker (i.e. executive directors of the Company) for the purposes of resource allocation and performance assessment. During the year ended 31 December 2019, the Group reorganised its internal reporting structure by simplifying the segmental classification based on revenue contribution from its product lines so as to enhance operational efficiency. Accordingly, the comparative segment information has been re-presented to conform to current year's presentation. The Group's reportable and operating segments for financial reporting purposes have been reorganised as follows:

- Ophthalmic products
- Surgical products

(a) **Reportable segments**

The chief operating decision-maker monitors the results of its business units separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

For the year ended 31 December 2019

	Ophthalmic products HK\$	Surgical products HK\$	Total HK\$
Reportable segment revenue			
– Revenue from external customers	<u>567,535,737</u>	<u>711,942,475</u>	<u>1,279,478,212</u>
Reportable segment profit	<u>161,917,267</u>	<u>211,318,707</u>	<u>373,235,974</u>

For the year ended 31 December 2018

	Ophthalmic products HK\$	Surgical products HK\$	Total HK\$
Reportable segment revenue			
– Revenue from external customers	<u>528,986,009</u>	<u>647,471,922</u>	<u>1,176,457,931</u>
Reportable segment profit	<u>122,337,708</u>	<u>157,626,191</u>	<u>279,963,899</u>

The totals presented for the Group's operating segments were reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2019 HK\$	2018 HK\$
Reportable segment profit	373,235,974	279,963,899
Unallocated corporate income and expenses, net	(28,601,228)	(12,619,642)
Change in fair value of financial assets at fair value through profit or loss	15,382,984	15,452,703
Equity-settled share-based payments	(1,289,191)	(2,340,018)
Finance costs	(6,963,537)	(7,403,254)
Profit before income tax	<u>351,765,002</u>	<u>273,053,688</u>

Major corporate expenses comprised mainly the staff costs including directors' emoluments.

Analysis of segment assets and liabilities has not been presented as the measure of segment assets and liabilities is not regularly provided to the Company's executive directors.

(b) Geographical information

(i) Revenue from external customers

For the years ended 31 December 2019 and 2018, the Group's revenue from external customers is derived solely from its operations in the People's Republic of China ("PRC") (place of domicile).

(ii) Non-current assets

	2019	2018
	HK\$	HK\$
PRC	454,075,987	372,472,905
Hong Kong	154,788,026	37,165,221
Overseas	5,589,761	–
	<u>614,453,774</u>	<u>409,638,126</u>

The non-current asset information above excludes convertible loan receivables, financial assets at fair value through other comprehensive income ("FVTOCI"), financial assets at fair value through profit or loss ("FVTPL") and pledged bank deposit, and is based on the physical locations of the respective assets, except for goodwill and other intangible assets of which is based on the areas of the group entities' operations.

(c) Information about a major customer

For the year ended 31 December 2019, revenue of HK\$328,030,725 (2018: HK\$321,554,016) was derived from the sales to one (2018: one) customer, which individually accounted for over 10% of the Group's total revenue.

5. PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
Amortisation of land use rights	376,969	237,346
Amortisation of other intangible assets	6,837,693	4,976,342
Auditor's remuneration	1,402,000	1,297,250
Cost of inventories	146,070,732	150,644,613
Cost of services	98,159,682	52,123,815
Depreciation of property, plant and equipment	17,655,715	14,433,266
Depreciation of right-of-use assets	2,926,158	–
Employee costs excluding directors' emoluments:		
– Salaries and other benefits	200,385,953	132,173,886
– Pension fund contributions	7,928,666	7,664,794
– Equity-settled share-based payments to the employees	693,191	849,351
Equity-settled share-based payments to the consultant of the Group	596,000	1,490,667
Exchange losses/(gains), net	1,099,135	(8,906,223)
Write-off of inventories	1,894,000	147,603
Loss on disposal of property, plant and equipment	147,731	16,536
Research and development costs recognised as expenses	<u>3,407,502</u>	<u>18,124,411</u>

6. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
Current tax – the PRC		
– Provision for the year	43,055,265	37,022,980
Deferred tax	<u>6,207,317</u>	<u>4,939,034</u>
	<u>49,262,582</u>	<u>41,962,014</u>

No provision for Hong Kong profits tax has been made as the Group has no assessable profit arising in Hong Kong.

The Group's major operating subsidiary in Zhuhai, the PRC, was established and carries on business in the Special Economic Zones of the PRC as a high technology enterprise. This subsidiary has obtained a 高新技術企業證書 (High Technology Enterprise Certificate) and is entitled to enjoy the enterprise income tax at the concessionary rate of 15% for the years ended 31 December 2019 and 2018.

Enterprise income tax rate of 25% and 17% is applied to the Group's other operating subsidiaries in the PRC and Singapore respectively.

7. DIVIDENDS

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
Interim dividend – HK\$0.035 (2018: HK\$0.03) per share	20,247,745	17,155,200
Proposed final dividend – HK\$0.05 (2018: HK\$0.033) per share	<u>28,896,850</u>	<u>19,098,750</u>
	<u>49,144,595</u>	<u>36,253,950</u>

The Directors propose a final dividend of HK\$0.05 (2018: HK\$0.033) per ordinary share to be paid. The amount of proposed final dividend is based on the number of issued ordinary shares as at the end of the reporting period. This proposed dividend is not reflected as dividend payable as at the end of the reporting period but will be reflected as an appropriation of retained earnings for the year ending 31 December 2020.

8. EARNINGS PER SHARE

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

Earnings

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
Profit attributable to owners of the Company for the purposes of calculating basic earnings per share	302,502,420	231,091,674
Interest expense on convertible loan payable, net of amount capitalised	<u>6,347,657</u>	<u>6,071,069</u>
Profit attributable to owners of the Company for the purposes of calculating diluted earnings per share	<u>308,850,077</u>	<u>237,162,743</u>

Number of shares

	2019	2018
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	578,562,216	570,614,849
Effect of dilutive potential ordinary shares:		
– share options issued by the Company	50,781	5,326,305
– convertible loan payable	<u>25,423,728</u>	<u>25,423,728</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u>604,036,725</u>	<u>601,364,882</u>

The computation of diluted earnings per share for the years ended 31 December 2019 and 2018 does not assume the issue of potential ordinary shares in relation to certain share options granted as they have anti-dilutive effect.

