



CHINA HEALTH GROUP INC. 中國醫療集團有限公司

(Carrying on business in Hong Kong as “萬全醫療集團”)
(以「萬全醫療集團」名稱在香港經營業務)
(Formerly known as “Venturepharm Laboratories Limited”)
(前稱「萬全科技藥業有限公司」)
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code: 8225) (股份代號: 8225)

Annual Report \$" #) 年報



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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This report, for which the directors (the “Directors”) of China Health Group Inc. (formerly known as Venturepharm Laboratories Limited)(the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to China Health Group Inc. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this report herein or this announcement misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

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創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於在創業板上市公司之新興性質所然，在創業板買賣之證券可能會較於聯交所主機板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定而提供有關中國醫療集團有限公司（「本公司」）及其附屬公司（統稱「貴集團」）之資料。中國醫療集團有限公司各董事（「董事」）對此共同及個別地承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及深信：(1) 本報告所載資料在各重大方面均為準確及完整，且並無誤導成份；(2) 本報告並無遺漏其他事項致使本報告所載任何內容有所誤導；及(3) 所有在本報告內表達之意見乃經過審慎周詳考慮後始行作出，並以公平合理之基準及假設為依據。

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Mr. William Xia GUO
Dr. Maria Xue Mei SONG

NON-EXECUTIVE DIRECTOR:

Mr. Michael SU

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Rui QIU (Appointed on 12 February 2018)
Dr. Shou Yuan WU (Resigned on 12 February 2018)
Mr. Mark Gavin Lotter
Dr. Bin Hui NI

AUDIT COMMITTEE

Mr. Rui QIU (Appointed on 12 February 2018)
Dr. Shou Yuan WU (Resigned on 12 February 2018)
Mr. Mark Gavin Lotter
Dr. Bin Hui NI

REMUNERATION COMMITTEE

Mr. Mark Gavin Lotter
Mr. William Xia GUO
Mr. Rui QIU (Appointed on 12 February 2018)
Dr. Shou Yuan WU (Resigned on 12 February 2018)
Dr. Bin Hui NI

NOMINATION COMMITTEE

Dr. Bin Hui NI
Mr. William Xia GUO
Mr. Rui QIU (Appointed on 12 February 2018)
Dr. Shou Yuan WU (Resigned on 12 February 2018)
Mr. Mark Gavin Lotter

COMPLIANCE OFFICER

Dr. Maria Xue Mei SONG

AUTHORISED REPRESENTATIVES

Mr. William Xia GUO
Mr. Leung Kwok Fai Ben Rich

COMPANY SECRETARY

Mr. Leung Kwok Fai Ben Rich

董事會

執行董事:

William Xia Guo 先生
宋雪梅博士

非執行董事:

蘇毅先生

獨立非執行董事:

仇銳先生 (於二零一八年二月十二日委任)
吳壽元博士 (於二零一八年二月十二日辭任)
Mark Gavin Lotter先生
倪彬暉博士

審核委員會

仇銳先生 (於二零一八年二月十二日委任)
吳壽元博士 (於二零一八年二月十二日辭任)
Mark Gavin Lotter先生
倪彬暉博士

薪酬委員會

Mark Gavin Lotter先生
William Xia Guo先生
仇銳先生 (於二零一八年二月十二日委任)
吳壽元博士 (於二零一八年二月十二日辭任)
倪彬暉博士

提名委員會

倪彬暉博士
William Xia Guo先生
仇銳先生 (於二零一八年二月十二日委任)
吳壽元博士 (於二零一八年二月十二日辭任)
Mark Gavin Lotter先生

監察主任

宋雪梅博士

授權代表

William Xia Guo先生
梁國輝先生

公司秘書

梁國輝先生

REGISTERED OFFICE

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P.O. Box 31119 Grand Pavilion,
Hibiscus Way,
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KY1 - 1205
Cayman Islands

註冊辦事處

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大開曼島
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宏閣
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KY1 - 1205
Vistra (Cayman) Limited

HEAD OFFICE IN CHINA

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Haidian District,
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北京
海澱區西三環北路11號
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 19/F, Times Media Centre,
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Hong Kong

香港主要營業地點

香港
灣仔灣仔道133號
星航資訊中心19樓B座

PRINCIPAL BANKERS

CITI Bank HONG KONG
Agricultural Bank of China, Beijing Branch

主要往來銀行

花旗銀行香港分行
中國農業銀行，北京分行

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳標準有限公司
香港皇后大道東 183 號
合和中心 22 樓

AUDITORS

Baker Tilly Hong Kong Limited

核數師

天職香港會計師事務所有限公司

GEM STOCK CODE

8225

創業板股份代號

8225

COMPANY WEBSITE

<http://www.chgi.net>

公司網址

<http://www.chgi.net>

Dear Shareholders:

The Group now stands at the forefront of the most exciting and dynamic shift in the history of health industry. With the help of challenge and opportunity provided by Chinese clinic revolution, the Group is focusing on building itself into a group corporation providing comprehensive medical service under international architecture, from clinical research, post marketing surveillance (PMS), real-world study (RWS) medical science events, medical marketing and product promotion service, hospital management service, mobile telemedicine service, special expertise therapy service to rehabilitation and medical tours service.

With the changing landscape of commercial way of pharma power house in china, the Group commits to replace traditional Contract Service Organisation (“CSO”) sales model in China to Contract Research Organisation (“CRO”) and CSO combination model. The Group combines strategic thinking with the ability to capture and analyze complex clinical data to effectively demonstrate real-world outcomes. Our reach extends to field based teams who connect with payers on a local level to help communicate the product value story, the Group offers Medical science liaisons, medical marketing programs bridge the gap between the clinical and commercial phases of product development, providing expertise across a broad range of pre- and post-launch opportunities

All of CRO-registered clinical trial and PMS or outcome research help to create the “actives” with KOLs and all key hospitals and build up Site Management Organisation (“SMO”) in all key hospitals, we will leverage all of the research “actives”+“SMO” into commercial medical marketing. All those will replace traditions sales in china and meet all those compliance challenges in china.

We are building the following:

With regarding of Hospital management service: Our group has tried to operate mobile Internet health care and drug delivery service like ‘Chinese best doctor’, ‘My doctor 999’, and currently is preparing for providing satellite mobile medical service.

With respect to financial operating area, the Group has already been on the healthy track of profit -making.

In a word, our group has completed transition from the type of pharmaceutical technology to new health care model under the new creative internet architecture. We will grasp the opportunity of the Chinese health care reform and take advantage of a dozen years’ experience to create physical and spiritual welfare for the patients, staff and shareholders.

By order of the Board
William Xia GUO
Chairman
21 March 2018

尊敬的股東：

本集團現在正處於健康產業歷史上最激動人心，創新劇變的前沿，在中國醫療改革帶來的挑戰和機遇的推動下，在國際化的架構下，本集團正聚焦將自身建設成為提供全方位的醫學服務的綜合供應商，從臨床研究、上市後監察、真實世界研究、醫學科研活動、醫學市場到產品的推廣服務，到醫院管理服務，遠端醫療，特殊專家治療服務，康復和醫療旅遊服務等。

隨著醫藥行業商業模式的不斷改變，本集團用CSO (Contract Sales Organization) 和CRO(Contract Research Organization)相結合的模式替代了傳統的CSO行銷模式。本集團把戰略性的思考和獲取分析複雜的臨床資料的能力相結合，從而能高效的揭示真實世界的結果。本集團的服務以治療領域為基礎，將服務內容的購買人與產品價值故事緊密聯繫起來。本集團負責提供醫學聯絡官，醫學市場專案服務，從而架起了在產品開發中臨床與行銷之間的橋樑，在從上市前到上市後的整個過程中，提供綜合的解決方案。

所有的註冊臨床試驗和上市後臨床試驗或結果檢驗試驗都是由意見領袖們 (KOLs) 和大型醫院的一系列活動構成，在這些活動中，同時就建立了現場管理組織 (SMO) (Site Management Organization)。本集團會研發中的“活動”和SMO整合起來，應用於商業化的醫療市場，以這種方式替代了傳統銷售，而且也只有這種方式才符合規性的要求。

我們正在構建：

一、醫院管理服務，集團已經在開始提供移動的健康管理和藥品配送服務，比如“中國好醫生”，“我的醫生999”，並且正在準備提供衛星移動醫療服務。

二、財務方面，公司已經步入盈利的健康軌道中。

總之，本集團已經徹底完成了由製藥研發模式到互聯網架構下的全新的醫療康復服務模式的轉型，本集團會抓住中國醫療改革的機遇，運用近二十年的經驗，為我們的患者，員工以及股東們創造物質和精神的財富。

受董事會委派
William Xia GUO
主席
二零一八年三月二十一日

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Results	業績		
Revenue	收益	58,491	20,241
Profit for the year	年內溢利	30,454	2,127
Assets and Liabilities	資產及負債		
Total Assets	總資產	32,733	12,845
Total Liabilities	總負債	26,929	38,011
Shareholders' equity/(deficit)	股東權益/ (虧損)	5,804	(25,166)

1. The Group recorded consolidated turnover of RMB58,491,000 for the year ended 31 December 2017, which represents approximately 189% increase from RMB20,241,000 for the year ended 31 December 2016.
 2. The Group recorded profit before taxation of RMB33,898,000 for the year ended 31 December 2017, as compared with profit before taxation of RMB2,085,000 in for the year ended 31 December 2016. The Group recorded an increase of profit by the expansion of the post market clinical research, real-world clinical research, medical science liaisons and medical market services.
 3. The Group recorded operating cash inflow of RMB14,394,000 this Year, as compared with operating cash outflow of RMB 6,818,000 in year 2016.
 4. The basic and diluted earnings per share is RMB3.07 cents in 2017, while basic earnings per share was RMB0.23 cents in 2016.
1. 截至二零一七年十二月三十一日止年度(“本年度”)本集團錄得營業收入約為人民幣58,491,000元,較二零一六同期之營業收入約為人民幣20,241,000元上升約189%。
 2. 本年度本集團錄得除稅前利潤為約為人民幣33,898,000元,而二零一六同期除稅前利潤為約為人民幣2,085,000元。本集團利潤的增長是由於上市後臨床研究業務的擴張。
 3. 本年度本集團錄得經營性現金淨流入約為人民幣14,394,000元,而二零一六同期經營性現金淨流出約為人民幣6,818,000元。
 4. 2017年度每股盈利為人民幣3.07仙,與2016年每股盈利為人民幣0.23仙。

RESULTS

The Group recorded profit before taxation of RMB33,898,000 for the year of 31 December 2017, as compared with profit before taxation of RMB2,085,000 in the corresponding period last year. This year's earnings are mainly due to the income of post market clinical research, real-world clinical research, medical science and medical market services ("PM services").

The Group recorded operating profit of RMB33,974,000 for the year, without considering the financial expense of RMB76,000, as compared with operating profit of RMB2,885,000 in year 2016.

The Group recorded revenue of RMB58,491,000 for this Year, which represents approximately 189% increases from RMB20,241,000 in the corresponding period last year. The 2017 consolidated turnover included approximately RMB2,632,000 derived from the contracted clinical research services ("CR services"), amounted to 5% of the total revenue; approximately RMB39,273,000 from PM services, amounted to 67% of the total revenue and approximately RMB1,775,000 from other medical services, amounted to 3% of the total revenue. The differences in revenues for these two years was mainly due to (a) the terminal of clinical medicine of research-type extension based on the clinical research i.e. PM services, which is one of the four growth-driving platforms was widely recognized by the markets. For the year of 31 December 2017, the PM services revenue increases approximately RMB33,800,000. (b) The Group recorded a decrease in revenue in CR services of approximately RMB9,647,000 for the Year. (c) Revenue in other medical services decreased by RMB714,000 compared to that in 2016.

Total consolidated administrative expenses and staffs costs were approximately RMB22,561,000 representing an increase of approximately RMB8,342,000 compared with approximately RMB14,219,000 of the corresponding period last year. The increase was primarily due to the increase in headcounts.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2017, the Group's current assets exceeded its current liabilities and its total assets exceeded its total liabilities by approximately RMB3,053,000 (2016: net current liabilities of approximately RMB28,937,000) and approximately RMB 5,804,000 (2016: net liabilities of approximately RMB25,166,000) respectively.

財務回顧

本年度本集團錄得除稅前利潤約人民幣33,898,000元，而去年同期除稅前利潤約人民幣2,085,000元。本年度本集團盈利主要乃由於上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務之收入。

扣除融資成本約人民幣76,000元，本年度集團實際錄得經營利潤約為人民幣33,974,000元，而去年同期為經營利潤約人民幣2,885,000元。

本年度本集團營業收入約人民幣58,491,000元，較去年同期之營業收入約人民幣20,241,000元上升約189%。其中合約臨床研究服務約人民幣2,632,000元，佔總收入之比例為5%；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務約人民幣39,273,000元，佔總收入之比例為67%；其他醫藥服務收入人民幣1,775,000元，佔總收入之比例為3%。(a) 本集團積力打造的四大成長驅動平台之一：臨床科研為依託的終端驗床醫學研究式推廣即上市後研究及學術推廣服務得到市場的廣泛認可。並於本年度產生服務收入約人民幣33,800,000元的增長；(b) 本年度本集團傳統業務CRS業務比去年減少人民幣9,647,000元，(c) 其他醫藥服務收入比去年減少人民幣714,000元。

本年度本集團之行政費用及員工支出為約人民幣22,561,000元，較去年同期約人民幣14,219,000元增加約人民幣8,342,000元，主要為本集團之人工成本增加所致。

流動資金、財務資源及負債比率

於二零一七年十二月三十一日，本集團淨流動資產約人民幣3,053,000元（2016年：淨流動負債為人民幣28,937,000元）；淨資產約為人民幣5,804,000元（2016年：淨負債約為人民幣25,166,000元）。

Meanwhile, considering the working capital and long term fund demand for future development, the Group will consider to raise further funds through bank loans, issuance of new shares, convertible notes, and issuance of new debts, etc.

FOREIGN EXCHANGE EXPOSURE

During the year, the Group's transactions were substantially denominated in Renminbi ("RMB"). As such, the foreign currency risk facing the Group is limited. Currently, the Group has not adopted any financial instrument for hedging purposes.

BUSINESS REVIEW

Aiming at long-term development, the Group keeps pursuing its business strategy of transforming from a leading technology transfer supplier to a health care service group under the internet architecture.

CHG now stands at the forefront of the most exciting and dynamic shift in the history of health industry. With the help of challenge and opportunity provided by Chinese clinic revolution, China Health Group Inc. is focusing on building itself into a group corporation providing comprehensive medical service under international architecture, from clinical research, post marketing surveillance (PMS), real-world study (RWS) medical science events, medical marketing and product promotion service, hospital management service, mobile telemedicine service, special expertise therapy service to rehabilitation and medical tours service.

We are more than exciting about the approval of continuing connected Service Agreement which has a rather significant positive impact over the performance of the Group in terms of revenue and profit.

With the changing landscape of commercial way of pharma power house in China, CHG commit to replace traditional CSO sales model in China to CRO and CSO combination model. CHG combines strategic thinking with the ability to capture and analyse complex clinical data to effectively demonstrate real-world outcomes. Our reach extends to field based teams who connect with payers on a local level to help communicate your product value story, CHG offers real world clinical study, medical science liaisons, medical marketing programs which aimed to bridge the gaps between the clinical and commercial phases of product development, providing expertise across a broad range of pre- and post-launch opportunities.

All of CRO-registered clinical trial and PM services or outcome research help to create the "activities" with KOLs and all key hospitals and build up "SMO" in all key hospitals, we will leverage all of the research "actives" + "SMO" into commercial medical marketing. All those will replace traditions sales in China and meet all those compliance challenges in China.

同時，考慮到未來業務發展之需要，本集團未來可能從發行新股、發行新債、發行可換股票據及銀行貸款等多方面籌集資金，進一步增強資金儲備。

外匯風險

於回顧期內，本集團之交易絕大部分以人民幣計值。因此，本集團面臨的匯率風險不大。目前本集團並無採用任何金融工具作對沖用途。

業務回顧

本集團基於長期發展考慮，繼續推進從領先的技術轉讓供應商轉變為一家互聯網架構下的醫療服務集團。

中國醫療集團現在正站在最令人興奮的健康產業的歷史前沿。隨著中國醫療改革帶來的機遇與挑戰，本集團正聚焦將自身建設成為提供全方位的醫學服務的綜合供應商，從臨床研究。上市後監察、真實世界研究、醫學科研活動、醫學市場到產品的推廣服務，到醫院管理服務，遠端醫療，特殊專家治療服務，康復和醫療旅遊服務等。

我們對持續關連交易的批准非常興奮，它對本集團在收入和利潤上產生了相當顯著的積極影響。

隨著中國醫藥企業商業模式的變化，中國醫療集團承擔起了以CRO以及CSO模式組合取代傳統CSO模式的責任。集團不斷在增強市場推廣能力及拓展市場網路方面做出投資，以萬全品牌在本地市場推出全價值鏈的新藥技術開發與增值服務業務模式。同時以CRS-CRO品牌全力構建和拓展海外服務市場。

所有的CRO臨床試驗註冊和PM服務或研究結果有助於建立與KOLs和所有重點醫院的“活動”和建立“SMO”在所有關鍵的醫院，我們將利用所有的研究“活性”+“SMO”為商業醫療市場。所有這些將取代傳統的銷售在中國，滿足所有這些合規的挑戰在中國。

PM SERVICES

This year is a milestone year for company strategic transition. The Group made best use of its VPSCRO's 17 years of efforts and strong relationship with leaders and experts through 400 clinical bases for the marketing and clinical research of new drugs to list and clinical research and brought revenue of RMB39,273,000.