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Cost:						
At 1 January 2018	123,774,358	81,207,206	10,521,787	4,109,491	–	219,612,842
Additions	391,072	12,187,757	7,086,571	835,100	1,134,620	21,635,120
Disposals	–	–	(511,346)	–	–	(511,346)
Exchange adjustment	<u>(6,429,754)</u>	<u>(4,681,099)</u>	<u>(755,942)</u>	<u>(212,973)</u>	<u>(43,992)</u>	<u>(12,123,760)</u>
At 31 December 2018	117,735,676	88,713,864	16,341,070	4,731,618	1,090,628	228,612,856
Additions	455,121	4,115,961	11,299,153	1,815,356	13,732,978	31,418,569
Acquisition of subsidiaries	–	–	760,390	–	–	760,390
Disposals	–	(38,182)	(353,303)	(437,367)	–	(828,852)
Exchange adjustment	<u>(1,595,734)</u>	<u>(1,244,351)</u>	<u>(354,642)</u>	<u>(68,125)</u>	<u>(169,038)</u>	<u>(3,431,890)</u>
At 31 December 2019	<u>116,595,063</u>	<u>91,547,292</u>	<u>27,692,668</u>	<u>6,041,482</u>	<u>14,654,568</u>	<u>256,531,073</u>
Accumulated depreciation:						
At 1 January 2018	9,650,149	30,473,720	4,736,668	3,512,814	–	48,373,351
Charge for the year	2,437,619	9,636,376	2,107,461	251,810	–	14,433,266
Disposals	–	–	(494,810)	–	–	(494,810)
Exchange adjustment	<u>(594,629)</u>	<u>(1,952,919)</u>	<u>(288,589)</u>	<u>(186,956)</u>	<u>–</u>	<u>(3,023,093)</u>
At 31 December 2018	11,493,139	38,157,177	6,060,730	3,577,668	–	59,288,714
Charge for the year	2,347,540	9,712,070	5,198,988	397,117	–	17,655,715
Acquisition of subsidiaries	–	–	604,215	–	–	604,215
Disposals	–	(29,782)	(316,299)	(26,242)	–	(372,323)
Exchange adjustment	<u>(181,650)</u>	<u>(624,297)</u>	<u>(151,228)</u>	<u>(48,929)</u>	<u>–</u>	<u>(1,006,104)</u>
At 31 December 2019	<u>13,659,029</u>	<u>47,215,168</u>	<u>11,396,406</u>	<u>3,899,614</u>	<u>–</u>	<u>76,170,217</u>
Carrying amount:						
At 31 December 2019	<u><u>102,936,034</u></u>	<u><u>44,332,124</u></u>	<u><u>16,296,262</u></u>	<u><u>2,141,868</u></u>	<u><u>14,654,568</u></u>	<u><u>180,360,856</u></u>
At 31 December 2018	<u><u>106,242,537</u></u>	<u><u>50,556,687</u></u>	<u><u>10,280,340</u></u>	<u><u>1,153,950</u></u>	<u><u>1,090,628</u></u>	<u><u>169,324,142</u></u>

The carrying amount of construction in progress represented the costs incurred for the construction of the new factory which will be reclassified to buildings and leasehold improvements when the construction is completed.

10. OTHER INTANGIBLE ASSETS

	Development expenditure	Acquired intangible assets	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Cost:			
At 1 January 2018	98,140,945	64,730,824	162,871,769
Additions	19,267,013	75,430,200 [#]	94,697,213
Exchange adjustment	<u>(5,659,910)</u>	<u>(4,889,432)</u>	<u>(10,549,342)</u>
At 31 December 2018	111,748,048	135,271,592	247,019,640
Additions	31,521,811	129,940,422 [#]	161,462,233
Acquisition of a subsidiary	–	6,700,511	6,700,511
Exchange adjustment	<u>(1,744,224)</u>	<u>(1,786,860)</u>	<u>(3,531,084)</u>
At 31 December 2019	<u>141,525,635</u>	<u>270,125,665</u>	<u>411,651,300</u>
Accumulated amortisation and impairment losses:			
At 1 January 2018	16,074,005	8,668,175	24,742,180
Amortisation	318,172	4,658,170	4,976,342
Exchange adjustment	<u>(845,371)</u>	<u>(629,833)</u>	<u>(1,475,204)</u>
At 31 December 2018	15,546,806	12,696,512	28,243,318
Amortisation	1,541,437	5,296,256	6,837,693
Exchange adjustment	<u>(227,097)</u>	<u>(231,040)</u>	<u>(458,137)</u>
At 31 December 2019	<u>16,861,146</u>	<u>17,761,728</u>	<u>34,622,874</u>
Carrying amount:			
At 31 December 2019	<u>124,664,489</u>	<u>252,363,937</u>	<u>377,028,426</u>
At 31 December 2018	<u>96,201,242</u>	<u>122,575,080</u>	<u>218,776,322</u>

[#] In 2018, the Group entered into a co-development agreement (and as supplemented and revised from time to time) (the “Co-Development Agreement”) with an independent third party, Mitotech S.A. under which the Group has agreed to fund for a clinical development in the United States Food and Drug Administration phase 3 clinical trial of an ophthalmic solution containing SkQ₁ as its sole active pharmaceutical ingredient (the “SkQ₁ Product”) which shall be provided as a pharmaceutical product in the field of dry eye disease, in return for a share of certain income received by Mitotech S.A. in respect of the SkQ₁ Product. During the year ended 31 December 2019, the project development cost of the SkQ₁ Product amounting to HK\$129,940,422 (2018: HK\$51,731,693) was incurred. The remaining amount in prior year represented a distribution right acquired during the year ended 31 December 2018.

11. CONVERTIBLE LOAN RECEIVABLES

In 2015, the Group entered into a convertible loan agreement with an independent third party, a private company registered in the PRC (“Investee A”), with principal amount of RMB10,000,000 (approximately HK\$11,937,448) which carries interest at 5% per annum payable quarterly in arrears with maturity on 13 December 2019 at redemption amount of 100% of the principal amount (“Convertible Loan A”). The principal amount of Convertible Loan A can be converted into such equity interest representing 30% of the entire equity interest of Investee A at any time from the date of issue to the maturity date. The principal activities of Investee A are manufacturing and selling of dental treatment techniques in the PRC. Convertible Loan A is secured by 100% equity interest in Investee A.

During the year ended 31 December 2019, Convertible Loan A was eliminated at consolidation level upon the acquisition of 100% equity interest in Investee A.

In 2016, the Group entered into a convertible loan agreement with an independent third party, 廣西萬壽堂藥業有限公司 (Guangxi Medictop Pharmaceutical Company Limited*) (“Guangxi Medictop”), with principal amount of RMB15,000,000 (approximately HK\$17,528,115) which carries interest at 6% per annum payable quarterly in arrears with maturity on 8 January 2019 at redemption amount of 100% of the principal amount (“Convertible Loan B”). Guangxi Medictop is principally engaged in manufacture, research and development and sale of Chinese patent medicines for gynecology and cardiovascular. Convertible Loan B is secured by 20% equity interest in Guangxi Medictop.

In 2018, Convertible Loan B was settled by way of acquiring a distribution right.

In 2018, the Group entered into a convertible loan agreement with an independent third party, a private company incorporated in Singapore (“Investee B”), with principal amount of SG\$2,000,000 (approximately HK\$11,800,000) which carries interest at 2.5% per annum payable quarterly in arrears with maturity on 1 June 2023 (“Convertible Loan C”). The first tranche of Convertible Loan C in the principal amount of SG\$1,000,000 (equivalent to HK\$5,884,110) (“Tranche A of Convertible Loan C”) was disbursed to Investee B in 2018. The entire principal amount of Convertible Loan C can be converted into such number of shares representing 40% of the enlarged total issued share capital of Investee B at any time before the maturity date. In the event that no conversion has been taken place before the maturity date, Investee B shall repay the Group the outstanding principal amount plus an amount calculated by the Group which would yield a return for the Group on the principal amount of Convertible Loan C of 6% per annum. Tranche A of Convertible Loan C is classified as financial asset at FVTPL upon the initial recognition.

During the year ended 31 December 2019, Tranche A of Convertible Loan C was eliminated at consolidation level upon the acquisition of 100% equity interest in Investee B.

In 2018, the Group entered into an agreement with an independent third party, DB Therapeutics, Inc (“DBT”), to subscribe for a convertible loan with principal amount of US\$4,500,000 (approximately HK\$35,278,200) which carries interest at 5% per annum with maturity on 31 July 2022 (“Convertible Loan D”). Convertible Loan D will be disbursed to DBT in five tranches and the first tranche in the principal amount of US\$600,000 (equivalent to HK\$4,696,774) (“Tranche A of Convertible Loan D”) was disbursed to DBT in 2018. The entire principal amount of Convertible Loan D can be converted into such number of shares representing 45% of the enlarged and fully diluted share capital of DBT at any time before the maturity date. In the event that no conversion has been taken place before maturity date, DBT shall repay the Group the outstanding principal amount plus an amount calculated by the Group which would yield a return for the Group on the principal amount of Convertible Loan D of 8% per annum. Tranche A of Convertible Loan D is classified as financial asset at FVTPL upon the initial recognition.

During the year ended 31 December 2019, the Group entered into a convertible loan agreement with an independent third party, Antikor Biopharma Limited (“Antikor”), with principal amount of US\$350,000 (equivalent to HK\$2,746,029) for a term of 6 months (“Convertible Loan E”). Convertible Loan E carries interest at 5% per annum on the principal amount of Convertible Loan E outstanding on the conversion date, or 8% per annum if no conversion has been taken place before the maturity date. The principal amount of Convertible Loan E can be converted into such number of shares representing 6.54% of the enlarged and fully diluted share capital of Antikor at any time before the maturity date. The Group also acquired certain convertible loan notes (the “Sale Loan Notes”) issued by Antikor at an aggregate amount of GBP307,905 (equivalent to HK\$2,929,977). Convertible Loan E and the Sale Loan Notes are classified as financial asset at FVTPL upon the initial recognition. During the year ended 31 December 2019, the Group converted the principal amount of Convertible Loan E and the Sale Loan Notes.

During the year ended 31 December 2019, the Group entered into a convertible loan agreement with an independent third party, another private company incorporated in Singapore (“Investee C”), with principal amount of US\$2,000,000 (equivalent to HK\$15,585,200) which is interest-free with maturity on 5 January 2021 (“Convertible Loan F”). The principal amount of Convertible Loan F can be converted into such number of shares representing less than 19% of the enlarged and fully diluted share capital of Investee C at any time before the maturity date. Convertible Loan F is classified as financial asset at FVTPL upon the initial recognition.

During the year ended 31 December 2019, the Group entered into a convertible loan agreement with an independent third party, 成都上工醫信科技有限公司 (Chengdu Shanggong Medical Technology Co., Ltd.*) (“Shanggong”), with principal amount of RMB15,000,000 (equivalent to HK\$17,045,455) which carries interest at 10% per annum with maturity on 1 January 2021 (“Convertible Loan G”). The principal amount of Convertible Loan G can be converted into such equity interest representing approximately 8.11% of the entire equity interest of Shanggong at any time from the date of issue to the maturity date. Convertible Loan G is classified as financial asset at FVTPL upon the initial recognition.

The Group’s convertible loan receivables are recognised as follows:

	<i>HK\$</i>
At 31 December 2019	
– Tranche A of Convertible Loan D	4,893,295
– Convertible Loan F	17,033,281
– Convertible Loan G	24,148,744
	<hr/>
Total, classified under non-current assets	46,075,320
	<hr/> <hr/>

HK\$

At 31 December 2018

– Convertible Loan A	16,184,835
– Tranche A of Convertible Loan C	5,884,110
– Tranche A of Convertible Loan D	<u>4,696,774</u>
Total	26,765,719
Less: Current portion	<u>(16,184,835)</u>
Non-current portion	<u><u>10,580,884</u></u>

The movements in fair values of convertible loan receivables classified as level 3 in the fair value hierarchy are as follows:

HK\$

At 1 January 2018	34,202,945
Additions	10,580,884
Settlement	(16,631,119)
Change in fair value recognised in profit or loss	(269,708)
Exchange differences	<u>(1,117,283)</u>
At 31 December 2018	26,765,719
Additions	38,305,761
Conversion	(5,675,106)
Elimination at consolidation level upon the acquisition of subsidiaries	(22,031,720)
Change in fair value recognised in profit or loss	9,022,309
Exchange differences	<u>(311,643)</u>
At 31 December 2019	<u><u>46,075,320</u></u>

During the respective loan periods and where applicable following the conversion of the convertible loan receivables, the Group was entitled to appoint 1 director of DBT and Investee C in accordance with the agreements of the convertible loan receivables. Accordingly, given the potential voting right and the right to appoint directors, the Group has regarded DBT and Investee C as associates of the Group. As at 31 December 2019 and up to the date of this announcement, as the Group has not converted the convertible loan receivables into equity interests of DBT and Investee C, the Group is not entitled to share any profit or loss of DBT and Investee C and accordingly, the Group has no interest in associates. The Directors are of the opinion that no further disclosure is considered meaningful in this regard.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	HK\$	HK\$
Non-current		
Equity investments designated at FVTOCI (<i>Note (a)</i>)		
– Listed equity investments (<i>Note (b)</i>)	33,991,232	69,407,275
– Unlisted equity investments (<i>Note (c)</i>)	75,782,473	72,725,057
	<u>109,773,705</u>	<u>142,132,332</u>
Derivative financial instrument (<i>Note (d)</i>)	<u>–</u>	<u>13,739,443</u>
Current		
Equity investments designated at FVTOCI (<i>Note (a)</i>)		
– Listed equity investments (<i>Note (b)</i>)	<u>10,563,798</u>	<u>–</u>
Equity investments designated at FVTPL		
– Listed equity investments (<i>Note (e)</i>)	<u>25,212</u>	<u>28,122</u>

Notes:

- (a) The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.
- (b) The balance as at 31 December 2019 represents two (2018: two) listed equity securities which are listed on the NASDAQ Stock Market of the United States, namely AC Immune SA and MeiraGTx Holdings plc (“MeiraGTx”). The fair value was based on quoted market price as at 31 December 2019.

During the year ended 31 December 2019, the Group divested a portion of its equity interest in MeiraGTx. The aggregate fair value on respective dates of disposal was HK\$52,729,049 and the accumulated gain recognised in other comprehensive income of HK\$24,017,053 was transferred to retained earnings.