CR SERVICES

Taken clinical study as the prime focus, the Group has established the most integrated service in the country, which provides a series of services ranging from phase I clinical and bioequivalence studies, phase II-III clinical studies, and phase IV post-marketing clinical study, to data management and medical statistics, and medical administration related service. Meanwhile, the Group makes a great efforts to improve the professional capability involving the above mentioned services and has preliminarily established 13 professional research institutions including Venturepharm-CBI phase I clinical research center, VPS-mart phase IV clinical research and academic promotion center, SAS-Venturepharm data management and medical statistics center, VP-Porsche RA service center, OHH-VP Pacific-Asia clinical research institution for oncology, TangXi-VP Pacific-Asia clinical research institution for Diabetes, CNSVP Psychoneurologic and pain management Pacific-Asia clinical research institution, CV-VP Cardiovascular Pacific-Asia clinical research center, AIDS and hepatitis Pacific-Asia clinical research institution, DermNova Pacific-Asia clinical research institution for dermatosis and gynecologic disease and TCM-VP clinical research center for natural drug and traditional Chinese medicine, etc.

In the meantime, the Group has built a nation-wide network with bases in Beijing, Shanghai and Guangzhou and offices in over 30 provincial capital cities for clinical monitoring and academic promotion, covering over 80% hospitals which have been authorized to conduct clinical research. The Group has the capacity of operating more than 60 phase I and BE projects each year and conducting 50 phase II-III clinical projects simultaneously. Meanwhile, the Group is able to carry out 4 phase IV clinical trials with large sample size (2,000 subjects) at the same period.

PROSPECTS

The Group will continuously push forward the strategic transition from a leading technology transference supplier to a health care service group under the internet architecture. The Group will also continuously strengthen the terminal of clinical medicine of research-type extension based on the clinical research, at the same time push forward the construction of medical management platform under the internet architecture, rehabilitation therapy industry platforms, and special features of hospital industry platform with steady steps.

上市後研究及學術推廣服務

2017年是公司戰略轉型里程碑的一年。本集團利用下屬的VPSCRO的17年耕耘及與400家臨床基地建立的牢固領袖專家關係，為新藥品上市和臨床提供大量上市後研究及學術推廣服務，此服務得到市場廣泛認可，並於本年度為本集團帶來約人民幣39,273,000元的收入。

臨床研究服務

本集團已經建立起國內最完整的以臨床研究為主體內容的服務業務，包括I期臨床及生物等效性研究，II-III期臨床研究，IV期暨上市後臨床研究，資料管理及醫學統計，藥政事務服務等一系列服務；同時著力打造以上業務所涉及的專業能力，初步建立起萬全CBI一期臨床研究中心、萬全瑪特(VPSmart)四期臨床研究及學術推廣中心、SAS-萬全資料管理及醫學統計中心、保時萬全(VP-Porsche RA)藥政事務中心、安克萬全(OHH-VP)癌症亞太臨床研究院、唐喜萬全亞太臨床研究院、喜恩萬全(CNSVP)精神神經亞太臨床研究院、喜恩萬全疼痛醫學(CNSVP-Pain management)研究院、怡妙萬全(Vacc-VP)亞太臨床研究院、卡地萬全心血管(CV-VP)亞太臨床研究中心、甘艾(滋病及肝炎)亞太臨床研究院、德美萬全(DermNova)皮膚及婦科亞太臨床研究院、萬全堂(TCM-VP)天然藥與中藥臨床研究中心等13個專業研究機構。

同時，集團在全國建立了以北京、上海、廣州為基地，附帶30多個省會城市辦事處的全國性臨床監察和學術推廣網路；覆蓋到80%以上可以有資格進行臨床研究的醫院，目前每年可以達到I期及生物等效項目60個以上的操作能力，II-III期專案可以同時開展50個；大樣本量(2000例)的IV期臨床可以同時開展4個。

展望

本集團將繼續推進從領先的技術轉讓供應商轉變為一家互聯網架構下的醫療服務集團的戰略轉型。本集團將繼續強化臨床科研為依託的終端臨床醫學研究式推廣，同時穩步推進互聯網架構下的醫院管理平台、康復醫療產業平台與專科特色醫院產業平台的建設。

The Board will also review and assess of potential project or investment according to reliable principles, in order to improve the group business performance and return to shareholders.

SIGNIFICANT INVESTMENT

During the year, there was no significant investment.

CAPITAL COMMITMENT

As of 31 December 2017, the Group did not have any significant capital commitment.

HUMAN RESOURCES

The Group's remuneration policy is basically determined by the performance of individual employees. In addition to salaries and bonuses, the Group also provided various other benefits to its employees. Employee benefits included medical and pension contributions and share options schemes.

The Group monitored closely the remuneration and fringe benefits of the employees and rewarded employees in accordance with the Group's business performance. In addition, training and development opportunities for the employees were also provided by the Group.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2017 (2016: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules 5.28 to 5.33. The primary duties of the audit committee are (a) to review the Group's annual reports, interim reports and quarterly reports (b) to discuss and review with the audit of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group. and provide advice and comments to the Board.

董事會也將按穩健的原則審核評估可能進行的項目或投資，務求提升本集團業務表現及本公司股東回報。

重大投資

於本年度內，本集團並無重大投資。

資本承擔

於二零一七年十二月三十一日，本集團並無任何重大資本承擔。

人力資源

本集團僱員之薪酬及獎金政策基本上按僱員之個人表現釐定。本集團為僱員提供多種福利包括醫療及退休供款，以及購股權計劃。

本集團密切關注僱員的薪酬與福利水準，並根據本集團之經營業績獎勵僱員。此外，本集團亦為僱員提供培訓及發展機會。

股息

董事不建議就截至二零一七年十二月三十一日止年度派發任何股息（二零一六年：無）。

購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

財務報表之審閱

本公司已成立審核委員會，並遵照創業板上市規則書面訂明其職權範圍。審核委員會之主要職責為 (a) 審閱本集團之年度、半年及季度報告 (b) 與本公司核數師商討及檢討核數之範疇及結果；及(c)監督本集團之財務申報程序、風險管理及內部監控系統，並向董事會提供意見及建議。

The audit committee has three members comprising the three Independent Non-executive Directors, Mr. Rui QIU, Mr. Mark Gavin Lotter and Dr. Bin Hui NI. The chairman of the audit committee is Mr. Rui QIU who possesses extensive experience in finance and accounting.

The audit committee has reviewed and approved the consolidated financial statements for this Year, including the accounting principles and new and revised accounting standards adopted by the Group, and discussed matters relating to auditing, internal controls and financial reporting.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year ended 31 December 2017, except for the continuing connected transactions (Details of which are disclosed in the company's circular dated 31 July 2017 in www.hkexnews.com) entered into between the Group and related companies, at which a director of the company, Mr. William Xia Guo, has significant interests in these companies, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, none of the Directors or the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

EMPLOYEE AND REMUNERATION POLICY

During the Year, staff cost, including directors' remuneration is approximately RMB17,373,000 (2016: approximately RMB9,827,000). The Group remunerates its employees based on their performance, and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

The Company adopted the Share Option Schemes where share options to subscribe for shares of the Company have been granted to the eligible participants of the Group. 18,745,300 share options have been owned by the eligible participants under the Scheme for the year ended 31 December 2017.

審核委員會現由三名獨立非執行董事仇銳先生、Mark Gavin Lotter 先生和倪彬暉博士組成。仇銳先生為審核委員會主席，其擁有豐富的財務及會計經驗。

審核委員會已審閱和批准本集團本年度之合併財務報表，包括本公司所採納的新訂及經修訂準則，並已討論有關審計、內部監控及財務彙報事宜。

董事於重大合約之權益

截至二零一七年十二月三十一日止年度，除本集團與本公司董事郭夏先生擁有重大權益之關聯公司訂立的持續關連交易（詳情於本公司日期為二零一七年七月三十一日的通函中披露，詳情請參閱www.hkexnews.com）外，本公司或附屬公司於本年內或年末時概無簽訂其他涉及本公司之業務而令本公司之董事在重要交易、安排及合約中直接或間接地擁有重大權益。

董事於競爭業務之權益

於年結日或年內任何時間，概無存在本公司或其任何附屬公司為其中訂約方及本公司董事於當中直接或間接擁有重大權益之重大合約。

僱員及薪酬政策

截至二零一七年十二月三十一日止年度，本集團員工成本（包括董事酬金）約人民幣17,373,000元（二零一六年同期為：人民幣9,827,000元）。本集團根據僱員之表現、工作經驗及現行市價釐定薪酬。其他員工福利包括強積金、保險及醫療保險、培訓專案及購股權計劃。

本公司已採納購股權計劃，據此已向本集團合資格參與者授出可認購本公司股份之購股權。於本年度末，本集團合資格參與者擁有18,745,300股期權。

EXECUTIVE DIRECTORS

Mr. William Xia GUO, aged 53, is the Chairman, executive Director of the Group, as well as one of the members of remuneration committee and nomination committee. Mr. GUO is responsible for strategic planning and development, overall management of the Group. Mr. GUO obtained with a Master degree in science from University of Toronto in March 1997. Mr. GUO has also completed various approved courses for the degree of Master of Business Administration in Heriot-Watt University and the Judge institute EMBA in University of Cambridge. Before establishing the Group in December 1998, Mr. GUO had worked for two pharmaceutical companies in Canada, namely Ortho-McNeil Inc. under Johnson & Johnson and Novopharm Limited under Teva Pharmaceutical Industries Ltd as research scientist and process development manager, respectively. Mr. GUO used to be the director and CEO of Common Wealth Technology Inc listed on NSDAQ and vice president of All-China Federation of Industry and Commerce Medical Pharmaceutical Chamber, he also got National model worker title and The National May 1 Labour Medal, and was prized as '2005 Excellent creative enterpriser' in 2005 by BCCC(got the scholarship for EMBA study in University of Cambridge).

Dr. Maria Xue Mei SONG, aged 50, is an executive Director. Dr. Song is responsible for Clinical Research. Dr. Song graduated from China Concord Medical University with a Doctorate degree in clinical medicine in July 1995. She is also a Registered Pharmacist in the PRC. Prior to joining the Group in February 2000, Ms. Song had served as general manager of Beijing Tiancifu Biopharmaceutical Co. Ltd.

NON-EXECUTIVE DIRECTOR

Mr. Michael SU, aged 46, has been appointed as a non-executive Director since 18 May 2016. Mr. Su formerly worked for Fila China Limited, Shanghai Pharmceutic Group Limited, Venturepharm Pharmaceuticals (Hainan)Limited, China Health Group Inc. ,etc. and engaged as finance director and similar positons. He held bachelor degree of Hydraulic Engineering from Tsinghua University and Master degree of Business Management from Shanghai Jiaotong University. He has near 20 years of experience in financial management and more than 10 years of experience in pharmaceutic industry.

執行董事

William Xia Guo先生，53歲，本集團主席、執行董事，及薪酬委員會成員、提名委員會成員。Guo先生負責本集團之策略規劃及發展、整體管理。Guo先生畢業於多倫多大學藥學院研究生院獲碩士學位,博士（肄業），亦在Heriot-Watt University完成工商管理碩士學位和英國劍橋大學Judge institute EMBA 之多個認可課程。於一九九八年十二月成立本集團之前，Guo先生曾於美國強生公司旗下之Ortho-McNeil Inc.及Teva Pharmaceutical Industries Ltd 旗下Novopharm Limited分別擔任研究科學家及工序開發經理。Guo先生還曾經擔任過美國NSDAQ上市公司Common Wealth Technology INC 公司的董事長和CEO。Guo先生擔任中華全國工商聯醫藥副會長並獲得中國國務院授予全國勞動模範稱號，全國五一勞動獎章。2005年被英國商會（BCCC）授予“2005優秀創新企業家”（並資助劍橋大學EMBA學習）。

宋雪梅博士，50歲，執行董事。宋博士負責本集團之臨床研究服務。宋博士畢業於中國協和醫科大學，於一九九五年七月獲頒臨床醫藥博士學位。彼亦為中國註冊藥劑師。於二零零零年二月加盟本集團之前，宋女士曾於北京天賜福生物醫藥有限公司擔任總經理。

非執行董事

蘇毅先生，46歲，於二零一六年五月十八日獲委任為非執行董事。獲清華大學水利水電工程建築學士、上海交通大學管理工程碩士學位元。曾就職於菲樂（中國）有限公司、上海醫藥（集團）有限公司、萬特製藥（海南）有限公司、中國醫療集團有限公司等企業，擔任財務總監等職務，於財務管理領域有近20年之經驗並於醫藥行業有超過10年之相關經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Rui QIU, aged 42, has been appointed as an independent non-executive Director and the chairman of the audit committee, as well as one of the members of nomination committee and remuneration committee since 12 February 2018. Mr. QIU graduated from Peking University and holds bachelor degree of Economics. With 20 years of working experience in accounting and financial management and Merge& Acquisition. Mr. QIU formerly worked for PwC and TPG, etc, and founded several investment funds as the key member. Mr. QIU is the founding partner of BDStar Capital and the directors of his invested companies. Mr. QIU is the CFA and the CPA.

Dr. Bing Hui NI, aged 59, has been appointed as the independent non-executive Director and the chairman of nomination committee, as well as one of the members of audit committee and remuneration committee since 31 March 2015. Dr Bing Hui NI acts as Vice President in Sanofi, and head of external Science & Partnering-Asia Pacific. Dr. Ni holds a PhD in molecular pharmacology from University of Toronto under fellowship and post-doctoral fellowship in Clinical Pharmacology from National Institute of Health. Dr. Ni has over 40 publications in journals including Science, PNAS and served as adjunct professors in several universities in USA and Singapore. Dr. Ni has over 20 years of healthcare industry experience in the US and Asia/China. He served in senior scientific and managerial positions for several top Fortune 500 companies, including Eli Lilly (being Action Group Chair, US), S'BIO (being Vice President/ head of Biology, Singapore,) and Covance China (being General Manager, China)

Mr. Mark Gavin Lotter, aged 55, has been appointed as the independent non-executive Director and the chairman of remuneration committee, as well as one of the members of audit committee and nomination committee since 17 February 2015. Mr. Mark Gavin Lotter holds a Bachelor of Science in Pharmacy, and Master in Business Leadership of University of South Africa degrees and has over twenty five years of work experience largely in the pharmaceutical industry. He started his career in South Africa and where he has held senior management positions which included Chief Executive Officer of Astra Pharmaceuticals (South Africa) and Chief Executive Officer of Aspen Healthcare (South Africa). He has more than 10 years' experience in China where he held a number of senior positions including Vice President of Commercial Operations of AstraZeneca China, Founder and Chief Executive Officer of Nova Med Pharmaceuticals and Chief Executive Officer SciClone - China Operations. The Board is convinced that the joining of Mr. Lotter will be a great asset to the Board and the Company.

獨立非執行董事

仇銳先生，42歲，於二零一八年二月十二日獲委任為獨立非執行董事及審核委員會主席、提名委員會成員、薪酬委員會成員。畢業於北京大學經濟學院，獲經濟學學士，仇銳先生擁有20年的財務管理和投資併購經驗，曾任職普華永道（PwC）、德太投資（TPG）等國際機構，作為核心成員參與創建數支投資基金，目前擔任北門資本創始合夥人，同時，擔任多家公司董事。仇銳先生用友特許金融分析師和中國註冊會計師資質。

倪彬暉博士，59歲，於二零一五年三月三十一日獲委任為獨立非執行董事及提名委員會主席、審核委員會成員、薪酬委員會成員。倪博士現任賽諾菲亞太外部科學與合作副總裁。倪博士在多倫多大學以全額獎學金獲得分子藥理學博士學位，並在美國國立衛生研究院獲得全額訪問學者獎金並進行臨床藥理學的博士後研究工作。倪博士已在科學及美國科學院院報等40多本國際著名刊物中發表文章並在美國及新加坡諸所擔任大學兼職教授。倪博士在美國及亞洲地區擁有20年以上的醫藥研發經驗。他曾在眾多世界500強企業任職高級科研與管理職位，包括禮來（美國，行動組主席），S' BIO（新加坡，副總裁/生物部門負責人），科文斯中國（總經理，中國）。

Mark Gavin Lotter先生，55歲，於二零一五年二月十七日獲委任為獨立非執行董事及薪酬委員會主席、審核委員會成員、提名委員會成員，藥劑學學士，南非大學企業領導碩士，主要在製藥行業擁有25年以上工作經驗。於南非開始職業生涯，任高級管理層職位，包括：AstraPharmaceuticals (South Africa) 公司首席執行官、Aspen Healthcare (South Africa) 公司的首席執行官。在中國有10年以上工作經驗，任職高級職務，包括AstraZeneca（中國）公司的商業運營副總裁，NovaMed Pharmaceuticals公司的創始人與首席執行官，及SciClone公司中國運營的首席執行官。

The Directors of the Company present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are set out in note 13 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 39 of the annual report.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company during the year are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 22(b) to the consolidated financial statements.