- (c) The balance as at 31 December 2019 represents four (2018: three) unlisted equity investments, namely the investments in (i) series B preferred stock of a private company incorporated in the United States in 2018 and 2019; (ii) series C preferred stock and common stock of another private company incorporated in the United States in 2018 and 2019; (iii) equity interest in Shanggong in 2018 and 2019; and (iv) equity interest in Antikor in 2019.

- (d) During the year ended 31 December 2019, the Group exercised the option to fund the second phase 3 clinical trial in accordance with the Co-Development Agreement.
- (e) The equity investments were irrevocably designated at FVTPL as the Group considers these investments to be held for trading.

13. INVENTORIES

	2019	2018
	HK\$	HK\$
Raw materials	10,998,008	10,687,723
Work in progress	9,309,157	4,164,487
Finished goods	93,818,111	55,897,283
	<u>114,125,276</u>	<u>70,749,493</u>

During the year, the Group has carried out regular reviews of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption, physical condition and management judgement. As a result, inventories of HK\$1,894,000 (2018: HK\$147,603) have been written off and recognised in profit or loss.

14. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK\$	HK\$
Trade receivables	608,811,488	434,874,696
Other receivables	42,926,022	24,209,095
	<u>651,737,510</u>	<u>459,083,791</u>

The Group's policy is to allow a credit period of 90 days to its trade customers.

The Directors have considered the track records of customers and age of the outstanding balances and are of the view that no provision is required as at 31 December 2019 and 2018.

The ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2019	2018
	HK\$	HK\$
0–60 days	418,493,003	271,285,662
61–90 days	54,291,355	49,332,635
Over 90 days	136,027,130	114,256,399
	<u>608,811,488</u>	<u>434,874,696</u>

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2019	2018
	HK\$	HK\$
Neither past due nor impaired	472,784,357	320,618,297
Less than 3 months past due	88,208,055	84,508,795
Over 3 months past due	47,819,076	29,747,604
	<u>608,811,488</u>	<u>434,874,696</u>

15. DEPOSITS AND PREPAYMENTS

	2019	2018
	HK\$	HK\$
Deposits paid for acquisition of property, plant and equipment	10,200,883	2,323,982
Prepayments for purchase of finished goods	–	2,660,870
Other deposits	839,879	316,694
Other prepayments	13,007,676	2,476,519
	<u>24,048,438</u>	<u>7,778,065</u>
Total	24,048,438	7,778,065
Less: Current portion	(13,847,555)	(5,454,083)
	<u>10,200,883</u>	<u>2,323,982</u>
Non-current portion	10,200,883	2,323,982

Deposits and prepayments do not contain impaired assets and their carrying amounts approximate to their fair values.

16. TRADE AND OTHER PAYABLES

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
Trade payables	53,139,661	3,736,474
Other payables and accruals (<i>Note</i>)	<u>412,816,379</u>	<u>287,777,780</u>
	<u>465,956,040</u>	<u>291,514,254</u>

Note:

Other payables and accruals included the accruals for sales and marketing costs of HK\$355,487,163 (2018: HK\$221,623,163).

The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2019 <i>HK\$</i>	2018 <i>HK\$</i>
0–60 days	53,119,490	3,732,964
61–90 days	18,000	442
Over 90 days	<u>2,171</u>	<u>3,068</u>
	<u>53,139,661</u>	<u>3,736,474</u>

17. CONVERTIBLE LOAN PAYABLE

On 6 July 2016 (“Issue Date”), the Group entered into a convertible loan agreement with International Finance Corporation (“IFC”), pursuant to which IFC agreed to lend, and the Group agreed to borrow, a convertible loan in an aggregate principal amount of HK\$150,000,000 at an interest rate of 1.9% per annum (the “Convertible Loan Payable”).

Subject to the terms of the convertible loan agreement, IFC has the right to convert all or any part of the outstanding principal amount of the Convertible Loan Payable into shares of the Company at a conversion price of HK\$5.90 per share (subject to anti-dilutive adjustments as set out in the convertible loan agreement) at any time after the date of disbursement and prior to the maturity date. The maturity date is the date falling on the fifth anniversary of the date of the disbursement.

The Company shall repay the outstanding principal amount of the Convertible Loan Payable on the maturity date, together with a make whole premium (if any). Make whole premium is an amount calculated by IFC which would yield a return for IFC on the principal amount of the Convertible Loan Payable of (i) 6% per annum; or (ii) 8% per annum if there exists a change of control which occurs when, among others, (a) there is a decrease in the shareholdings of the Company's certain shareholders as a group under specified conditions as stipulated in the convertible loan agreement; (b) certain shareholders of the Company as a group cease to be the single largest direct and indirect shareholder of the Company; or (c) any person (other than certain shareholders as a group) by itself or through its affiliates have obtained the power to appoint a majority of the board of directors of the Company.

Pursuant to the convertible loan agreement, unless otherwise agreed in writing by the IFC, the Company shall, within 10 days following the occurrence of a change of control defined in the convertible loan agreement, prepay the outstanding principal amount of the Convertible Loan Payable, together with accrued interest, the make whole premium (if any), increased costs (if any) thereon and all other amounts payable under the convertible loan agreement, including the amount of unwinding costs payable if the prepayment is not made on an interest payment date.

The fair value of the debt component and the equity conversion component were determined at the issuance of the Convertible Loan Payable. The fair value of the debt component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, was included in equity. The make whole premium, being an embedded derivative, was measured at fair value separately. At Issue Date and at 31 December 2019, the fair value of the make whole premium was determined by the Directors to be minimal.

The movements of the Convertible Loan Payable are as follows:

	Debt component	Conversion component	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
As at 1 January 2018	128,974,146	33,323,218	162,297,364
Imputed interest expense	8,296,937	–	8,296,937
Interest paid	<u>(2,905,417)</u>	<u>–</u>	<u>(2,905,417)</u>
As at 31 December 2018	134,365,666	33,323,218	167,688,884
Imputed interest expense	8,674,932	–	8,674,932
Interest paid	<u>(2,881,667)</u>	<u>–</u>	<u>(2,881,667)</u>
As at 31 December 2019	<u><u>140,158,931</u></u>	<u><u>33,323,218</u></u>	<u><u>173,482,149</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The vision of the Group is to be a great and socially responsible corporation. Strategically, the Group develops, manufactures and commercialises genetically engineered therapeutic recombinant bovine basic fibroblast growth factor (“rb-bFGF”), with established mechanism of action in cellular proliferation, differentiation and migration.

The Group’s business focuses on two main therapeutic areas: (i) Ophthalmology; and (ii) surgical arena of topical (skin) surface wounds primarily covering dermatology, stomatology, obstetrics and gynaecology (collectively referred to as the “Surgical”); while pursuing new therapeutics in oncology, orthopaedics and neurology through the Group’s enrichment programme (the “Enrichment Programme”).