RESERVE

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution comprised of capital reserve and contributed surplus of RMB34,150,000 (2016: RMB30,173,000).

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 88.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed shares during this Year. The Company and its subsidiaries also did not redeem, purchase or cancel any of their redeemable securities.

本公司董事謹此呈報本集團截至二零一七年十二月三十一日止年度之年度報告及經審核合併財務報表。

主要業務

本公司為一間投資控股公司。本公司之附屬公司之主要業務載於財務報表附註13。

業績及分配

本集團截至二零一七年十二月三十一日止年度之業績載於本年報第39頁合併損益及其他綜合收益表。

董事不建議就截至二零一七年十二月三十一日止年度派發任何股息。

物業、廠房及設備

本集團及本公司物業、廠房及設備於本年度之變動詳情載於合併財務報表附註11。

股本

本公司股本之詳情載於合併財務報表附註22(b)。

儲備

本集團儲備於年內之變動詳情載於合併權益變動表。

可供分派儲備

於二零一七年十二月三十一日，本公司可供分派的儲備及繳入盈餘約為人民幣34,150,000（二零一六年：人民幣30,173,000）。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第88頁。

購買、出售或贖回本公司的上市股份

本公司或其附屬公司於本年度並無購買、出售或贖回本公司的任何上市股份。本公司或其附屬公司亦無贖回、購回或註銷其可贖回證券。

DIRECTORS

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

EXECUTIVE DIRECTORS:

William Xia GUO	3 years from his re-appointment on 30 December 2017
Maria Xuemei SONG	3 years from her re-appointment on 30 December 2017

NON-EXECUTIVE DIRECTORS:

Michael SU	3 years from his appointment on 18 May 2016
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INDEPENDENT NON-EXECUTIVE DIRECTORS:

Rui QIU	3 years from his appointment on 12 February 2018
Shou Yuan Wu	Resigned on 12 February 2018
Mark Gavin Lotter	3 years from his appointment on 17 February 2015
Bin Hui NI	3 years from his appointment on 31 March 2015

董事

年內及截至本報告日期止本公司之在任董事為:

執行董事:

William Xia Guo	於二零一七年十二月三十日再次獲委任, 為期三年
宋雪梅	於二零一七年十二月三十日再次獲委任, 為期三年

非執行董事:

蘇毅	於二零一六年五月十八日獲委任, 為期三年
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獨立非執行董事:

仇銳	於二零一八年二月十二日獲委任, 為期三年
吳壽元	於二零一八年二月十二日辭任
Mark Gavin Lotter	於二零一五年二月十七日獲委任, 為期三年
倪彬暉	於二零一五年三月三十一日獲委任, 為期三年

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interests and long positions of the Company's Directors and chief executives in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which are required (a) to notify the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

董事及主要行政人員於股份、相關股份及債券之權益

於二零一七年十二月三十一日，本公司之董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有(a)需根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條，需列入該條所述登記冊之權益及好倉；或(c)根據創業板上市規則第5.46至5.67條所述之權益及好倉如下：

Long positions in shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Name	Type of interests	Capacity	Number of shares in which interested (other than under equity derivatives)	Number of shares in which interested under physically settled equity derivatives (Note 4)	Total number of shares	Approximate percentage of interest (%)
姓名	權益類別	身份	持有權益之股份數目 (股本衍生工具除外)	根據實物結算股本衍生工具持有權益之股份數目 (Note 4)	股份總數	權益概約百分比 (%)
William Xia GUO William Xia Guo	Personal 個人	Beneficial owner 實益擁有人	95,895,941	10,974,000	106,869,941	10.77
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 1) 受控制法團權益(附註1)	343,408,873	-	343,408,873	34.59
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 2) 受控制法團權益(附註2)	149,432,583	-	149,432,583	15.05
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 3) 受控制法團權益(附註3)	91,915,181	-	91,915,181	9.26
Maria Xuemei SONG 宋雪梅	Personal 個人	Beneficial owner 實益擁有人	636,500	1,636,000	2,272,500	0.23
Mr. Michael SU 蘇毅	Personal 個人	Beneficial owner 實益擁有人	-	220,000	220,000	0.02
Shou Yuan Wu 吳壽元	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01
Mark Gavin Lotter Mark Gavin Lotter	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01
Bin Hui NI 倪彬暉	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01

Note 1: Winsland Agents Limited is 100% directly held by Mr. William Xia GUO.

附註1: 受控制法團Winsland Agents Limited 由William Xia Guo先生直接持有100%股權。

Note 2: The controlled corporation, Venturepharm Holdings Inc., is 47.63 % directly held by Mr. William Xia GUO and 49.00 % held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in British Virgin Islands.

附註2: 受控制法團Venturepharm Holdings Inc.由William Xia Guo先生直接持有47.63%股權，以及由William Xia Guo先生透過Winsland Agents Limited（於英屬處女群島註冊成立，由Guo先生全資實益擁有）持有49.00%股權。

Note 3: The controlled corporation, Bright Excel Assets Limited, is 100 % beneficially owned by Venturepharm Holdings Inc.

附註3: 控制法團Bright Excel Assets Limited全部股權由Venturepharm Holdings Inc.實益擁有。

Note 4: Various interests of the Directors pursuant to physically settled equity derivatives are through share options granted.

附註4: 董事於實物結算股本衍生工具項下之各項權益為透過根據股權計劃授出之購股權持有。

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2017, the Company had been notified of the following substantial shareholders' interests and long positions, being 5% or more of the Company's issued share capital.

主要股東

根據證券及期貨條例第XV部第336條之規定所存置之主要股東登記冊顯示，於二零一七年十二月三十一日，本公司獲知會下列主要股東之權益及好倉，即佔本公司已發行股本5%或以上權益。

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of interests 權益概約百分比
Winsland Agents Limited (Note 1)	Beneficial owner	343,408,873	34.59
Venturepharm Holdings Inc. (Note 2)	Beneficial owner	149,432,583	15.05
Venturepharm Holdings Inc. (Note 3)	Interest of controlled corporation	91,915,181	9.26
Bright Excel Assets Limited (Note 3)	Beneficial owner	91,915,181	9.26
William Xia GUO (Notes 1, 2, 3, 4)	Beneficial owner and interest of controlled corporations	691,626,578	69.67
Winsland Agents Limited (附註1)	實益擁有人	343,408,873	34.59
Venturepharm Holdings Inc. (附註2)	實益擁有人	149,432,583	15.05
Venturepharm Holdings Inc. (附註3)	受控制法團權益	91,915,181	9.26
Bright Excel Assets Limited (附註3)	實益擁有人	91,915,181	9.26
William Xia Guo (附註1、2、3及4)	實益擁有人及受控制法團權益	691,626,578	69.67

Long positions in shares and underlying shares of the Company

Note 1: Winsland Agents Limited is 100% directly held by Mr. William Xia GUO. The shares include 77,500,000 shares granted under the 2014 Convertible Notes. Noteholder has converted all Convertible Notes to ordinary share of 77,500,000 shares on 31 December 2016. There will be no Convertible Notes of the Company held by the Noteholder after the Conversion.

Note 2: Venturepharm Holdings Inc. is 47.63% directly held by Mr. William Xia GUO and 49% held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in the British Virgin Islands.

Note 3: The controlled corporation, Bright Excel Assets Limited, is 100% beneficially owned by Venturepharm Holdings Inc.

Note 4: Apart from shares held through Venturepharm Holdings Inc., and Winsland Agents Limited, the interests of 10,974,000 shares which are granted to him under the Share Option Scheme are beneficially owned by Mr. William Xia GUO.

於本公司股份及相关股份之好倉

附註1: Winsland Agents Limited 由William Xia Guo先生直接持有100%股權。股權包括根據2014可轉債所涉及的77,500,000股。於2016年12月31日，Winsland Agents Limited將全部可轉債轉換成77,500,000股本公司的普通股。可轉債債券的持有人將不再擁有本公司的可轉債債券。

附註2: 受控制法團Venturepharm Holdings Inc.由William Xia Guo先生直接持有47.63%股權，以及由William Xia Guo先生透過Winsland Agents Limited（於英屬處女群島註冊成立，由Guo先生全資實益擁有）持有49.00%股權。

附註3: 受控制法團Bright Excel Assets Limited全部股權由Venturepharm Holdings Inc.實益擁有。

附註4: 除透過Venturepharm Holdings Inc.和Winsland Agents Limited持有之股份外，William Xia Guo先生實益擁有10,974,000股股份權益，是根據購股權計劃授予彼之購股權所涉及10,974,000股股份。

Save as disclosed above, as at 31 December 2017 there was no other person who was recorded in the register of the Company as having interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於二零一七年十二月三十一日，按本公司登記冊記錄，概無任何其他人士於本公司之股份或相關股份中持有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉，或須跟據證券及期貨條例第XV部第336條列入該條所述登記冊之權益或好倉。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 27(b) to the consolidated financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SHARE OPTION SCHEME

As disclosed in note 26, the Company adopted a share option scheme. It awards the relevant eligible participants for their contribution in the Group's operation.

董事于重大合約之權益

除附註27(b)所列的交易外，於年結日或年內任何時間，概無存在本公司或其任何附屬公司為其中訂約方及本公司董事於當中直接或間接擁有重大權益之重大合約。

購股權計劃

為向對本集團營運成功作出貢獻的合資格參與者作出獎勵及獎賞，本公司營辦了購股權計劃（“購股權計劃”）。有關購股權計劃的進一步詳情於財務報表附註26披露。

Name or category of participant 參與者名稱或類別	At 1 January 2017 於二零一七一月一日	Grant in the Year 於本年度授出	Exercised in the Year 於本年度行使數	Expired in the Year 於本年度作廢數	At 31 December 2017 於二零一七年十二月三十一日	Exercise price per share(HK\$) 購股權行使價(HK\$)	Date of grant of share options 授出購股權日期	Exercise period of share options 購股權行使期
William Xia Guo	966,000	-	-	966,000	-	0.625	10-05-07	10-05-07至09-05-17
	858,000	-	-	-	858,000	0.435	07-04-09	07-04-09至06-04-19
	9,150,000	-	-	-	9,150,000	0.45	30-06-15	附註1
Other directors 其他董事	416,000	-	-	416,000	-	0.625	10-05-07	10-05-07至09-05-17
	720,000	-	-	-	720,000	0.435	07-04-09	07-04-09至06-04-19
	1,020,000	-	-	-	1,020,000	0.45	30-06-15	附註1
Employees and consultants 僱員及顧問	568,100	-	-	568,100	-	0.625	10-05-07	10-05-07至09-05-17
	2,340,800	-	-	250,000	2,090,800	0.435	07-04-09	07-04-09至06-04-19
	7,130,000	-	-	1,190,000	5,940,000	0.45	30-06-15	附註1
Total 合計	23,168,900	-	-	3,390,100	19,778,800			

Note1:

These options are exercisable in three trench with the maximum percentage of options exercisable with the periods commencing from 30 June 2016 to 29 June 2017, 30 June 2017 to 29 June 2018 and 30 June 2018 to 29 June 2025 being 40%, 70% and 100% respectively.

附註1:

該等購股權可分為三期行使：即二零一六年六月三十日至二零一七年六月二十九日、二零一七年六月三十日至二零一八年六月二十九日及二零一八年六月三十日至二零二五年六月二十九日，分別為40%、70%及100%之可於行使購股權百分比上限認購本公司股份。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, none of the Directors or the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISION

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of the directors of the Company (whether made by the Company or otherwise) or any of its subsidiaries (if made by the Company).

AUDIT COMMITTEE

The audit committee of the Company had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2017.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 21 to 32 of this annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2017.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Directors an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The Independent Non-executive Directors have confirmed that they are independent.

董事於競爭業務之權益

於二零一七年十二月三十一日，本公司之董事或管理層股東及彼等各自之連絡人士（定義見創業板上市規則）概無於任何與本集團業務構成或可能構成競爭的業務中擁有權益。

獲准許彌償條文

於年內及截至本報告日期止任何時間，概無曾經存在或現存任何以本公司或其任何附屬公司（倘由本公司訂立）之董事為受益人之獲准許彌償條文生效（不論是否由本公司或其他公司訂立）。

審核委員會

本公司的審核委員會（「審核委員會」）已會同本公司管理層及外聘核數師（「核數師」）已審閱本集團採納之會計原則及政策，以及截至2017年12月31日止年度之綜合財務報表。

企業管治

本集團致力於保持高標準的企業管治常規。本公司採納的企業管治常規的資料載於本年報第21頁至32頁的企業管治報告內。

購買、出售或贖回本公司股份

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市股份。

足夠公眾持股量

根據本公司所得的公開資料，據董事所知，於本報告日期，本公司之公眾持股量仍符合創業板上市規則所載最低公眾持股量的指定水準。

獨立非執行董事之獨立性

本公司已根據創業板上市規則第5.09條收到各獨立非執行董事獨立性之年度確認。各獨立非執行董事已確認屬獨立人士。

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the Group accounted for approximately 83.71% of the Group's sales. The largest customer accounted for approximately 41.45% of the sales of the Group.

During the year, the five largest suppliers of the Group accounted for approximately 17.63% of the Group's cost of service. The largest suppliers accounted for approximately 12.05% of the cost of the service of the Group.

None of the Directors, their associates or any shareholders which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital had any interest in the five largest customers of the Group.

RETIREMENT BENEFIT SCHEMES

Particulars of the retirement benefit schemes of the Group are set out in note 25 to the consolidated financial statements.

CONNECTED TRANSACTION

During the year, a number of the connected transactions and continuous connecting transactions between the Company and the related companies are also disclosed according to the requirements of Chapter 20 of the GEM Listing Rules. The details of connected transaction and continuous connected transactions have been contained in note 27(b) of the consolidated financial statements and in the paragraphs below respectively.

The Company has approved the continuous connected transaction on July 14, 2016 and the EGM on August 15, 2017. It has come into force since August 15, 2017 for a period of two years.

The Company's independent non-executive directors, after they reviewed the listed connected transaction shown in note of consolidated financial statements, considered that during the reporting period, such connected transactions are,

- (1) Related to the general and normal business of the Company;
- (2) Entered into in accordance with the terms of the general agreement or in terms of the terms of the agreement between the Company and the independent third party; and
- (3) The terms of the agreement concluded are fair and reasonable in terms of the owners of the group

The independent non executive directors believe that the Company and its associated persons, which have an annual limit of the continuous connected transaction on the annual limit of transactions, do not exceed the annual limit.

主要供應商及客戶

年內，本集團五大客戶佔本集團銷售額約83.71%。最大客戶佔本集團銷售額約41.45%。

年內，本集團五大供應商佔本集團服務成本約17.63%。最大供應商佔本集團服務成本約12.05%。

就董事所知，擁有本公司已發行股本逾5%之董事、其連絡人士或任何股東概無於本集團五大客戶中擁有任何權益。

退休計劃

本集團之退休計劃詳情載於合併財務報表附註25。

關連交易

於本年內，本集團與本關聯公司之關聯交易以及持續關聯交易之若干詳情亦根據創業板上市規則第20章之要求披露。關聯交易及持續關聯交易之詳情已分別地載於合併財務報表附註27(b)。

本集團於二零一六年七月十四日的董事會及二零一七年八月十五日的特別股東大會上已批准持續關連交易，自二零一七年八月十五日起生效，為期二年。

本集團獨立非執行董事在審閱綜合財務報表附註中列示的關連交易后認為，於報告期內，此等關聯交易為：

- (1) 與本集團之一般及正常業務有關；
- (2) 根據一般協議條款或對本集團而言不差於本集團與獨立第三方交易之協議條款而訂立；及
- (3) 所訂立之相關協議條款就本集團擁有人而言屬公平合理。

獨立非執行董事認為本集團與其關聯人士之間已設有交易年度限額的持續關連交易未超過年度限額。

Pursuant to Rule 20.54 of the GEM Listing Rules, the Directors engaged the auditor of the Company to perform certain work on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has provided a letter to the Directors and confirmed that, for the year ended 31 December 2017:

1. Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
2. For transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
3. Nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
4. With respect to the aggregate amount of each of the continuing connected transactions set out the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

EMPLOYEE AND REMUNERATION POLICY

During the Year, staff cost, including Directors' remuneration is approximately RMB 17,373,000 (2016: approximately RMB 9,827,000). The Group remunerates its employees based on their performance, and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

The Company adopted the Share Option Schemes where share options to subscribe for shares of the Company have been granted to the eligible participants of the Group. 18,745,300 share options have been owned by the eligible participants under the Scheme for the year ended 31 December 2017.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

根據創業板上市規則第20.54條，董事已委聘本公司核數師根據香港會計師公會頒佈的香港核證準則第3000號（經修訂）「審核或審閱過往財務數據以外的核證委聘」以及參考應用指引第740號「核數師根據香港上市規則就持續關連交易發出的函件」，就上述持續關連交易進行若干工作。核數師已向本公司董事發出函件，確認截至2017年12月31日止年度：

1. 未注意到任何事項使他們相信已披露的持續關連交易未經本公司董事會批准；
2. 未注意到任何事項使他們相信交易在各重大方面並無按照本集團的定價政策進行；
3. 未注意到任何事項使他們相信交易在各重大方面並無根據規管有關交易的相關協議進行；及
4. 就持續關連交易提出的各總金額而言，未注意到任何事項使他們認為該等已披露持續關連交易的金額超出本公司訂立的全年上限。

僱員及薪酬政策

截至二零一七年十二月三十一日止年度，本集團員工成本（包括董事酬金）約人民幣17,373,000元（二零一六同期為：人民幣9,827,000元）。本集團根據僱員之表現、工作經驗及現行市價釐定薪酬。其他員工福利包括強積金、保險及醫療保險、培訓專案及購股權計劃。

本公司已採納購股權計劃，據此已向本集團合資格參與者授出可認購本公司股份之購股權。於本年度末，本集團合資格參與者擁有18,745,300股期權。

優先購股權

本公司之公司組織章程細則或開曼群島法例並無優先購股權之條文，故本公司毋須按比例向現有股東提呈新股份。

AUDITORS

The consolidated financial statements have been audited by Baker Tilly Hong Kong Limited. A resolution will be submitted to the forthcoming annual general meeting of the Company to reappoint Baker Tilly Hong Kong Limited as auditors of the Company.

Following the resignation of KLC Kennic Liu & Co., Ltd as auditor of the Company on 5 January 2018, Baker Tilly Hong Kong Limited was appointed as the auditor of the Company to fill up the vacancy.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2017 and up to the date of this report.

On behalf of the Board

Chairman
William Xia GUO

Beijing, the PRC, 21 March 2018

核數師

綜合財務報表經天職香港會計師事務所有限公司審核。有關續聘天職香港會計師事務所有限公司擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

呂禮恒會計師事務所有限公司於二零一八年一月五日辭任後，天職香港會計師事務所有限公司獲委任為本公司核數師，以填補因呂禮恒會計師事務所有限公司辭任而產生之空缺。

報告期後事項

董事並不知悉於二零一七年十二月三十一日後及直至本報告日期發生任何須予披露的重大事件。

代表董事會

主席
William Xia Guo

中國北京，二零一八年三月二十一日

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 December 2017, with the exception for the following deviations:

Under code provision A.2.1, the responsibilities between chairman and chief executive officer should be divided. However currently, the Company does not have Chief Executive Officer. The day-to-day management of the Company's business is handled by the executive directors, who take the responsibility to run the Group's business and to implement the Group's strategy so as to achieve the overall commercial objectives of the Company.

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors; however, they are subject to retirement by rotation in accordance with the Articles and the Code. Accordingly, the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the code provision.

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The annual general meeting of the Company (the "AGM") held on 30 June 2017, Mr. William Xia GUO (chairman of the Board), did not attend the said AGM to answer questions of the shareholders of the Company due to other prior business engagements. However, Mr. William Xia GUO has appointed the other attended Director Ms. Maria Xuemei Song as their representative at the said meetings to answer questions of the shareholders of the Company.

RULE 5.05(1) OF THE GEM LISTING RULES

Rule 5.05(1) of the GEM Listing Rules the board of directors of a listed issuer must include at least three independent non-executive Directors.

After the appointment of Mr. Mark Gavin Lotter on 17 February 2015, Dr Bin Hui NI on 31 March 2015 as the independent non-executive Director and Mr. Rui QIU on 12 February 2018, the Company has fulfilled the requirement on the number of independent non-executive directors of the Company as required under Rule 5.05(1) of the GEM Listing Rules.

遵守企業管治常規守則

本公司之企業管治常規乃基於創業板上市規則附錄十五之企業管治常規守則所載原則及守則條文（「守則」）。本公司所採納之原則著重高素質之董事會及對股東之透明度與問責性。董事會認為：截至二零一七年十二月三十一日止年度，本公司一直遵守守則，惟以下背離除外：

根據守則條文第A.2.1條，主席及行政總裁的職責應予分開。然而，本公司尚未委任任何行政總裁。現時，本公司業務之日常管理由執行董事執行，彼等負責經營本集團業務及推行本集團策略，以達致本公司整體商業目標。

根據守則條文第A.4.1條，非執行董事按特定任期委任。本公司非執行董事並無特定委任年期；然而根據細則及守則，彼等均須輪值退任。因此本公司認為已採取足夠措施，處理守則條文項上有關非執行董事之委任年期之規定。

根據守則條文第6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。此外，根據守則條文第E.1.2條，董事會主席應出席股東周年大會，且彼亦邀請審核、薪酬、提名及任何其他委員會之主席（如合適）出席股東周年大會。於回顧期內，本公司於二零一七年六月三十日舉行股東周年大會，William Xia Guo（董事會主席）由於其他會前業務事宜並無出席上述股東周年大會以回答本公司股東之提問，然後其已委任出席董事宋雪梅於上述會議作為其代表以回答本公司股東之提問。

創業板上市規則第5.05(1)條

創業板上市規則第5.05（1）條規定，上市發行人的董事會必須包括至少三名獨立非執行董事。

在Mark Gavin Lotter先生於二零一五年二月十七、倪彬暉博士於二零一五年三月三十一日以及仇銳先生於二零一八年二月十二日獲委任為本公司獨立非執行董事後，本公司已符合創業板上市規則第5.05（1）條項下有關本公司獨立非執行董事人數之規定。

RULE 5.28 OF THE GEM LISTING RULES

Rule 5.28 of the GEM Listing Rules every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of 3 members.

After the appointment of Mr. Mark Gavin Lotter on 17 February 2015, Dr. Bin Hui NI on 31 March 2015 as the independent non-executive Director and Mr. Rui QIU on 12 February 2018, the Company has fulfilled the requirement on the number of members of the audit committee as required under Rule 5.28 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the Year.

創業板上市規則第5.28條

創業板上市規則第5.28條規定，每個上市發行人須成立一個僅由非執行董事組成之審核委員會。審核委員會須最少由三名成員組成。

在Mark Gavin Lotter先生於二零一五年二月十七、倪彬暉博士於二零一五年三月三十一日以及仇銳先生於二零一八年二月十二日獲委任為本公司獨立非執行董事後，本公司已符合創業板上市規則第5.28條項下有關審核委員會成員人數之規定。

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款與創業板上市規則第5.48條至第5.67條所載之交易必守標準同樣嚴格。經向全體董事作出具體查詢而根據本公司所知彼等於回顧期內一直遵守行為守則所載規定準則。

BOARD OF DIRECTORS

董事會

The overall governance structure of the Company is set out below: 本公司整體管治結構如下:



Note:

The Board members during this Year and up to the date of this annual report are:

Executive Directors:

William Xia GUO (Re-appointed on 30 December 2017)
Maria Xuemei SONG (Re-appointed on 30 December 2017)

附註:

年內及截至本報告日期董事會成員為:

執行董事:

William Xia Guo (於二零一七年十二月三十日再次獲委任)
宋雪梅 (於二零一七年十二月三十日再次獲委任)

Non-executive Director:

Mr. Michael SU

Independent Non-executive Director:

Rui QIU (Appointed on 12 February 2018)
Shou Yuan WU (Resigned on 12 February 2018)
Mark Gavin Lotter
Bin Hui NI

Biographical details of each Director is set out in the section headed "Profile of directors and senior management" on pages 10 to 11 of this annual report.

There are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

The Board of Directors ("Board") of the Company is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value.

The Board, led by the Chairman, is responsible for the approval and monitoring of the Group's overall strategies and policies; approval of annual budgets and business plans; evaluating the performance of the Group; and oversight of management. One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. All Directors have been consulted about any matters proposed for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receives adequate and reliable information in a timely manner.

Regular Board meetings of the year are scheduled in advance to give all Directors an opportunity to attend. Four regular Board meetings at approximately quarterly intervals have been scheduled for 2017. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company's Articles of Association. Board papers are circulated not less than seven days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. The Company Secretary and the Qualified Accountant shall attend all regular Board meetings to advise on corporate governance, statutory compliance, accounting and financial matters when necessary. Directors shall have full access to information of the Group and are able to obtain independent professional advice whenever deemed necessary by the Directors. The Company Secretary assists the Chairman in establishing the meeting agenda, and each Director may request inclusion of items in the agenda. Minutes of the board meetings are kept by the Company Secretary and are open for inspection by Directors.

非執行董事:

蘇毅

獨立非執行董事:

仇銳 (於二零一八年二月十二日獲委任)
吳壽元 (於二零一八年二月十二日辭任)
Mark Gavin Lotter
倪彬暉

各董事之履歷詳情載於本年報第10至11頁之「董事及高級管理層簡歷」一節。

董事成員之間概無關係 (包括財務、業務、家族或其他重大或相關關係)。

本公司董事會 (「董事會」) 共同負責監督本集團業務及事務之管理, 以提升股東價值為目的。

董事會由主席領導, 負責審批及監管本集團整體策略及政策; 批准年度預算與業務計劃; 評估本集團表現; 及監督管理層。主席其中一項重要職務為領導董事會, 以確保董事會以本集團最佳利益行事。任何建議載入議程之事項均會徵詢全體董事意見。憑藉執行董事及公司秘書之支持, 主席致力確保全體董事及時獲妥為知會於董事會會議提出之事項, 並獲取足夠及可靠資料。本公司會就每年定期董事會會議事先編列時間表, 以便全體董事有機會出席。於二零一七年, 曾於各季度間安排舉行四次定期董事會會議。根據本公司之公司組織章程細則, 董事可親身或透過電子通訊方式出席會議。

董事會文件會於董事會會議舉行最少七天前傳閱, 以確保董事能就將於董事會會議提出之事項作出知情決定。公司秘書須出席所有定期董事會會議, 並於需要時就企業管治、法定規例、會計及財務事項提供意見。董事應可獲取本集團所有資料, 並能於董事認為需要時取得獨立專業意見。公司秘書協助主席編制會議議程, 而各董事可要求於議程載入專案。董事會會議記錄由公司秘書存管, 並可供董事查閱。

During the twelve months ended 31 December 2017, the Board held four meetings. The attendance records of the aforementioned four Board meetings are set out below:

截至二零一七年十二月三十一日止十二個月，董事會曾舉行四次會議。上述四次董事會會議之出席記錄載列如下：

		Attendance of individual directors at board meetings during the year 年內個別董事之董事會會議出席率	
		Attendance no. 出席次數	Attendance rate 出席率
Executive Director	執行董事		
William Xia GUO	William Xia Guo	4/4	100%
Maria Xuemei SONG	宋雪梅	4/4	100%
Non-executive Directors	非執行董事		
Michael SU	蘇毅	4/4	100%
Independent Non-executive Directors	獨立非執行董事		
Shou Yuan WU (Resigned on 12 February 2018)	吳壽元 (於二零一八年二月十二日辭任)	4/4	100%
Mark Gavin Lotter	Mark Gavin Lotter	3/4	75%
Bin Hui NI	倪彬暉	4/4	100%

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In accordance with the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules, the Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company, based on such confirmations, considers all of the independent non-executive Directors are independent.

獨立非執行董事之獨立性

按照創業板上市規則第5.09條所載評核獨立性之指引，本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性發出之年度確認書。本公司根據該等確認書認為，全體獨立非執行董事均為獨立人士。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman of the Board is responsible for the leadership and effective running of the Board, and ensures that all keys and appropriate issues are discussed by the Board in a timely and constructive manner. Currently, the Company does not have Chief Executive Officer. The day-to-day management of the Company's business is handled by the executive directors, who take the responsibility to run the Group's business and to implement the Group's strategy so as to achieve the overall commercial objectives of the Company.

主席及行政總裁

董事會主席負責領導董事會及使其有效運作，以確保董事會及時且具建設性地討論所有重要及適當事項。然而，本公司尚未委任任何行政總裁。現時，本公司業務之日常管理由執行董事執行，彼等負責經營本集團業務及推行本集團策略，以達致本公司整體商業目標。

DIRECTORS' TRAINING

According to the code provision A.6.5 of the Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development during this year. The Company has also continuously updated Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During this year, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manners:

董事之培訓

根據守則條文第A.6.5條，全體董事均須參加持續專業發展，發展及更新知識及持能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。

所有董事均有參加持續專業發展。本公司亦不斷向董事提供創業板上市規則及其他適用監管規定最新發展之資料，確保彼等遵守及更清楚瞭解良好企業管治常規。

於本回顧期，董事按下列方式參與有關規管更新、董事職務及職責及本集團業務之持續專業發展：

		Attended Seminar or Briefing/ Read Material 出席研討會或董事簡會 / 閱讀材料
Directors		
Executive Directors		
執行董事		
William Xia Guo	William Xia Guo	✓
Maria Xuemei Song	宋雪梅	✓
Non-executive Director		
非執行董事		
Michael SU	蘇毅	✓
Independent non-executive directors		
獨立非執行董事		
Shou Yuan Wu (Resigned on 12 February 2018)	吳壽元 (於二零一八年二月十二日辭任)	✓
Mark Gavin Lotter	Mark Gavin Lotter	✓
Bin Hui NI	倪彬暉	✓

BOARD COMMITTEES

The Board has established three committees, namely audit committee, nomination committee and remuneration committee, to oversee particular aspects of the Company's affairs.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules 5.28 to 5.33. The primary duties of the audit committee are (a) to review the Group's annual reports, interim reports and quarterly reports (b) to discuss and review with the audit of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group and provide advice and comments to the Board.

董事委員會

董事會已成立三個委員會即審核委員會、提名委員會及薪酬委員會以監督本公司事務之特定範疇。

審核委員會

本公司已成立審核委員會，並遵照創業板上市規則書面訂明其職權範圍。審核委員會之主要職責為 (a) 審閱本集團之年度、半年及季度報告 (b) 與本公司核數師商討及檢討核數之範疇及結果；及(c)監督本集團之財務申報程式、風險管理及內部監控系統，並向董事會提供意見及建議。

As at the date of this report, the audit committee has three members comprising the three Independent Non-executive Directors, Mr. Rui QIU, Mr. Mark Gavin Lotter and Bin Hui NI. The chairman of the audit committee is Mr. Rui QIU who possesses extensive experience in finance and accounting. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2017.

於本報告日，審核委員會現由三名獨立非執行董事仇銳先生、Mark Gavin Lotter 先生和倪彬暉博士組成。仇銳先生為審核委員會主席，其擁有豐富的財務及會計經驗。審核委員會已審閱本集團本年度之綜合財務報表。

During the Year, the audit committee held four meetings. The attendance records of the aforementioned audit committee meetings are set out below:

於回顧年度內，審核委員會曾舉行四次會議，審核委員會成員出席審核委員會會議之詳情如下：

		Attendance of member at audit committee meetings during the year 年內審核委員會成員之出席率	
		Attendance no. 出席次數	Attendance rate 出席率
Members	成員		
Shou Yuan WU (Resigned on 12 February 2018)	吳壽元 (於二零一八年二月十二日辭任)	4/4	100%
Mark Gavin Lotter	Mark Gavin Lotter	3/4	75%
Bin Hui NI	倪彬暉	4/4	100%

NOMINATION COMMITTEE

提名委員會

The Company has established a nomination committee (the "NC") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the NC are to review the structure, size and composition (including but not limited to the gender, skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The NC is chaired by an independent non-executive Director. The NC comprises a majority of independent non-executive Directors. During the year, the members of the NC are as follows:

本公司已成立提名委員會，並遵照創業板上市規則書面訂明其職權範圍，以檢討董事會之架構、規模及組成（包括但不限於性別、技能、知識及經驗）及就任何擬作變動向董事會提出建議以配合本公司之公司策略。提名委員會主席由一名獨立非執行董事擔任。提名委員會主要由獨立非執行董事組成。年內，提名委員會之成員如下：

Executive Director

William Xia Guo

執行董事

William Xia Guo

Independent non-executive directors

Rui QIU (Appointed on 12 February 2018)
Shou Yuan Wu (Resigned on 12 February 2018)
Mark Gavin Lotter
Bin Hui NI

獨立非執行董事

仇銳 (於二零一八年二月十二日委任)
吳壽元 (於二零一八年二月十二日辭任)
Mark Gavin Lotter
倪彬暉

During the Year, the NC held two meetings. The attendance records of the aforementioned nomination committee meetings are set out below:

於回顧年度內，提名委員會舉行了兩次會議。提名委員會成員出席提名委員會會議之詳情如下：

		Attendance no. 出席次數	Attendance rate 出席率
Members	成員		
Shou Yuan WU (Resigned on 12 February 2018)	吳壽元 (於二零一八年二月十二日辭任)	2/2	100%
William Xia Guo	William Xia Guo	2/2	100%
Mark Gavin Lotter	Mark Gavin Lotter	1/2	50%
Bin Hui NI	倪彬暉	2/2	100%

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “Policy”) setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board and delegated certain duties under the Policy to the NC. The NC and the Board had also reviewed on 10 May 2017 the structure of the Board and is of the opinion the Board consisted of members with different gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, which met the requirements under the terms of the Board Diversity Policy.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “RC”) according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary duties are (a) to make recommendation to the Board on the Company’s policy and structure for all remuneration of Directors and senior management; (b) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives; and (c) to determine the remuneration packages on individual executive Directors and senior management.