Currently the Group has five commercialised biopharmaceutical products, formulated with rb-bFGF, that are being marketed and sold as Beifushu (eye drops and gel) for treatment of ocular wounds, Beifuji (spray and lyophilised powder) and Beifuxin (gel) for treatment of topical (skin) surface wounds, in the PRC (collectively referred to as the “bFGF Series”). The bFGF Series are developed and manufactured by the Group, three of which were approved by 國家藥品監督管理局 (National Medical Products Administration) as Category I drugs and four of which are on the list of the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of the PRC. Collectively, the combined turnover of the bFGF Series represented about 79.2% of the Group’s total turnover for the year under review.

On 11 December 2019, the Group was granted with the approval for registration, manufacture and commercialisation of preservative-free single-dose Beifushu Eye Drops in the PRC. It is expected that the product will be commercialised in the PRC in the second half of 2020.

Apart from the preservative-free single-dose Beifushu Eye Drops, three other preservative-free single-dose eye drops, namely Tobramycin Eye Drops, Levofloxacin Eye Drops and Sodium Hyaluronate Eye Drops, were approved in the previous two years for commercialisation in the PRC, which are progressively gaining market access.

The Group maintains a pipeline of multi-project in research and development (“R&D”) at various stages of clinical programmes, of which several projects involve growth factors, antibody and a handful of single-dose ophthalmic products.

The Group undertakes importation, promotion and distribution of a range of third party products that are complementary to the Group’s therapeutics business of Ophthalmology and Surgical, collectively contributed about 20.2% to the Group’s total turnover for the year under review.

Enrichment Programme

The Enrichment Programme was initiated since 2015, chiefly for expanding its R&D technologies and products portfolio. Up to the date of this announcement, the Group has invested totalling approximately HK\$432.2 million in projects and/or companies that are at different clinical stages of development of therapeutics particularly in the fields of ophthalmology and oncology, and in healthtech for therapy.

Each of the investments represented less than 5% of the Group's total assets as at 31 December 2019 and the date of this announcement, except for the total maximum commitment in relation to the clinical development of the SkQ₁ Product under the co-development agreement (the "Co-Development Agreement") with Mitotech S.A. and Mitotech LLC dated 16 July 2018 and as supplemented and revised from time to time (please refer to the section headed "Ophthalmology" below for details).

During the year under review and up to the date of this announcement, the Group has further invested in the following fields/areas:

Stomatology

On 1 April 2019, the Group acquired 100% equity interest in 武漢佻典生物科技有限公司 (Wuhan Adv. Dental Co., Ltd.*) ("Adv. Dental") at a consideration of approximately RMB1.2 million (equivalent to approximately HK\$1.4 million). The major product being manufactured and marketed by Adv. Dental is Carisolv, a product for the treatment of dental caries by using minimally invasive techniques.

Ophthalmology

The Group had entered into the Co-Development Agreement with Mitotech S.A. and Mitotech LLC on 16 July 2018. Under the Co-Development Agreement (and as supplemented and revised from time to time), as at 31 December 2019 and the date of this announcement, the Group invested approximately US\$17.0 million (equivalent to approximately HK\$134.6 million) and approximately US\$17.3 million (equivalent to approximately HK\$136.7 million), respectively for a clinical development in the United States Food and Drug Administration first phase 3 clinical trial (the "First P3 Trial") of the SkQ₁ Product. As disclosed in the announcement of the Company dated 19 July 2019, the results of the First P3 Trial have shown positive and encouraging topline data with clinically relevant signs and symptoms in respect of efficacy and safety.

Considering the development milestones are satisfactorily achieved in respect of the SkQ₁ Product, on 10 December 2019, the Group exercised the option to fund the second phase 3 clinical trial of the SkQ₁ Product (the “Second P3 Trial”) up to a maximum of US\$20.0 million (equivalent to approximately HK\$156.8 million). The first patient first visit in the Second P3 Trial has commenced in December 2019. The Second P3 Trial was originally scheduled for completion by the second quarter of 2020, but would be delayed to the third quarter of 2020 due to the disruption from the pandemic of novel coronavirus (COVID-19). As at 31 December 2019 and the date of this announcement, the Group invested approximately US\$3.0 million (equivalent to approximately HK\$23.6 million) and approximately US\$6.1 million (equivalent to approximately HK\$47.7 million), respectively for the Second P3 Trial.

Total investment cost of approximately HK\$158.2 million, including the investment cost for the First P3 Trial and the Second P3 Trial of approximately HK\$134.6 million and approximately HK\$23.6 million respectively, presented as “Acquired Intangible Assets” under the Group’s consolidated financial statements as at 31 December 2019 represented 7.6% of the Group’s total assets as at 31 December 2019.

Mitotech S.A. is a clinical-stage Luxembourg-based biotechnology company developing novel drugs for the treatment of predominantly age-related disorders. The investment presents a good opportunity for the parties to leverage on their respective strengths and resources to jointly pursue and accelerate the development of ophthalmic products for the global market.

Oncology

The Group entered into a convertible loan agreement and a subscription and shareholders deed (the “Subscription and Shareholders Deed”) with Antikor during the year under review. Pursuant to the Subscription and Shareholders Deed (and as supplemented and revised from time to time), the Group conditionally agreed to subscribe for ordinary shares of Antikor (the “Subscription Shares”) at the aggregate consideration of around US\$3.1 million (equivalent to approximately HK\$24.2 million) by way of several tranches, including the conversion of the convertible loan subscribed by the Group in 2019. Payment and completion of each tranche has been and will be made in accordance with the achievement and completion of the corresponding milestones. Assuming all tranches of the Subscription Shares are fully subscribed by the Group, the Subscription Shares will represent approximately 40.1% of the enlarged and fully diluted share capital of Antikor.

Total investment as at the date of this announcement is approximately US\$1.6 million (equivalent to approximately HK\$12.5 million).

On 23 July 2019, the Group and Antikor entered into a license agreement, pursuant to which Antikor will grant to the Group an exclusive license in relation to any therapeutic products and therapies (the “Licensed Products”) using the specified patent, know-how and technology in relation to fragment drug conjugates (“FDCs”).

Antikor is an early stage biotechnology company incorporated and registered in England and Wales, focusing on the development of miniaturised antibody FDCs for cancer therapy.

The Group is enthusiastic about the investment opportunity in Antikor and is optimistic about the development and commercialisation potential of the Licensed Products. The strategic investment offers the Group with an opportunity to access to the novel and unique technology platform of FDCs in addressing the immunotherapy in oncology.

Healthtech

YesDok Pte. Ltd. (“YesDok”)

On 28 June 2019, the Group entered into a convertible loan agreement with YesDok, pursuant to which the Group made available a convertible loan in the principal amount of US\$2.0 million (equivalent to approximately HK\$15.6 million) to YesDok for a term of 18 months.

The conversion of the principal amount of the convertible loan into such number of shares will represent not more than 19% of the enlarged and fully diluted share capital of YesDok. As at the date of this announcement, the Group has not converted any of the principal amount of the convertible loan into shares of YesDok.

YesDok is a company incorporated and registered in Singapore, providing e-health services that is reachable through mobile platform. The investment in YesDok is in line with the Group’s strategic development plans in the therapy business.