The RC is formed by an executive director and three independent non-executive directors. During the Year, the members of the RC are as follows:

Executive Director

William Xia Guo

Independent non-executive directors

Rui QIU (Appointed on 12 February 2018)

Shou Yuan WU (Resigned on 12 February 2018)

Mark Gavin Lotter

Bin Hui NI

During the Year, meetings were held by the RC to discuss and review the remuneration policies of the Company, to review and make recommendations with respect to the remuneration of Board members for approval by the Board and to made recommendations with respect to the remuneration of the newly appointed Directors during the year for approval by the Board. The RC has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

董事會成員多元化政策

本公司已採納董事會成員多元化政策，當中列載為實現及維持董事會成員多元化以提升董事會之效能而採取之方針，並將政策項下的若干職責委託給提名委員會。提名委員會及董事會亦於二零一七年五月十日檢討董事會之架構，並認為董事會由不同性別、年齡、文化及教育背景、專業經驗、技能及知識之成員組成，已符合董事會多元化政策條文之規定。

薪酬委員會

本公司已成立薪酬委員會，並遵照創業板上市規則書面訂明其職權範圍。其主要職責為(a)就本公司全體董事及高級管理人員之薪酬政策及架構向董事提供建議；(b)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；及(c)釐定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會由一名執行董事及三名獨立非執行董事組成，年內，薪酬委員會之成員如下：

執行董事

William Xia Guo

獨立非執行董事

仇銳 (於二零一八年二月十二日委任)

吳壽元 (於二零一八年二月十二日辭任)

Mark Gavin Lotter

倪彬暉

於回顧期內，薪酬委員會舉行一次會議並討論及檢討本公司之薪酬政策、審閱及建議有關董事會成員之薪酬以供董事會批准以及建議有關年內新任董事之薪酬以供董事會批准。薪酬委員會已採納其作為董事會之諮詢角色之運作模式，而董事會保留批准個別執行董事及高級管理層之薪酬待遇之最終權力。

Attendance of member at remuneration committee meeting during the year as set out below:

薪酬委員會成員出席薪酬委員會會議之詳情如下：

Members	成員	Attendance no 出席次數	Attendance rate 出席率
Shou Yuan WU (Resigned on 12 February 2018)	吳壽元 (於二零一八年二月十二日辭任)	1/1	100%
William Xia Guo	William Xia Guo	1/1	100%
Mark Gavin Lotter	Mark Gavin Lotter	0/1	0%
Bin Hui NI	倪彬暉	1/1	100%

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的薪酬

The remuneration of the members of the Board and senior management of the Company, whose biographies are set out on pages 63 to 64 of this annual report, for the year ended 31 December 2017 are under the band of HK\$Nil to HK\$1,000,000.

截至二零一七年十二月三十一日止年度，董事會成員及載於本年報第63頁至64頁的本公司高級管理人員的薪酬範圍於零至1,000,000港元。

DIRECTORS' ACKNOWLEDGEMENT OF THEIR RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

董事有關編制財務報表之責任

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

董事知悉其負責編制本集團之財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編制。董事亦確保本集團財務報表獲適時公佈。

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

董事確認，經作出一切合理查詢後，就彼等所知、所獲資料及所信，自彼等並不知悉任何可能會對本公司持續經營能力造成更大疑慮之事件或情況之不確定因素。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for ensuring that the Group has a sound and effective risk management and internal control system. The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's operation and performance by the Audit Committee and the Board. The risk management and internal control system is reviewed on an ongoing basis by the Board to ensure it is effective. The Board is satisfied that, based on information furnished to it and on its own observations, the present risk management and internal controls system of the Group are satisfactory. The Board is of the view that the system of risk management and internal control adopted for this Year is sound and effective. The Group does not have an internal audit function and the Board is of the view that there is currently no need for the Group to have this function.

AUDITOR'S REMUNERATION

The responsibility statement of external auditor of the Company, Baker Tilly Hong Kong about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 33 to 38. During the year, auditor's remuneration for audit services was HK\$600,000. Save as disclosed above, there was no other non-audit services assignment undertaken by the external auditor during the Year.

COMPANY SECRETARY

The company secretary of the Company is responsible for distributing detailed documents to the Directors prior to the Board meetings to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings. And all Directors have access to the advice and services of the Company Secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations, are followed.

During the Year, the Company Secretary is Mr. Leung Kwok Fai Ben Rich and a written confirmation had been received by the Company from Mr. Leung Kwok Fai Ben Rich to confirm he took not less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communications between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board.

內部監控及風險管理

董事會負責確保本集團的風險管理及內部監控系統是健全及有效。本集團致力於識別、監控及管理與其業務有關之風險，並已實施一項實際可行和行之有效之監控系統，包括清晰界定許可權之管理結構、良好之現金管理系統，以及由審核委員會及董事會定期對本集團之營運及業績進行檢討。風險管理及內部監控系統乃由董事會持續進行檢討是否有效。董事會根據向其獲提供之資料及本身之觀察，對本集團現有之風險管理及內部監控感到滿意。董事會認為於回顧期內採納之內部監控系統屬健全及有效。本集團並無內部核數功能，董事會認為本集團目前並不需要增設此項功能。

核數師酬金

本公司外聘核數師天職香港會計師事務所就本集團財務報表之申報責任作出之責任聲明載於第33至38頁的獨立核數師報告。年內，核數師就審核服務所取之酬金為港幣600,000元。除此之外，年內外聘核數師並無提供其他服務。

公司秘書

本公司之公司秘書負責於董事會會議召開前向董事分派詳情資料之檔，以確保董事能夠就會議上所討論之事宜作出知情決定。全體董事有權獲取公司秘書意見及服務，旨在確保董事會程序及所有適用法律及法規獲得遵守。

於回顧期內公司秘書為梁國輝先生，而本公司已接獲梁先生發出之書面確認書，當中確認其於本回顧年度內已參加不少於15個小時之相關專業培訓。

股東權利

本公司股東大會提供股東與董事溝通平台。本公司每年均於董事會決定之地點舉行股東周年大會。

SHAREHOLDERS' RIGHT TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and the Companies Law of the Cayman Islands. A Special General Meeting ("SGM") can be convened by a written request signed by shareholders of the Company, stating the objects of the meeting and deposited at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The procedures for shareholders to put forward proposals at an AGM or SGM include a written notice of those proposals being submitted by shareholders, addressed to the Company Secretary at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong. The detailed procedures vary according to whether the proposal constitutes an ordinary resolution or a special resolution, or whether the proposal relates to the election of a person other than a Director of the Company as a director. The procedures for shareholders to convene and put forward proposals at an AGM or SGM (including election of a person other than a Director of the Company as a director) are available on the Company's website or on request to the Company Secretary.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong or send email to ir@venturepharm.net.

Shareholders may also make enquiries with the Board at the AGM or SGM.

股東召開股東特別大會之權利

股東可根據細則及開曼群島公司法所載之條文召開本公司之股東特別大會。股東透過簽署書面請求召開股東特別大會，書面請求須述明大會目的，及送達至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。

於股東大會上提呈議案之程序

股東於股東周年大會或股東特別大會上提呈議案的程式包括將股東提出該等議案的書面通知以公司秘書為收件人送至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。詳細程序因應議案是否構成普通決議案或特別決議案，或議案是否涉及選舉本公司董事以外人選為董事而異。股東召開股東周年大會或股東特別大會並於會上提出議案的程序（包括選舉本公司董事以外人選為董事）可於本公司網站查詢或向公司秘書索取。

股東向董事會查詢之指引程序

股東可隨時以書面形式將其查詢及關注事項送至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）或以電郵方式寄至ir@venturepharm.net，以透過公司秘書遞交董事會。

股東亦可於股東周年大會或股東特別大會上向董事會作出查詢。

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company uses a number of formal communications channels to account to shareholders and investors for the performance of the Company. These include (i) the publication of quarterly, interim and annual reports; (ii) the AGM or SGM providing a forum for shareholders of the Company to raise comments and exchanging views with the Board; (iii) key information of the Group available on the website of the Company; (iv) the Company's share registrars in Hong Kong serving the shareholders in respect of all share registration matters; and (v) corporate information and the Bye-laws of the Company are made available on the Company's website.

A Shareholder's Communication Policy was adopted by the Board aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency.

The Board is committed to providing clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of quarterly, interim and annual reports and/or dispatching circular, notices, and other announcements.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public.

Enquiries to the Board or the Company may be sent by post to the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong.

投資者關係及與股東之溝通

本公司採用多個正式通訊管道，以向股東及投資者反映本公司之表現。該等管道包括(i)刊發季度、中期及年度報告；(ii)舉行股東周年大會或股東特別大會，為本公司股東提供提出評論及與董事會交流意見之平台；(iii)於本公司網站發佈本集團之關鍵資料；(iv)本公司於香港之股份過戶登記處就所有股份登記事宜服務股東；及(v)本公司之公司資料及公司細則載於本公司網站可供流覽。

董事會採納股東溝通政策，旨在令股東及潛在投資者可迅速及時取得本公司之均衡及容易理解之資料。

本公司旨在向其股東及投資者提供高水準資料披露及財政透明度。

董事會承諾，透過刊發季度、中期及年度報告及／或寄發通函、通知及其他公佈，及時及定期向股東提供有關本集團之清晰詳盡資料。

本公司不斷改善投資者關係及加強與現有股東及潛在投資者之溝通。本公司歡迎投資者、持份者及公眾人士提出建議。

向董事會或本公司作出之查詢可以郵寄方式送達本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。



Independent auditor's report
To the shareholders of China Health Group Inc
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致中國醫療集團有限公司各股東
(於開曼群島成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Health Group Inc. and its subsidiaries (together the "Group") set out on pages 39 to 87, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師（以下簡稱「我們」）已審計列載於第三十九頁至八十七頁中國醫療集團有限公司（以下簡稱「貴公司」）及其附屬公司（合稱「貴集團」）之合併財務報表，此合併財務報表包括於二零一七年十二月三十一日之合併財務狀況表及截至該日止年度之合併損益及其他綜合收益表、合併權益變動表和合併現金流量表以及合併財務報表附註，包括主要會計政策概要。

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的合併財務狀況，及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥善編製。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another independent auditor whose report dated 24 March 2017 expressed an unmodified opinion on those consolidated financial statements.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Revenue recognition is identified as a key audit matter because revenue is one of the key performance indicators of the Group and there is an inherent risk over the recognition of revenue by the management to meet specific financial targets or expectations.

Each of the significant category of revenue recognition is as follows:

- **Revenue recognition for contracted clinical research services (the “CR services”) and contracted pharmaceutical development services (the “PD services”)**

Revenue from CR services and PD services are recognised over the fixed terms of the contracts or, if appropriate, as the related costs are incurred. Milestone payments received in connection with research and development or commercialisation agreements are recognised as revenue when the related services are rendered in accordance with the satisfaction of applicable performance requirements and contractual terms.

Milestone payments received that are related to future performance are deferred and recorded as revenue as the related services are rendered over the specified future performance periods.

- **Revenue from post market clinical research, real-world clinical research, medical science liaisons and medical market services (the “PM services”) and other services**

Revenue from PM services and other services are recognised when the relevant services are rendered and the respective amount of revenue can be measured reliably.

其他事項

二零一六年十二月三十一日止年度之合併財務報表已由另一獨立核數師審核，並於二零一七年三月二十四日發表了無保留意見。

關鍵審計事項

關鍵審計事項指根據我們的專業判斷，在我們對本期間合併財務報表的審計中最重要的事項。該等事項在我們對合併財務報表進行整體審計及就此達致意見時處理，我們並不就此另外提供意見。

收入確認被視為關鍵審計事項，因為收入是本集團的主要表現指標之一，而管理層為確認具體目標或期望而確認收入存在內在風險。

每個重要收入類別的分類如下：

- **合約臨床研究服務（「合約臨床研究服務」）及合約藥物開發服務（「合約藥品開發服務」）收入**

合約臨床研究服務收入及合約藥品開發服務收入於合約固定期內或（倘適用）於有關成本產生時確認。

有關研究及開發或商業協議的階段性付款，會根據適用的表現規定和合約條款於賺取時確認為收益。

- **上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務（「上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務」）和其他服務的收入**

上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務收入於提供服務及該等服務相應之收入能可靠地估算時確認。

● Revenue recognition from sales of drug technologies, patents and trademarks

Revenue from sales of drug technologies, patents and trademarks are recognised upon transfer of risks and rewards of ownership to customers.

The Group's disclosures on revenue, including the accounting policies adopted, are included in notes 2(q) and 4 to the consolidated financial statements.

How the matter was addressed in our audit

Our audit procedures included:

- Assessing the design, implementation and operating effectiveness of management's key internal control which govern revenue recognition;
- Inspecting, on sample basis, customer contracts to understand the terms and conditions relating to the provision of a variety of services and sales of drug technologies, patents and trademarks and to assess revenue recognition criteria with reference to the requirements of the prevailing accounting standards;
- Performing substantive analytical procedures to assess whether the recognised revenue was in line with the expected level; and
- Assessing, on a sample basis, the service income recorded before and after the financial year end date with relevant underlying documentation, including service contracts and service acknowledgement records, to verify whether the service income had been recognised in the correct financial period.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon (the "other information").