成都上工醫信科技有限公司 (Chengdu Shangong Medical Technology Co., Ltd.) (“Shangong”)*

Following the acquisition of around 8% of equity interest in Shangong in 2018, on 6 December 2019, the Group further entered into a convertible loan agreement with Shangong to make available a convertible loan in the principal amount of RMB15.0 million (equivalent to approximately HK\$17.0 million) to Shangong for a term of 12 months, interest-bearing at a rate of 10% per annum.

The conversion of the principal amount of the convertible loan into such equity interest, together with the equity interest acquired in 2018, will represent approximately 15.4% of the enlarged and fully diluted equity interest of Shangong. As at the date of this announcement, the Group has not converted any of the principal amount of the convertible loan into equity interest of Shangong.

Shangong is a medical data analytics (AI Algorithm) company in the medical service industry in the PRC, having fully curated, quality controlled over 1 million retinal images of diabetic patients in the PRC, which forms a retinopathy big data that enables AI Algorithm to perform its diagnosis. The AI Algorithm can screen retinal images of patients and detect diabetic retinopathy, which affects almost a third of diabetes patients that would otherwise be examined by highly trained ophthalmologists.

The investment in Shangong is a strategic consideration for enhancing the Group’s market positioning in the field of ophthalmology.

MARKET DEVELOPMENT

For achieving a sustainable traction in ongoing growth amid recent significant regulatory changes on how drugs are priced and prescribed, the Group initiated the following sales and marketing strategies and tactics during the year under review:

- Investing in clinical observation programmes for affirming additional clinical indications of its commercialised products;
- Reaching out to market in lower-tier cities;
- Cultivating pharmaceutical stores, where possible, as complementary sales channel; and
- Building on-line platform for medical consultation and e-prescription for patients with chronic diseases under its healthtech initiative.

As at 31 December 2019, the Group maintains 43 regional sales offices (the “RSOs”) and a total number of about 1,300 sales and marketing representatives, out of which approximately 730 people are full-time staff and approximately 570 people are on contract basis or from appointed agents.

During the year under review, the Group’s pharmaceutical products are being prescribed in around 8,600 hospitals and medical organisations, coupled with approximately 2,000 pharmaceutical stores, which are mainly located in the major cities, provinces and county cities in the PRC.

The RSOs and sales and marketing representatives are deployed across major cities and provinces in the PRC. They are divided into two specialised teams for Ophthalmology and Surgical.

The RSOs are tasked with the function of (i) promoting the Group’s products to pharmaceutical companies and hospitals; and (ii) providing training to medical practitioners on clinical applications of the Group’s products. In addition, these RSOs serve another vital role to the Group in gathering market intelligence and feedback for the Group’s R&D planning and clinical studies.

RESEARCH AND DEVELOPMENT

The Group’s key R&D initiatives comprise of growth factor, antibody (i.e. mAb, bsAb, sdAb, scFv, ADC/FDC, etc.), drug formulation and Blow-Fill-Seal (“BFS”) platform. Growth factor, antibody and drug formulation are technologies for the development of therapeutic drugs, whereas BFS platform is a state-of-the-art manufacturing facility for producing preservative-free single-dose drugs, in particular for ophthalmic drugs.

One of the Group's technology platform is built on a recombinant proteins, in particular, the basic fibroblast growth factor (bFGF). To capitalise on the proprietary technique and know-how in fibroblast growth factors (FGF), the Group plans to deliver a series of high-quality biopharmaceutical products to establish itself as a market leader in the field of ophthalmology and wound healing. Furthermore, the Group over the past few years has been engaging in exploratory research on biologics-based approaches in various fields; the recent strategic alliance forged with Antikor is furtherance of our research programme, especially in the field of oncology.

The establishment of the BFS platform has strengthened the Group's core competency to develop and produce a series of preservative-free single-dose drugs. During the year under review, the Group was granted with the approval for registration and commercialisation of preservative-free single-dose Beifushu Eye Drops in the PRC. As at 31 December 2019, the Group has been granted with the approval for registration and commercialisation of 4 types of preservative-free single-dose eye drops in the PRC, and has obtained a 藥品GMP證書 (Certificate of Good Manufacturing Practices for Pharmaceutical Products) in respect of the preservative-free single-dose Tobramycin Eye Drops. It is expected that the handful of preservative-free single-dose ophthalmic drugs under the development would be approved within the next 2 years.

As at the date of this announcement, the Group has obtained a total of 18 patent certificates or authorisation letters: 15 發明專利 (invention patents) and 3 實用新型專利 (utility model patents).

To advance our pursuits of new therapeutics programme involving antibodies that, in particular, target in oncology and ophthalmology, a wholly-owned subsidiary, EssexBio Therapeutics Inc. ("EssexBio USA") has been incorporated in the United States on 9 March 2020. EssexBio USA is set up as the Group's R&D centre and clinical trial management of the Group's products in the United States. Being in the United States, EssexBio USA will position the Group with better visibility for in and out licensing potential of technologies and products.

PRODUCTION CAPABILITY

The Group's factory in Zhuhai is fully equipped with production plants for the production of active pharmaceutical ingredients, the Group's flagship biopharmaceutical formulations and the state-of-the-art BFS production plants for the production of preservative-free single-dose drugs.

CONSTRUCTION OF THE SECOND FACTORY IN THE PRC

For the near-term expansion of the Group, a piece of land of about 15,000 square metres located at 珠海高新區科技創新海岸 (Zhuhai Hi-Tech Industrial Park*) was acquired in 2018. The land is within walking distance from the Group's existing factory. The plan is to construct the Group's second factory with a gross floor area (GFA) of about 58,000 square metres to house the Group's R&D centre, additional manufacturing facility, administrative office and staff hostel. Construction work has started on 1 January 2020 and is expected to be completed by mid 2023.

FINANCIAL REVIEW

The Group's revenue is chiefly derived and denominated in Renminbi from its operations in the PRC. For the year ended 31 December 2019, turnover presented in Hong Kong Dollar was weighed down by around 4.6% due to the weakening of Renminbi during the year under review.

The sectoral business of the Group is organised under:

1. Ophthalmology – Beifushu series and third party ophthalmic products including Xalatan® Eye Drops, Xalacom® Eye Drops and 適麗順 (Iodized Lecithin Capsules*); and
2. Surgical – Beifuji series and third party surgical products including 伊血安顆粒 (Yi Xue An Granules*)

The sectoral turnover of Ophthalmology and Surgical is approximately represented by 44.4% and 55.6% of the Group's turnover, respectively.

Composition of turnover for the years ended 31 December 2019 and 2018, respectively, is shown in the following table:

	Presentation Currency in HK\$				Comparison Results in RMB			
	Increase	2019 HK\$m	Composition	2018 HK\$m	Composition	Increase	2019 RMB'm	2018 RMB'm
Ophthalmology	7.3%	567.5	44.4%	529.0	45.0%	11.8%	499.4	446.5
Surgical	10.0%	712.0	55.6%	647.5	55.0%	14.7%	626.5	546.4
Total	8.8%	<u>1,279.5</u>	<u>100%</u>	<u>1,176.5</u>	<u>100%</u>	13.4%	<u>1,125.9</u>	<u>992.9</u>

Ophthalmology contributed approximately HK\$567.5 million to the Group's turnover for the year ended 31 December 2019, representing an increase of 7.3% (about 11.8% increase in RMB-denominated basis) as compared to the previous year. The increase in turnover from the overall ophthalmic products was attributable to the turnover growth of 43.5% from third party products, but was weighed down by a decrease of 11.0% in turnover from Beifushu series. The decrease was due to prudent decision taken to guard against such unfavourable trading conditions resulted from regulatory and policy changes in recent years.

Surgical recorded a total turnover of approximately HK\$712.0 million for the year ended 31 December 2019, representing an increase of 10.0% (about 14.7% increase in RMB-denominated basis) as compared to the previous year. The increase was mainly attributable to the turnover growth of 10.9% from the Group's Beifuji series.

During the year under review, the Group achieved a profit of approximately HK\$302.5 million as compared to the previous year of approximately HK\$231.1 million, representing an increase of 30.9% (about 36.5% increase in RMB-denominated basis).

The positive result is a testament to its resilience to changes in external operating conditions.

Average turnover generated by each sales and marketing representative increased by 10.4% to approximately HK\$984,000 for the year ended 31 December 2019 as compared to approximately HK\$891,000 for the previous year. It is a reflection of the effectiveness of management on overall sales and marketing activities during the year under review.

The distribution and selling expenses for the year under review were approximately HK\$632.8 million as compared to the corresponding period last year of approximately HK\$649.7 million, representing a decrease of 2.6% in spite of the increase in turnover presented in Hong Kong Dollar and Renminbi by 8.8% and 13.4% respectively. Such expenses primarily consisted of remuneration, advertising costs, travelling and transportation costs, costs for organisation of seminars and conferences for product training and awareness, etc. The decrease is attributed from higher productivity of each salesperson and better control of expenses on marketing events.

The administrative expenses for the year under review were approximately HK\$81.7 million as compared to the previous year of approximately HK\$68.9 million. The increase in administrative expenses was mainly due to the increase in staff costs, exchange differences and depreciation of property, plant and equipment by approximately HK\$10.9 million, approximately HK\$10.0 million and approximately HK\$3.5 million respectively.

R&D expenditures incurred during the year ended 31 December 2019 decreased to approximately HK\$32.6 million of which approximately HK\$29.2 million were capitalised, whereas total expenditures incurred during the year ended 31 December 2018 were approximately HK\$35.1 million of which approximately HK\$17.0 million were capitalised. These expenditures are mainly incurred in the PRC.

During the year ended 31 December 2019, the Group partially divested its investment in MeiraGTx Holdings plc (Stock code: MGTX (NASDAQ)) in the open market with a realised gain of approximately HK\$26.4 million for the year. The gain was recorded in other comprehensive income instead of profit or loss. The remaining investment held as at 31 December 2019 has a market value of approximately HK\$10.6 million. This is the maiden divestment from its investment portfolio under the Enrichment Programme.

The Group had cash and cash equivalents of approximately HK\$473.3 million as at 31 December 2019 (2018: approximately HK\$311.1 million).

The Group's bank borrowings as at 31 December 2019 were HK\$220.0 million (2018: HK\$55.0 million), among which 8.8% was repayable within 1 year and 91.2% was repayable in more than 1 year but within 5 years. All of the Group's bank borrowings were denominated in Hong Kong Dollar and bear interest at floating rate. The interest rate of the Group's bank borrowings was 3.7% as at 31 December 2019. Please refer to the sub-section headed "Liquidity and Financial Resources" for details of banking facilities.

The total finance costs of the Group for the year ended 31 December 2019 were approximately HK\$7.0 million (2018: approximately HK\$7.4 million), including an imputed interest expense on the convertible loan payable amounting to approximately HK\$8.7 million (2018: approximately HK\$8.3 million) of which approximately HK\$2.3 million (2018: approximately HK\$2.2 million) was capitalised during the year under review.

Convertible loan from International Finance Corporation

On 6 July 2016, the Company entered into a convertible loan agreement (the "Convertible Loan Agreement") with IFC, being a member of the World Bank Group and an international organisation established by Articles of Agreement among its member countries including the PRC, pursuant to which IFC agreed to lend, and the Company agreed to borrow, a convertible loan in an aggregate principal amount of HK\$150.0 million at an interest rate of 1.9% per annum. Subject to the terms of the Convertible Loan Agreement, IFC has the right to convert all or any part of the outstanding principal amount of the convertible loan into ordinary shares of the Company ("Conversion Shares") at a conversion price of HK\$5.90 per share (subject to adjustments as set out in the Convertible Loan Agreement) at any time after the date of the disbursement and prior to the maturity date (i.e. the date falling on the fifth anniversary of the date of the disbursement).

Use of net proceeds from the convertible loan

The net proceeds from the convertible loan (after deducting the fees and expenses in relation to the obtaining of the convertible loan) are approximately HK\$145.0 million, which were intended to be utilised for the Company's strategic investment in and development of the Group's biopharmaceutical business and general working capital requirements. All net proceeds had been utilised in 2018 according to the intended uses.

Dilutive effect of the conversion of the convertible loan

As at 31 December 2019, no part of the outstanding principal amount of the convertible loan of HK\$150.0 million has been converted into Conversion Shares.

On the assumption that the convertible loan would be converted into Conversion Shares in full at the initial conversion price of HK\$5.90 per share, the aggregate principal amount of the convertible loan of HK\$150.0 million is convertible into 25,423,728 Conversion Shares.

The following table sets out the total number of shares of the Company to be issued upon full conversion of the convertible loan as at 31 December 2019:

Shareholders	As at 31 December 2019		Immediately upon full conversion of the convertible loan at the conversion price of HK\$5.90 per share	
	<i>No. of shares</i>	<i>Approximate %</i>	<i>No. of shares</i>	<i>Approximate %</i>
Ngiam Mia Je Patrick	147,279,000	25.48	147,279,000	24.41
Ngiam Mia Kiat Benjamin	145,354,000	25.15	145,354,000	24.09
Dynatech Ventures Pte Ltd (<i>Note 1</i>)	6,666,667	1.15	6,666,667	1.10
Directors (other than Ngiam Mia Je Patrick) (<i>Note 2</i>)	7,280,450	1.26	7,280,450	1.21
IFC	–	–	25,423,728	4.21
Other shareholders	271,356,883	46.96	271,356,883	44.98
	<u>577,937,000</u>	<u>100</u>	<u>603,360,728</u>	<u>100</u>

Notes:

- (1) 6,666,667 shares were held by Dynatech Ventures Pte Ltd which was wholly owned by Essex Investment (Singapore) Pte Ltd, which in turn was owned by Ngiam Mia Je Patrick and Ngiam Mia Kiat Benjamin in equal shares.
- (2) Amongst these 7,280,450 shares, 5,244,300 shares were registered in the name of Fang Haizhou and 2,036,150 shares were registered in the name of Zhong Sheng.
- (3) Lauw Hui Kian is the spouse of Ngiam Mia Je Patrick (an executive Director) and is deemed to be interested in the shares in which Ngiam Mia Je Patrick is interested/deemed to be interested.