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

● 銷售藥品技術、專利和商標收入

銷售藥品技術、專利和商標收入在向購買者轉移擁有權的風險和收益時確認。

本集團的收入披露（包括所採用的會計政策）已在合併財務報表附註2（q）和4披露。

我們的審計中如何處理有關事項

我們執行的審計程序包括：

- 評估管理收入確認的管理層關鍵內部控制的設計，實施和營運有效性；
- 抽樣檢查客戶合約，以識別與提供服務、轉讓新藥技術，專利權及商標有關的條款及條件並參照現行會計準則的要求對收入確認標準進行評估；
- 進行實質性分析程序，以評估已確認的收益是否符合預期水平；及
- 抽樣評估財政年度結算日之前及之後記錄的服務收入及相關支持文件（包括服務合約及服務記錄），以核實服務收入是否已在適當的財政期間內確認。

除合併財務報表及核數師報告外的其他信息

貴公司董事須對其他信息負責。其他信息包括董事報告內的所有信息，但不包括合併財務報表及我們的核數師報告（以下簡稱「其他信息」）。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及管治層就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》披露資料規定編製真實而中肯的合併財務報表，並對其認為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

管治層須負責監督貴集團的財務報告過程。

核數師就審計合併財務報表承擔的責任

我們的目標是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告包括意見，僅向整體成員作出報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。

- 獲取有關貴集團內實體或業務活動的財務資料的充分適當的審計證據，以對合併財務報表發表意見。我們負責指導、監督及進行集團審計。我們仍然對我們的審計意見承擔全部責任。

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Tong Wai Hang.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 21 March 2018
Tong Wai Hang
Practising certificate number P06231

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重要缺陷。

我們亦向相關負責人提供一份聲明，表示我們已遵守有關獨立性的相關道德要求，並就合理可能導致對我們獨立性產生疑問的所有關係及（如適用）相關保障措施與審計委員會溝通。

根據與相關負責人溝通的事項，我們認為有關事項是對審計本期間合併財務報表而言最重要的事項，因此屬於主要審計事項。我們在核數師報告中說明該等事項，除非法律或法規禁止公開披露該事項，或（在極少數情況下）由於其不利後果合理預期將超過公開披露所帶來的公共利益，我們認為該事項不應在我們的報告中披露。

編製本獨立核數師報告的審計的工作主管為湯偉行。

天職香港會計師事務所有限公司
執業會計師
香港，二零一八年三月二十一日
湯偉行
執業證書編號P06231

合併損益及其他綜合收益表
 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME

2017年度報告
 ANNUAL REPORT
 截至二零一七年十二月三十一日止年度
 For the year ended 31 December 2017

		2017	2016
	Note	二零一七年	二零一六年
	附註	RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue 營業收入	4	58,491	20,241
Cost of services 服務成本		(2,075)	(3,357)
Other income 其他收入	5	119	220
Administrative expenses 行政費用		(5,188)	(4,392)
Staff costs 員工成本		(17,373)	(9,827)
Profit from operations 營業溢利		33,974	2,885
Finance costs 財務費用	6(a)	(76)	(800)
Profit before taxation 除稅前溢利	6	33,898	2,085
Income tax 所得稅	7	(3,444)	42
Profit and total comprehensive income for the year 本年淨溢利及其他綜合收益總額		30,454	2,127
Profit and total comprehensive income for the year attributable to: 本年溢利及其他綜合收益總額應佔方:			
- Equity shareholders of the Company - 本公司權益持有者		30,454	2,127
- Non-controlling interests - 非控制性權益		-	-
		30,454	2,127
Earnings per share 每股盈利			
- Basic and diluted - 基本及攤薄	10	人民幣仙 3.07	人民幣仙 0.23

The notes on pages 44 to 87 form part of these financial statements.
 第44至87頁之合併財務報表附註乃本財務報表之一部份。

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	2,751	3,771
New drug technologies	新藥技術	12	-	-
			<u>2,751</u>	<u>3,771</u>
Current assets	流動資產			
Work-in-progress	在產品	14	2,418	2,086
Trade and bills receivables	貿易應收款項及應收票據	15	18,891	551
Trade deposits paid	預付業務押金	16	1,600	3,100
Prepayments and other receivables	預付款及其他應收款項	17	815	1,584
Cash and cash equivalents	現金及現金等價物		6,258	1,753
			<u>29,982</u>	<u>9,074</u>
Current liabilities	流動負債			
Trade payables, other payables and accrued charges	貿易應付款項, 其他應付款項及應計費用	18	23,079	23,311
Receipts in advance	預收款項	19	382	4,855
Loans from related companies	關聯公司貸款	20	-	8,321
Bank borrowing	銀行貸款	21	-	1,500
Tax payable	應付所得稅		3,468	24
			<u>26,929</u>	<u>38,011</u>
Net current assets/(liabilities)	淨流動資產/(負債)		<u>3,053</u>	<u>(28,937)</u>
Net assets/(liabilities)	淨資產/(負債)		<u>5,804</u>	<u>(25,166)</u>

The notes on pages 44 to 87 form part of these financial statements.

第44至87頁之合併財務報表附註乃本財務報表之一部份。

合併財務狀況表
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2017年度報告
 ANNUAL REPORT
 截至二零一七年十二月三十一日止年度
 For the year ended 31 December 2017

	Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Capital and reserves	股本及儲備		
Share capital	股本	88,673	88,673
Reserves	儲備	(82,869)	(113,839)
Total equity /(deficit) attributable to equity shareholders of the Company	本公司權益持有者應佔權益/(虧損)總額	5,804	(25,166)
Non-controlling interests	非控制性權益	-	-
Total equity /(deficit)	權益/(虧損)總額	5,804	(25,166)

Approved and authorised for issue by the Board of Directors on 21 March 2018.
 由董事會於二零一八年三月二十一日批准及授權刊發。

William Xia GUO
 郭夏
 Director
 董事

Maria Xuemei SONG
 宋雪梅博士
 Director
 董事

The notes on pages 44 to 87 form part of these financial statements.
 第44至87頁之合併財務報表附註本財務報表之一部份。

	Attributable to owners of the Company									
	本公司擁有人應佔									
	Share capital 股本	Share-Based payment reserve 股份基礎支付儲備	Special reserve 特別儲備	Capital reserve 資本儲備	Statutory reserve 法定公積	Statutory enterprise expansion fund 法定企業發展基金	Accumulated losses 累計虧損	Total 合計	Non-controlling interests 非控股權益	Total 總計
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2016										
於二零一六年一月一日	81,699	5,626	6,039	2,254	3,821	6,986	(146,093)	(39,668)	-	(39,668)
Changes in equity for 2016: 2016之權益變動:										
Profit and total comprehensive income for the year 本年淨溢利及綜合收益總額	-	-	-	-	-	-	2,127	2,127	-	2,127
Conversion of convertible notes 轉換可換股票據	6,974	-	-	3,977	-	-	-	10,951	-	10,951
Equity settled share-based transactions 權益償付以股份為基礎交易	-	1,424	-	-	-	-	-	1,424	-	1,424
At 31 December 2016, and at 1 January 2017 於二零一六年十二月三十一日及二零一七年一月一日	88,673	7,050	6,039	6,231	3,821	6,986	(143,966)	(25,166)	-	(25,166)
Changes in equity for 2017: 2017之權益變動:										
Profit and total comprehensive income for the year 本年淨溢利及綜合收益總額	-	-	-	-	-	-	30,454	30,454	-	30,454
Equity settled share-based transactions 權益償付以股份為基礎交易	-	516	-	-	-	-	-	516	-	516
Cancellation of share options 取消購股權	-	(3,703)	-	-	-	-	3,703	-	-	-
Appropriations 撥款	-	-	-	-	3,337	-	(3,337)	-	-	-
At 31 December 2017 於二零一七年十二月三十一日	88,673	3,863	6,039	6,231	7,158	6,986	(113,146)	5,804	-	5,804

The notes on pages 44 to 87 form part of these financial statements.
第44至87頁之合併財務報表附註本財務報表之一部份。

合併現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS

2017年度報告
ANNUAL REPORT
截至二零一七年十二月三十一日止年度
For the year ended 31 December 2017

		Note	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash generated from/(used in) operations	經營業務所得/ (所用) 之現金	23	14,394	(6,756)
Income tax paid	支付利得稅		-	(62)
Net cash generated from/(used in) operating activities	經營活動所得/ (所用) 之現金淨額		14,394	(6,818)
Investing activity	投資活動			
Interest received	收到利息收入		8	9
Net cash generated from investing activity	投資活動所得之現金淨額		8	9
Financing activities	融資活動			
Interest paid	支付利息		(76)	(75)
Proceed from bank borrowing	新增銀行貸款		-	1,500
Repayment of bank borrowing	償還銀行貸款		(1,500)	(1,500)
(Repayments of)/proceeds from loans from related companies	(償還)/新增關聯公司貸款		(8,321)	1,862
Net cash (used in)/generated from financing activities	融資活動 (所用) /所得之現金淨額		(9,897)	1,787
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物的增加/ (減少) 淨額		4,505	(5,022)
Cash and cash equivalents at 1 January	年初現金及現金等價物		1,753	6,775
Cash and cash equivalents at 31 December	年末現金及現金等價物		6,258	1,753

Note:

Liabilities arising from financing activities include loans from related companies and bank borrowing. No reconciliation of liabilities arising from financing activities as, besides of above cash flow movements, there are no other changes or movements for those liabilities during the year ended 31 December 2017.

附註:

融資活動產生的負債包括關聯公司貸款和銀行借款。除了上述現金流量變動外，截至二零一七年十二月三十一日止年度於融資活動產生的負債並無其他變動。

The notes on pages 44 to 87 form part of these financial statements.
第44至87頁之合併財務報表附註本財務報表之一部份。

1. GENERAL

China Health Group Inc. (the “Company”) was incorporated in the Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). On 1 October 2016, the address of its registered office was changed from PO Box 2804, 4th Floor, Scotia Centre, George Town, Grand Cayman, Cayman Islands to P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and its principal place of business is at Building A2, Haitong Commercial Centre, No. 11 West Third Ring North Road, Haidian District, Beijing, the People’s Republic of China (the “PRC”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 13 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand. RMB is the functional currency of the Company and the Company’s subsidiaries established in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the “Group”).

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. There have been no significant changes to the accounting policies applied in these consolidated financial statements as a result of these developments.

1. 一般資料

中國醫療集團有限公司（「本公司」）為一間於二零零二年五月二十一日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限責任公司。於二零一六年十月一日，其註冊辦事處地址由 4th Floor, PO Box 2804, Scotia Centre, George Town, Grand Cayman, Cayman Islands 變更為 P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands，而其主要營業地點為中國北京市海澱區西三環北路11號海通商務中心A2幢。

本公司之主要業務為投資控股，其附屬公司主要業務已呈列於合併財務報表附註13。

此等合併財務報表以本公司及其於中國成立的附屬公司的功能貨幣人民幣，並以千元編制。

2. 主要會計政策

(a) 合規聲明

此等截至二零一七年十二月三十一日止年度之合併財務報表包括本公司及附屬公司（統稱「本集團」）。

此等合併財務報表乃根據所有適用之香港財務報告準則（「香港財務報告準則」）編制。此統稱詞彙包括香港會計師公會（「香港會計師公會」）頒佈之所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港《公司條例》之披露規定。此等合併財務報表亦符合香港聯合交易所有限公司創業版證券上市規則之適用披露條文（「創業版證券上市規則」）。

香港會計師公會已頒佈一些於本集團及本公司本會計期間生效或容許提前採納的新訂及經修改之香港財務報告準則。該等發展對此等合併財務報表所用之會計政策沒有引致重大變化。

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 32).

A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

本集團於本會計期間並未採納任何仍未生效之新準則或詮釋（附註32）。

本集團採用之主要會計政策概述如下。

(b) 合併財務報表之編制基準

本合併財務報表編制時是以歷史成本作為計量基準。

編制符合香港財務報告準則之財務報表，要求管理層就可影響政策應用以及資產、負債、收入及開支之呈報金額作出判斷、估計及假設。有關估計及相關假設乃根據過往經驗，以及在此情況下相信屬合理之其他因素而作出，有關結果構成對未能在其他資料來源顯示之資產及負債之賬面值作出判斷之基礎。實際結果可能與有關估計有所不同。

管理層會持續對估計及相關假設進行評估。如果會計估計之更改僅對該期間有影響，則有關影響會在估計變更期間確認，或如果有關更改會對本期間及未來期間有影響，有關影響則於更改期間及未來期間確認。

管理層在應用香港財務報告準則作出對合併財務報表有重大影響之判斷及估計不確定性之主要來源，已於附註3論述。

(c) 附屬公司及非控制性權益

附屬公司為本集團所控制之實體。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響該等回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮具體權利（由本集團及其他人士持有）。

於附屬公司之投資由該控制權生效日期起至結束日期止期間於合併財務報表綜合入賬。集團內公司之間之結餘、交易及現金流量，以及集團內公司之間之交易所產生之任何未變現溢利，均於編制合併財務報表時全銷。如無減值證據，集團內公司之間之交易所產生之未變現虧損按未變現收益相同之方式撤銷。

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interest, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(g)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

非控制性權益指非本公司直接或間接應佔之附屬公司股權，而本集團並未與有關權益持有人協定任何附加條款，令本集團整體對該等權益產生符合負定義之合約義務。就各企業合併而言，本集團可選擇按公允值或非控股權益所佔附屬公司之淨可識別資產之比例計量任何非控制性權益。

非控制性權益在綜合財務狀況表之權益部份內，與本公司股權持有人應佔權益分開呈列。非控制性權益所佔本集團業績之權益在合併損益表及其他綜合收益表呈列，以顯示本年度之總溢利或虧損及全面收益總額於非控制性權益與本公司股權持有人之間之分配。

本集團不導致喪失控制權之附屬公司權益變動乃以權益交易入賬，即只調整在合併權益變動表內之控股及非控制性權益金額以反映相關權益變動，但不調整商譽及確認盈虧。

當本集團喪失對附屬公司之控制權，將按出售該附屬公司之所有權益入賬，而所產生之盈虧於損益確認。任何於喪失控制權當日仍保留之該前附屬公司之權益乃按公允值確認，而此金額被視為初始確認金融資產之公允值，或（如適用）初始確認於聯營公司或合營企業之投資。

本公司之財務狀況表所示之於附屬公司之投資，是按成本值減去減值虧損（見附註2(g)(ii)）後列賬；惟如果相關投資分類為持作出售或計入分類為持作出售之出售組別者則除外。

(d) 物業、廠房及設備

物業、廠房及設備乃按歷史成本減累計折舊及累計減值虧損後入賬（見附註2(g)(ii)）。

折舊乃按物業、廠房及設備專案之成本減去其估計剩餘價值（如有），在其估計可使用年期採用直線法以下列方式撇銷計算：

Leasehold improvements	10 years
Machinery and equipment	5–10 years
Motor vehicles	10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(e) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(g)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

New drug technologies	10 years
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Both the period and method of amortisation are reviewed annually.

(f) Lease assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless for whether the arrangement takes the legal form of a lease.

租賃物業裝修	10年
機器及設備	5–10年
汽車	10年

倘一項物業、廠房及設備中之各部份有不同之可使用年期，該專案之成本將合理地分配至各部份，而各部份則獨立計提折舊。資產之可使用年期及其剩餘價值（如有）將於每年檢討。

報廢或出售物業、廠房及設備專案所產生之盈虧為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售當日在損益內確認。

(e) 無形資產

開發新產品項目產生的開支僅當以下各項得到證明時方可資本化並遞延：本集團在技術上可完成無形資產以使其能供使用或出售；有完成該資產的意圖，並有能力使用或出售該資產；該資產能產生未來經濟利益；具有可用資源完成項目以及於開發階段的開支能夠可靠地計量。資本化支出包括材料成本，直接人工成本以及適當比例的間接費用和借款成本。資本化開發成本按成本減累計攤銷及減值虧損列賬（見附註2(g)(ii)）。不符合該等標準的產品開發開支均於產生時支銷。

具有有限可使用年期之無形資產攤銷於資產估計可使用年期內以直線法於損益內扣除。下列具有有限可使用年期之無形資產自其可供使用當日起攤銷，其估計可使用年期如下：

新藥技術	10年
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攤銷之期間及方法均於每年檢討。

(f) 租賃資產

倘本集團釐定一項安排具有在協議期限內通過支付一筆或一系列款項，而獲得使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而不論安排是否具備租賃之法律形式。

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risk and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

(g) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

(i) 本集團承租之資產之分類

若本集團根據租賃持有資產，而有關租賃將擁有該資產之絕大部份風險及報酬轉予本集團，有關資產歸類為根據融資租賃持有之資產。並未將擁有資產之絕大部份風險及報酬轉予本集團之租賃，則歸類為經營租賃。

(ii) 經營租賃費用

倘若本集團乃以經營租賃使用資產，則根據租賃支付之款項於租賃期所涵蓋之會計期間內，以等額在損益內扣除，惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。

(g) 資產減值

(i) 應收賬款及其他應收款的減值

貿易及其他應收款項是按成本值或攤銷成本值於各報告期末審閱，以確定是否有客觀減值證據，客觀減值證據包括本集團得悉的下列一項或多項虧損事項的可觀察數據：

- 債務人遭遇重大財務困難；
- 違約，譬如拖欠或無法如期償還本息；
- 債務人可能會宣告破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境的重大變動而對債務人造成不利影響。

如有任何該類證據存在，便會釐定減值虧損及確認。減值虧損是以資產之賬面值與按財務資產原來實際利率（即於初次確認該等資產時計算之實際利率）折現（如果折現會造成重大的影響）的預計未來現金流現值之間的差額計量。如金融資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會同時進行。金融資產的未來現金流量會根據與該類資產具有類似信貸風險特徵資產的過往虧損情況以一同評估減值。

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment;
- New drug technologies; and
- Investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

如減值虧損於其後期間減少，而客觀上與減值虧損獲確認後發生之事件有關，則減值虧損應透過損益撥回。撥回之減值虧損不應導致資產賬面值超過以往年度並無確認減值虧損原應釐定之金額。

減值虧損應從相應的資產中直接撤銷，但就應收貿易款項及應收票據的減值虧損而言，可收回性被視為難以預料並不是可能性極低則例外。在這種情況下，應以撥備賬記錄呆壞賬的減值虧損。倘本集團確認能收回應收賬款的可能性極低時，則視為不可收回金額會從應收貿易款項及應收票據中直接撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撤銷而其後收回的款項，均在損益內確認。

(ii) 其他資產減值

內部和外來之信息會在每個報告期末審閱，以確定下列資產有否出現減值跡象，或以往確認之減值虧損不復存在或可能已經減少：

- 物業、廠房及設備；
- 新藥技術；
- 在財務狀況表中附屬公司投資。

如果發現任何減值跡象，便會估計資產可收回金額。

- 計算可收回金額

資產之可收回金額為其公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，預期未來現金流量會按可以反映當時市場對貨幣時間值及資產特定風險之評估之稅前貼現率，貼現至其現值。如果資產所產生之現金流入基本上並非獨立於其他資產所產生之現金流入，則會以可獨立產生現金流入之最小資產類別（即現金產生單位）來釐定可收回金額。

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(h) Work-in-progress

Costs incurred on development projects with an intention of outright sale as technology transfer are recognised as work-in-progress when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Work-in-progress is recognised as cost of sales in accordance with the performance requirements and contractual terms as stated in the contracts.