Dilutive effect on earnings per share

Based on the profit attributable to owners of the Company for the year ended 31 December 2019 of approximately HK\$302.5 million, the basic and diluted earnings per share attributable to owners of the Company, after considering the full conversion of the convertible loan, were HK52.29 cents and HK51.13 cents respectively.

The Company's ability to meet the repayment obligations under the convertible loan

Based on the cash and cash equivalents as at 31 December 2019 and the cash flow from the operations of the Company for the year then ended, the Company has the ability to meet its repayment obligations under the convertible loan which remained unconverted to Conversion Shares as at 31 December 2019.

REPURCHASE OF SHARES

During August 2019, the Company repurchased 870,000 of its shares on The Stock Exchange of Hong Kong Limited and these shares were subsequently cancelled by the Company. The highest and lowest price per share paid was HK\$5.30 and HK\$4.79 respectively and the total amount paid for the repurchases of HK\$4,323,700 was paid wholly out of retained profits.

The repurchase of the Company's shares during the year was effected by the Directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, as at 31 December 2019, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group obtained banking facilities of approximately HK\$406.8 million, of which HK\$220.0 million was utilised. All of the banking facilities were secured by the corporate guarantees provided by the Company and subsidiaries within the Group and a pledged deposit which amounted to HK\$44.0 million.

As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$473.3 million as compared to approximately HK\$311.1 million as at 31 December 2018. Among the cash and cash equivalents of the Group as at 31 December 2019, 74.2% was denominated in Renminbi, 25.2% was denominated in Hong Kong Dollar and 0.4% was denominated in US Dollar.

The Group monitors its capital structure on the basis of a gearing ratio which is defined as the ratio of total liabilities to total assets. The gearing ratio as at 31 December 2019 was 42.4% (2018: 35.9%).

CHARGES ON GROUP ASSETS

As at 31 December 2019, bank deposit of HK\$44.0 million (2018: HK\$11.0 million) was pledged to secure the Group's banking facilities.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had capital commitments which amounted to approximately HK\$365.8 million (2018: approximately HK\$324.7 million).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Save as disclosed in this announcement, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2019.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this announcement, the Group did not hold any significant investments as at 31 December 2019.

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy to borrow and deposit cash in local currencies to minimise currency risk.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong Dollar, Renminbi or US Dollar. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange risks and therefore no hedging arrangements were made. So long as the linked exchange rate system in Hong Kong with US Dollar is maintained, it is expected that the Group will not be subject to any significant exchange risk. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements as appropriate.

TREASURY POLICY

The Group generally financed its operations with internally generated cash flows, bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with the PRC and Hong Kong banks and earned interests in accordance with the PRC and Hong Kong banks rates. Bank deposits were mainly denominated in Renminbi, Hong Kong Dollar and US Dollar.

EMPLOYEES

As at 31 December 2019, the Group had a total of 1,110 full-time employees (2018: 1,034 full-time employees). The aggregate remuneration of the Group's employees, including that of the Directors, for the year under review and the preceding year amounted to approximately HK\$214.5 million and approximately HK\$146.0 million, respectively. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending on the financial performance of the Group.

Each executive Director has entered into a service agreement with the Company which will expire on 26 June 2020 unless it is terminated by either party by giving the other not less than six months' written notice. The annual remuneration of each executive Director was fixed in his service agreements and he is also entitled to a discretionary annual bonus of such amount (if any) as the Board may determine in its discretion from time to time having regard to the operating results of the Group and his performance in the relevant financial year, provided that (a) the aggregate amount of the discretionary annual bonuses payable to all Directors in any financial year shall not exceed 5% of the consolidated net profit after taxation and non-controlling interests but before extraordinary items of the Company as shown in its consolidated audited accounts for such financial year (the "Net Profit"); (b) the Net Profit for such financial year exceeds HK\$50,000,000; and (c) the amount of the discretionary annual bonus payable to each director of the Company in respect of any financial year shall not exceed 1.4 times of his annual basic salary as a director of the Company in respect of such financial year. The discretionary annual bonus, if any, shall be payable in respect of each financial year of the Company within three months after the issue of the consolidated audited accounts of the Group for such financial year.

Other remuneration and benefits, including retirement benefits scheme, remained at an appropriate level.

DIVIDENDS

An interim dividend of HK\$0.035 per ordinary share was paid on 20 September 2019. The Directors have recommended the payment of a final dividend of HK\$0.05 per ordinary share for the financial year ended 31 December 2019 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 20 May 2020. Subject to shareholders' approval, the final dividend will be payable on Tuesday, 2 June 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 4 May 2020 to Thursday, 7 May 2020 (both days inclusive) for ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting to be held on Thursday, 7 May 2020. During this period, no transfer of shares will be registered. In order to be entitled to attend the aforesaid annual general meeting, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 29 April 2020.

The register of members of the Company will be closed from Monday, 18 May 2020 to Wednesday, 20 May 2020 (both days inclusive) for ascertaining shareholders' entitlement to the proposed final dividend. No transfer of shares will be registered during this period. In order to be qualified for the proposed final dividend to be approved at the forthcoming annual general meeting to be held on Thursday, 7 May 2020, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 May 2020.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year under review.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the year under review.

EVENT AFTER THE REPORTING PERIOD

The outbreak of the novel coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation as at the date of this announcement. If the outbreak remains protracted, the Group's performances would be negatively impacted, including the Group's R&D projects and ongoing clinical trial programmes would be delayed. The Board will continue to assess the impact of the outbreak on the Group's operation and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection with the outbreak. The Company will make further announcement(s) in accordance with the Listing Rules as and when necessary.

In order to support prevention, control and/or relief works for the outbreak, the Group has made a cash donation of RMB5.0 million to a major humanitarian organisation and donated the Group's dermatological product, namely Beifuxin Gel, in the amount worth of RMB2.5 million to various hospitals in the PRC.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's results for the year ended 31 December 2019 as set out in this announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019. The work performed by BDO 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 BDO Limited on this preliminary results announcement.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2019 had been reviewed by the audit committee of the Board (the "Audit Committee") before they were duly approved by the Board under the recommendation of the Audit Committee.

On behalf of the Board
Essex Bio-Technology Limited
Mr. Ngiam Mia Je Patrick
Chairman

Hong Kong
17 March 2020

Executive directors of the Company as at the date of this announcement are Mr. Ngiam Mia Je Patrick, Mr. Fang Haizhou and Mr. Zhong Sheng. Independent non-executive directors of the Company as at the date of this announcement are Mr. Fung Chi Ying, Mr. Mauffrey Benoit Jean Marie and Ms. Yeow Mee Mooi.

* *For identification purpose only*