Work-in-progress is stated at the lower of cost and net realisable value.

The cost of work-in-progress comprises all direct costs that are attributable to the development projects.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(g)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effects of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

- 確認減值虧損

減值虧損於一項資產或其所屬現金產生單位之賬面值超逾其可收回金額時，便會於損益內確認。就現金產生單位確認之減值虧損會作出分配，首先會分攤以減低任何已分攤至現金產生單位（或一組單位）之任何商譽之賬面值，然後按比例減低單位（或一組單位）內其他資產之賬面值，但資產賬面值不得低於其個別公平值減出售成本，或其使用價值（若可確定）。

- 減值虧損轉回

倘若用以釐定可收回金額之估計數據出現有利變化，有關減值虧損便會轉回。

所轉回之減值虧損限於該資產於過往年度並無確認減值虧損時所釐訂之賬面值。所轉回之減值虧損於確認轉回年度計入損益。

(h) 在產品

計劃以技術轉讓完成銷售的開發項目產生的成本會確認為遞延開發成本，如預期該專案在商業上及技術可行性上均很可能成功並且相關成本能夠可靠計量。於訂立銷售合約時，已資本化的開發成本會撥入訂約在製品，並根據合約中所訂明的性能規定及合約條款，確認為銷售成本。

在產品按成本值及可變現淨值兩者中之較低者入賬。

在產品的成本包括由開發項目直接產生之費用。

可變現淨值為在日常經營活動中的估計銷售價格，減去適用的變動銷售費用。

(i) 貿易及其他應收款項

貿易及其他應收款項初步以有效權益方法按公平價值確認入賬，其後則按經攤銷成本扣除呆賬減值撥備（見附註2(g)(i)）列賬，惟倘應收款項屬於向關連人士所提供無任何固定還款期之免息貸款或其貼現並無重大影響則除外。於該等情況下，應收款項乃按成本扣除呆賬減值撥備列賬。

(j) Interest-bearing borrowing

Interest-bearing borrowing is recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowing is stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowing, together with any interest and fees payable, using the effective interest method.

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Convertible notes

Convertible notes which do not contain an equity component are accounted for as follows:

At initial recognition, the derivative component of convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of convertible notes are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured. The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital and capital reserve as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(j) 計息借貸

計息借貸之初值按公允值扣除應佔交易成本後確認。首次確認後，按攤銷成本列賬。計息借貸按攤銷成本列賬，而最初確認金額與贖回價值之間任何差額會於借貸（連同任何應付之利息及費用）期內以利用實際利率法於損益表確認。

(k) 貿易及其他應付款項

貿易及其他應付款項初步按公允值確認，其後則按攤銷成本入賬，但如折現影響輕微，則按成本值入賬。

(l) 可換股票據

不包含權益部份的可換股票據以下列方法入賬：

於首次確認時，可換股債券之衍生部份按公平值計量，呈列為衍生金融工具之一部分。所得款項超出首次確認為衍生工具部份之金額之部份確認為負債部份。發行可換股債券之交易費用按分配所得款項之比例分配至負債及衍生工具。與負債部份有關之交易費用部份首次確認為負債部份，而與衍生工具有關之部份即時於損益表確認。

衍生工具部份其後按照本集團有關衍生金融工具之會計政策重新計量。負債部份其後按攤銷成本入賬。已於損益表確認有關負債部份之利息開支使用實際利息法計算得出。

倘債券獲轉換，衍生工具及負債部份之賬面值撥入股本及資本儲備，作為已發行股份之代價。倘債券獲贖回，已支付款項與兩個部份賬面值之任何差額於損益表確認。

(m) 現金及現金等值物

現金及現金等值項目包括銀行存款及現金，並可以隨時換算為已知之現金額，而價值變動方面之風險不大，並在購入後3個月內到期。

(n) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group's entities in the PRC participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in the PRC and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

(ii) Equity settled share -based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based payment reserve within equity. The fair value is measured at the grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based payment reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued and capital reserve) or the option expires (when it is released directly to accumulated losses).

(n) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃作出之供款

薪金、年度獎金、有薪年假、定額供款退休計劃之供款及各項非貨幣福利之成本，均在本集團僱員提供相關服務之年度內累計。如延遲支付或結算會構成重大影響，則上述數額須按現值列賬。

本集團在中國內地的實體參與由有關政府當局為中國內地僱員組織的界定供款退休金福利計劃，並根據僱員薪酬若干百分比按月向該等計劃供款，最高指定限額由有關政府當局規定。根據該等計劃，政府當局承諾向所有現有及日後退休僱員承擔應付的退休金福利責任。

(ii) 權益償付以股份為基礎交易

授予僱員之購股權之公允值確認為員工成本，並相應於股本內增加資本儲備。購股權公平值是在授予日期以二項式點陣模式計量，並會考慮有關購股權授予之條款及條件後釐定。倘對方須符合歸屬條件方能無條件取得購股權，購股權之估計公允值總額將於歸屬期間攤分，並考慮到購股權將予歸屬之可能性。

於歸屬期間，預期歸屬之購股權數目將獲審核。對於過往年間確認之累計公允值作出之任何調整，將支取/計入審核年間之溢利或虧損，除非原來僱員之開支可獲確認為資產，並於資本儲備中作出相應調整。於歸屬日，已確認為開支之金額將調整至反映歸屬之購股權數目（並於股份基礎支付儲備中作出相應調整），因無法達到與本公司股份市價相關之歸屬條件而喪失者除外。股本金額將於資本儲備確認，直到購股權獲行使轉入股本或購股權期屆滿（直接釋放到累計虧損）。

(o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profits (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(o) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益內確認，但與直接確認為其他全面收益或權益項目相關者，則分別確認為其他全面損益或權益。

本期稅項乃按本年度應課稅收入，根據已生效或在報告期末實質上已生效之稅率計算而預期應付之稅項，並就過往年度應付稅項作出任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債在就財務呈報目的之賬面值與其稅基之差異。遞延稅項資產亦可以由未利用稅項虧損及未利用稅項抵免產生。

除了某些有限之例外情況外，所有遞延稅項負債及遞延稅項資產（只以未來可能有應課稅溢利予以抵銷之資產為限）均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差異而產生之數額；但有關差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生之稅項虧損向後期或向前期結轉之期間內撥回。在決定現有之應課稅暫時差異是否足以支持確認由未利用稅項虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，倘涉及同一稅務機關及同一應課稅實體，而且預期在能夠使用稅項虧損及抵免之同一期間內撥回，則予以計算在內。

遞延稅項資產及負債確認之有限例外情況包括不影響會計或應課稅溢利（如屬業務合併之一部份則除外）之資產或負債之初次確認，以及於附屬公司之投資之暫時差異（如屬應課稅差異，只限於本集團可以控制轉回之時間，而且在可預見之將來不大可能轉回之差異；或如屬可予扣減之差異，則只限於可在將來轉回之差異）。

已確認之遞延稅項數額是按照資產及負債賬面值之預期實現或清償方式，以報告期末已生效或實際生效之稅率計量。遞延稅項資產及負債均不須貼現。

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

遞延稅項資產之賬面值，每屆報告期末予以重計，並於不可能再有足夠應課稅溢利可供動用有關稅項福利予以削減。任何有關減少在可能有足夠應課稅溢利可供抵免時撥回。

本期稅項結餘及遞延稅項結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件之情況下，本期稅項資產與遞延稅項資產始會分別與本期稅項負債及遞延稅項負債抵銷：

- 倘為本期稅項資產及負債，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同之應課稅實體。此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現該資產及清償該負債。

(p) 撥備及或然負債

如果本集團或本公司須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則就該時間或數額不定之其他負債計提準備。如果貨幣時間值重大，則按履行義務預計所需支出之現值計提準備。

如果流出經濟利益之可能性較低，或無法對有關數額作出可靠之估計，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。如果有關義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流之可能性極低。

(q) 收入確認

收入乃按已收或應收代價之公平值計量，倘經濟利益可能流入本集團且收入及成本（如適用）能可靠計量，則收入於損益確認如下：

- (i) Revenue from contracted clinical research services (the “CR services”) and contracted pharmaceutical development services (the “PD services”)

Revenue from CR services and PD services are recognised over the fixed terms of the contracts or, if appropriate, as the related costs are incurred. Milestone payments received in connection with research and development or commercialisation agreements are recognised when the related services are rendered in accordance with the applicable performance requirements and contractual terms.

Milestone payments received that are related to future performance are deferred and recorded as revenue as the related services are rendered over the specified future performance periods.

- (ii) Revenue from post launch market research, medical and medical market services (the “PM services”) and other services

Revenue from PM services and other services are recognised when the relevant services are rendered and the respective amount of revenue can be measured reliably.

- (iii) Revenue from sales of drugs technologies, patents and trademarks

Revenue from sales of drugs technologies, patents and trademarks are recognised upon transfer of risks and rewards of ownership to customers.

- (iv) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that the grants will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

- (v) Interest income

Interest income is recognised as it accrues using the effective interest method.

- (r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

- (i) 合約臨床研究服務（「合約臨床研究服務」）及合約藥品開發服務（「合約藥品開發服務」）收入

合約臨床研究服務收入及合約藥品開發服務收入於合約固定期內或（倘適用）於有關成本產生時確認。有關研究及開發或商業協議的階段性付款，會根據適用的表現規定和合約條款於賺取時確認為收益。

有關未來表現的已收取款項，會予以遞延並在指定的未來表現期間列作收益。

- (ii) 上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務（「上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務」）和其他服務的收入

上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務收入於提供服務及該等服務相應之收入能可靠地估算時確認。

- (iii) 銷售藥品技術、專利和商標收入

銷售藥品技術、專利和商標收入在向購買者轉移擁有權的風險和收益時確認。

- (iv) 政府補助

政府補助於能合理確定將會收到有關補助及本集團將能遵守補助所附帶的條件時，於合併財務狀況表內作首次確認。補貼本集團所涉開支的補助，將有系統地於產生開支的同一期間在損益中確認為收入。補貼本集團資產成本的補助，會自資產賬面值中扣除，因此，實際為透過扣減折舊開支的方法在資產的使用期於損益中確認。

- (v) 利息收入

利息收入按採用實際利率法累計確認。

- (r) 外幣換算

年內之外幣交易按交易日外幣兌換率換算。以外幣計值之貨幣資產及負債均按報告期末之外幣兌換率換算。匯兌盈虧均於損益內確認入賬。

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(t) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).

以歷史成本計量之外幣非貨幣資產及負債按交易日之匯率換算。

海外業務之業績按與交易日外幣匯率相若之匯率換算為人民幣。財務狀況表項目則按報告期末之外幣兌換率換算為人民幣。匯兌差額乃於其他全面損益內確認，並於匯兌儲備個別累計為權益。

在出售海外業務時，與該海外業務有關並於權益確認的累計匯兌差額會在計算出售的溢利或虧損時包括在損益內。

(s) 借貸成本

凡直接與收購某項資產（該資產必須經過頗長時間籌備以作預定用途或出售）有關之借貸成本，均資本化為資產之部分成本。其他借貸成本均於發生期間內支銷。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所必須的絕大部分工作中止或完成時，借貸成本便會暫停或停止資本化。

(t) 關連人士

(a) 符合以下條件之一的人士或其直系家庭成員將被視為本集團的關聯方：

(i) 對本集團有控制或共同控制；

(ii) 對本集團有重大影響；或

(iii) 本集團或本集團母公司主要管理人員的成員。

(b) 符合以下條件之一的企業將被視為本集團的關聯方：

(i) 企業和本集團為同一集團下的成員（即母公司，各子公司和同系附屬公司均為相互的關聯方）。

- | | |
|---|---|
| <p>(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</p> | <p>(ii) 企業為另外一家企業的聯營公司或合營公司（或企業為該另外一家企業的集團成員的聯營公司或合營公司）。</p> |
| <p>(iii) Both entities are joint ventures of the same third party.</p> | <p>(iii) 兩家企業同為一個第三方的合營公司。</p> |
| <p>(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> | <p>(iv) 企業為一家第三方企業的合營公司及另一家企業為該第三方企業的聯營公司。</p> |
| <p>(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.</p> | <p>(v) 企業為一僱員退休福利計劃，且該福利計劃的受益人為本集團的僱員或本集團任何關聯方。</p> |
| <p>(vi) The entity is controlled or jointly controlled by a person identified in (a).</p> | <p>(vi) 企業被在註釋(a)下認定的人士控制或共同控制。</p> |
| <p>(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</p> | <p>(vii) 在註釋(a)(i)下認定的人士對企業有重大影響，或該人士為企業（或企業的母公司）的主要管理人員。</p> |
| <p>(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.</p> | <p>(viii) 企業或一間集團之任何成員向集團或集團母公司提供主要管理人員服務。</p> |

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

個人的直系家庭成員是指預期他們在與企業的交易中，可能會影響該個人或受其影響的家屬。

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single segment and no segmental analysis is presented.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

(u) 分部報告

經營分部及合併財務報表中報告的每個分部項目的金額，均從經常向本集團最高級執行管理人員提供的財務信息確定，目的是為本集團的各種資源分配資源和評估其績效的業務和地理位置。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部分此等準則，則該等經營分部可能會被合併。

由於本集團經營單一分部，因此並無呈列分部分析。

3. 會計估計及判斷

(a) 關鍵會計判斷及估計不明朗因素之主要來源

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumption about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts are determined based on fair values less costs of disposals calculations or market valuations. These calculations require the use of judgements and estimates.

Management judgements are required in the area of asset impairment particularly in assessing (i) whether an event has occurred that may indicate that the related asset may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposals or the present value of the expected future cash flows on the continuous use of the asset in the business; and (iii) the appropriateness of key assumptions applied in arriving the net present value of the expected future cash flows. Changes in the assumptions could affect the estimation of net present value of the expected future cash flows used in the impairment tests and as a result could affect the Group's financial position and operating results.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and function. They could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Depreciation charges will be reassessed where useful lives are different from the previous estimations, or they will write-off or write-down obsolete assets that they have been abandoned.

在應用附註2所述的本集團會計政策時，管理層須作出會影響收入、開支、資產及負債呈報金額及其隨附披露，以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不確定因素可導致須就未來受影響的資產或負債賬面金額作出重大調整。實際結果可能與這些估計不同。

本公司董事持續地審閱有關估計及相關假設。倘對會計估計的修訂僅影響修訂估計的期間，則修訂於該期間確認；或倘有關修訂影響本期及未來期間，則於修訂期間及未來期間內確認。

(b) 估計不明朗因素之資源

下文載述於報告期末有關日後及估計不確定因素其他主要來源的主要假設，該等不確定因素具有會導致下一個財政年度資產及負債賬面值須作出重大調整的重大風險。

物業、廠房及設備減值

當有事件或情況轉變顯示可能無法收回賬面值時檢閱物業、廠房及設備有否減值。可收回金額乃基於公允價值減銷售成本或市場估值計算。此等計算須運用判斷及估計。

在資產減值領域，要求管理層作出判斷及評估：(i) 有否出現可能有關資產價值可能無法回收；(ii) 資產賬面值是否獲得可收回款項（即公允價值減銷售成本或以業務持續使用資產為基礎估計的有關日後現金流量淨現值兩者中的較高者）支持；及 (iii) 編制現金流量預測時使用的適當主要假設，包括有關現金流量預測是否以適用比率折現。倘管理層就評估減值所選假設（包括現金流量預測所用貼現率或增長率假設）有所變更，對減值檢測所用淨現值或有影響，從而或影響本集團的財務狀況及經營業績。

物業、廠房及設備之使用年期

本集團管理層評估物業、廠房及設備之使用期限和折舊費用，這種估計是基於同類性質和功能的物業、廠房及設備的使用年期的歷史經驗。技術更新及本行業的競爭行為會導致估計的重大改變。當使用年期比先前估計年期縮短時，管理層將提高折舊費用，或在賬面減值或註銷已報廢或出售的技術落後資產或非戰略性資產。

Impairment of trade and other receivables

The Group's management determines the provisions for impairments of trade and other receivables. Such estimates are based on the collectability of trade and other receivables. Provisions for impairment are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and doubtful debt expense in the period in which such estimate is changed.

4. Revenue and segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group is principally engaged in the provisions of clinical research services, real-world clinical research, medical science liaisons, medical marketing programs which aimed to bridge the gaps between the clinical and commercial phases of product development in the PRC and its revenues are all derived in the PRC for both years. These services are subject to similar business risks and resources and are allocated based on the view of the whole Group's benefits in enhancing the value as a whole rather than on any specific unit. The Group's chief operating decision-maker considers that the performance assessment of the Group should be based on the profit before taxation of the Group as a whole. Therefore, only one single segment information are disclosed under the requirements of HKFRS 8.

The amount of each significant category of revenue is as follows:

貿易應收賬款及其他應收賬款之減值

本集團的管理層就貿易應收賬款及其他應收賬款的減值釐定減值撥備。此等估計乃基於貿易應收賬款及其他應收賬款的可收回性。倘發生重大事件或情況變動顯示賬款可能無法收回，則貿易應收賬款及其他應收賬款計提減值撥備。識別呆賬需要運用判斷和估計，當預期與初始判斷相異時，這種差別將影響估計變化期間貿易應收賬款及其他應收賬款賬面值和呆賬費用。

4. 收入及分部報告

經營分部按照向提供給主要經營決策者的內部報告一致的方式報告。本集團的主要業務為於中國經營醫藥研發及學術推廣服務，而其收入全部源自中國。考慮到該等業務的業務風險相近，而本集團在資源配置時會考慮本集團的整體利益而不是個別單位，本集團的首席經營決策者認為本集團的整體除稅前利潤是評核本集團業績的指標。因此，管理層認為根據《香港財務報告準則》第八號，本集團只有單一的業務分部。

每個重要收入類別的分類如下：

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Provision of PM services	提供上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務	39,273	5,473
Provision of PD services	提供合約藥品開發服務	5,377	-
Provision of CR services	提供合約臨床研究服務	2,632	12,279
Sales of drugs technologies	銷售藥品技術	4,717	-
Sales of patents and trademarks	銷售專利和商標	4,717	-
Other medical services	其他醫藥服務收入	1,775	2,489
		58,491	20,241

Other medical services include registration, application and testing services.

其他醫療服務收入包含註冊，申請和測試服務。

Revenue from customers of the corresponding years, each contributing over 10% of total sales of the Group are as follows: 從主要客戶所得之收入，每客戶分別佔總收入10%或以上，詳列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Provisions of PM, PD and CR services and sales of drugs technologies, patents and trademarks to Customer A	提供上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務，合約藥品開發服務，合約臨床研究服務，銷售藥品技術，專利和商標給客戶 A	22,828	3,387
Provision of PM services to Customer B	提供上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務給客戶 B	24,244	N/A

5. OTHER INCOME

5. 其他收入

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grants (Note)	政府補助 (附註)	29	87
Bank interest income	銀行利息收入	8	9
Compensations received	賠償收入	-	19
Others	其他	82	105
		119	220

Note:

The government grants during the years ended 31 December 2017 and 2016 represented unconditional cash awards in respect of refunds of application fees of patents and trademarks from government authorities.

附註:

截至二零一七年及二零一六年十二月三十一日止年度，政府補助為政府機關無條件現金退還之專利及商標申請費。

6. PROFIT BEFORE TAXATION

6. 除稅前溢利

Profit before taxation is arrived at after charging:

除稅前溢利乃經扣除下列各項後達致：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(a) Finance costs	(a)財務費用		
Interests on:	利息支出由:		
- Bank borrowings	- 銀行貸款	76	75
- Convertible bonds (note 22(b))	- 可轉換票據 (附註22(b))	-	725
		76	800

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(b) Staff costs (including directors' emoluments as disclosed in note 8)	(b) 員工成本(包括於附註8披露之董事酬金)		
Salaries, bonuses and other benefits	薪金、工資及其他福利	14,459	7,216
Contributions to defined contribution retirement plans	定期供款退休金計劃供款	2,398	1,187
Equity settled share-based payment expenses (note 26(c))	權益償付以股份為基礎交易的開支(附註26(c))	516	1,424
		17,373	9,827
(c) Other items	(c) 其他項目		
Auditors' remuneration	核數師酬金	530	424
Litigation claims expense	法律訴訟賠償費	1,172	296
Depreciation	折舊	1,020	1,032
Minimum lease payments under operating lease in respect of buildings	經營租賃費用：最低租賃付款 - 物業租金	240	24
Cost of work-in-progress	在產品成本	2,075	3,357

7. INCOME TAX

7. 所得稅

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

(a) 於合併損益及其他綜合收益表呈列之稅項：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax – PRC Enterprise Income Tax	本年度稅項 – 中國企業所得稅		
Provision for the year	本年撥備	3,444	-
Over-provision in respect of prior years	往年度撥備過多	-	(42)
Income tax expense/(credit)	所得稅支出/(回撥)	3,444	(42)

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits for the year ended 31 December 2017 (2016: RMBNil).

由於本集團於香港並無應課稅溢利，故並無於2017年度就香港利得稅作出撥備（2016年度：無）。

Under the Enterprise Income Tax (“EIT”) Law of the PRC, in general, the applicable EIT rate of enterprises in the PRC is 25%. Certain subsidiaries of the Group are approved and certified by relevant authorities as “High and New Technology Enterprises” and are entitled to a preferential EIT rate of 15% for both years.

本公司及其附屬公司的中華人民共和國企業所得稅年內撥備按《中華人民共和國企業所得稅法》（以下簡稱「所得稅法」）計算。本集團的二零一七年適用稅率為25%。部份附屬公司由於屬「高新企業」，因此獲得優惠所得稅，其稅率為15%。

Taxation of other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

其他海外附屬公司按相關企業所得稅率計提撥備。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按稅率調整利得稅支出及會計溢利:

		2017 二零一七年 RMB'000 人民币千元	2016 二零一六年 RMB'000 人民币千元
Profit before taxation	除稅前溢利	33,898	2,085
Notional tax on profit before taxation, calculated at the applicable tax rate of 25%	按25%適用稅率計算之除稅前溢利名義稅項	8,474	522
Effect of tax exemptions in other jurisdictions	其他司法管轄區稅收豁免的稅務影響	466	1,263
Preferential income tax rates applicable to subsidiaries	適用於子公司的優惠所得稅率	(2,650)	(220)
Tax effect of unused tax losses not recognised	尚未確認使用稅項虧損的稅務影響	263	271
Tax effect of utilisation of tax losses not recognised	動用之前尚未確認稅務虧損之稅務影響	(3,109)	(1,836)
Over-provision in respect of prior years	過往年度超額撥備	-	(42)
Income tax expense/(credit)	所得稅支出/(回撥)	3,444	(42)

(c) Deferred tax not recognised:

(c) 尚未確認之遞延稅項資產:

At 31 December 2017, the Group has not recognised deferred tax assets in respect of cumulative tax losses and deferred income of RMB9,997,000 (2016: RMB22,942,000) and RMB96,000 (2016: RMB1,214,000) respectively, as it is not probable that future taxable profits will be available against which the unused tax losses can be utilised in the relevant tax jurisdiction. The unused tax losses will expire within five years from the end of the respective reporting periods.

由於未能評估於報告期末後續之經營溢利，因此於二零一七年十二月三十一日，本集團並無就累計稅項虧損及遞延收入分別確認遞延稅項資產人民幣9,997,000元（二零一六年：人民幣22,942,000元）及人民幣96,000元（二零一六年：人民幣1,214,000元）。未動用稅項虧損將於各報告期末後五年內到期。

8. DIRECTORS' EMOLUMENTS

Director's emoluments disclosed pursuant to GEM Listing Rule and section 383 of the Hong Kong Companies Ordinance as follows:

8. 董事酬金

董事酬金根據創業版證券上市規則及香港《公司條例》第383條披露如下：

	Directors' fees 董事袍金		Salaries, allowances and benefits in kind 薪金、津貼及福利		Contributions to defined contribution retirement plans 退休計劃供款		Share based payments 權益支付以股份為基礎交易支出		Total 合計	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元
Executive directors 執行董事										
Mr. William Xia GUO 郭夏先生	-	-	623	1,130	-	-	335	643	958	1,773
Dr. Maria Xue Mei SONG 宋雪梅博士	-	-	295	328	90	91	18	35	403	454
Non-executive directors 非執行董事										
Mr. Michael Su 蘇毅先生	-	-	-	-	-	-	8	15	8	15
Dr. Nathan Xin ZHANG (Resigned on 18 May 2016) 張欣博士 (於2016年5月18日辭任)	-	-	-	-	-	-	-	-	-	-
Independent non-executive directors 獨立非執行董事										
Dr. Bin Hui NI 倪彬暉博士	-	-	-	-	-	-	4	7	4	7
Mr. Mark Gavin LOTTER Mr. Mark Gavin LOTTER	-	-	-	-	-	-	4	7	4	7
Mr. Rui QIU (Appointed on 12 February 2018) 仇銳先生 (於二零一八年二月十二日委任)	-	-	-	-	-	-	-	-	-	-
Dr. Shou Yuan WU (Resigned on 12 February 2018) 吳壽元先生 (於二零一八年二月十二日辭任)	50	50	-	-	-	-	4	7	54	57
	50	50	918	1,458	90	91	373	714	1,431	2,313

There were no arrangement under which a director waived or agreed to waive any emoluments in respect of the year ended 31 December 2017 (2016: Nil). During the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office.

在二零一七年十二月三十一日及二零一六年十二月三十一日止年度，本集團並沒有任何董事放棄或同意放棄酬金的安排及沒有支付任何酬金予董事作為吸引該董事加入本集團的報酬或作為該董事失去職位的賠償。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five (2016: five) individuals with the highest emoluments, two (2016: two) individuals are director whose emoluments is disclosed in note 8. The aggregate of the emoluments in respect of the remaining three (2016: three) individuals are as follows:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, bonuses and other benefits	薪金、工資及其他福利	737	582
Contributions to defined contribution retirement plans	定期供款退休金計劃供款	60	73
Equity settled share-based payment expenses	權益償付以股份為基礎交易的開支	14	24
		811	679

The emoluments of the three (2016: three) individuals with the highest emoluments are within the band of HK\$Nil to HK\$1,000,000 in both years.

9. 個別最高薪酬人士

本集團5位最高薪酬人士中包括2位(2016年: 2位)董事, 彼等之酬金已載於附註8, 餘下3位(2016年: 3位)最高薪酬人士之酬金分析如下:

在二零一七年及二零一六年個別最高薪酬人士3位(2016年: 3位)酬金於港幣零元至港幣1,000,000元組別內。

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB30,454,000 (2016: RMB2,127,000) and the weighted average of 992,772,000 (2016: 915,484,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

10. 每股盈利/(虧損)

(a) 每股基本盈利

每股基本盈利之計算是以本公司股東應佔經營業務溢利人民幣30,454,000元(2016年: 人民幣2,127,000元)及根據年內之已發行加權平均股數992,772,000(2016年: 915,484,000)普通股計算:

普通股加權平均股數

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Issued ordinary shares at 1 January	於1月1日已發行之普通股	992,772	915,272
Effect of convertible notes converted into ordinary shares	行使可換股票據之影響	-	212
Weighted average number of ordinary shares at 31 December	於12月31日之普通股加權平均股數	992,772	915,484

(b) Diluted earnings per share

No adjustment had been made to the basic earnings per share amount as presented for the years ended 31 December 2017 and 2016 in respect of a dilution of the convertible notes and outstanding share options which had an anti-dilutive effect on the basic earnings per share.

(b) 每股攤薄盈利

由於未行使認股權證對呈列之每股基本盈利具有反攤薄效應，故並無就其攤薄對呈列之每股基本盈利金額作出調整。

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Leasehold improvements 物業裝修費 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost:	成本:				
At 1 January 2016,	於二零一六年一月一日,				
31 December 2016,	二零一六年十二月三十一日,				
1 January 2017 and	二零一七年一月一日				
31 December 2017	及二零一七年十二月三十一日	5,672	18,926	645	25,243
Accumulated depreciation:	累計折舊:				
At 1 January 2016	於二零一六年一月一日	5,648	14,351	441	20,440
Charge for the year	本年度折舊	7	966	59	1,032
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	5,655	15,317	500	21,472
Charge for the year	本年度折舊	7	955	58	1,020
At 31 December 2017	於二零一七年十二月三十一日	5,662	16,272	558	22,492
Net book value:	賬面淨值:				
At 31 December 2017	於二零一七年十二月三十一日	10	2,654	87	2,751
At 31 December 2016	於二零一六年十二月三十一日	17	3,609	145	3,771

12. NEW DRUG TECHNOLOGIES

12. 新藥技術

		Total 總計 RMB'000 人民幣千元
Cost:	成本:	
At 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月一日，二零一六年 十二月三十一日及二零一七年一月一日	16,681
Write-off	撇銷	(16,681)
At 31 December 2017	於二零一七年十二月三十一日	-
Accumulated amortisation and impairment:	累計攤銷及減值虧損：	
At 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月一日，二零一六年十二月 三十一日及二零一七年一月一日	16,681
Write-off	撇銷	(16,681)
At 31 December 2017	於二零一七年十二月三十一日	-
Net book value:	賬面淨值:	
At 31 December 2017	於二零一七年十二月三十一日	-
At 31 December 2016	於二零一六年十二月三十一日	-

13. INVESTMENTS IN SUBSIDIARIES

13. 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

影響本集團之業績、資產及負債之附屬公司詳情如下。除特別列出，所持有之股權為普通股。

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊/成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權權益比率			Principal Activities 主要業務
			Group's effective interest 本集團持有	Held by the company 本公司持有	Held by a subsidiary 附屬公司持有	
Venturepharm Laboratories (BVI) Limited ("VP(BVI)")	British Virgin Islands ("BVI")	US\$100 100美元	100%	100%	-	Investment holding 控股投資
Venovo Pharma US Inc ("VP(US)")	BVI	US\$1 1美元	100%	100%	-	Investment holding 控股投資
VPSCRO Group Inc. ("VPSCRO")	BVI	US\$1 1美元	100%	100%	-	Inactive 無經營
北京德眾萬全醫藥科技有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamics and clinical research of drugs; PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務
北京萬全陽光醫藥技術有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamics and clinical research of drugs; Provision of PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務
北京萬全陽光醫藥科技有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamics and clinical research of drugs; Provision of PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務
北京德眾萬全藥物技術開發有限公司	Beijing, the PRC 中國北京	US\$865,000 865,000美元	100%	-	100%	Research and development of new drug preparations, raw materials, supplementary materials and biodrugs technological transfer and services; Provision of PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務
泰州萬全醫藥科技有限公司	Taizhou, the PRC 中國泰州	RMB1,000,000 人民幣1,000,000元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamics and clinical research of drugs; Provision of PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊/成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權益比率			Principal Activities 主要業務
			Group's effective interest 本集團持有	Held by the company 本公司持有	Held by a subsidiary 附屬公司持有	
海南盛科生命科學研究院	Hainan, the PRC 中國海南	US\$360,000 360,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamics and clinical research of drugs; Provision of PM services and PD services 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務；藥品之藥效研究及臨床研究；上市後醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務及合約藥品開發服務
漢中漢江萬全醫藥化工有限公司	Hanzhong, the PRC 中國漢中	US\$600,000 600,000美元	51%	-	51%	Inactive 無經營
西藏萬全醫學技術有限公司	Xizang, the PRC 中國西藏	RMB\$1,000,000 人民幣1,000,000元	100%	-	100%	Inactive 無經營

The following table lists out the information relating to 漢中漢江萬全醫藥化工有限公司, the only subsidiary of the Group which has a material non-controlling interest (NCI). The summarized financial information presented below represents the amounts before any inter-company eliminations.

下表載列本集團唯一擁有重大非控股權益（「非控股權益」）之本集團附屬公司漢中漢江萬全醫藥化工有限公司有關之資料。下文呈列之財務資料概要指作出任何公司間撇銷前之金額。

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
NCI percentage	非控制性權益百分比	49%	49%
Current assets	流動資產	10	10
Non-current assets	非流動資產	5	5
Current liabilities	流動負債	(19)	(19)
Net liabilities	淨負債	(4)	(4)
Carrying amount of NCI	非控制性權益之賬面值	-	-
Revenue	收入	-	2
Profit and total comprehensive income for the year	本年淨溢利及綜合收益總額	-	2
Profit allocated to NCI	分配至非控制性權益之溢利	-	-
Cash flows used in operating activities	經營活動所得現金流量	-	-

14. WORK-IN-PROGRESS

14. 在產品

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Cost	成本	95,953	95,621
Less: Provisions for write-down	減:在產品減值撥備	(93,535)	(93,535)
		2,418	2,086

The provisions for write-down of work-in-progress are as follows: 在產品減值撥備之變動如下:

		Contracted RMB' 000 已訂約 人民幣千元	Non-contracted RMB' 000 未訂約 人民幣千元	Total RMB' 000 合計 人民幣千元
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日, 二零一六年十二月三十一日, 二零一七年一月一日及 二零一七年十二月三十一日	52,306	41,229	93,535

The provisions for write-down of contracted work-in-progress were due to the total contract costs exceeding the total contract values while the provisions for write-down of non-contracted work-in-progress were due to the suspension of non-contracted PD services projects in prior years.

已簽約的在產品作減值撥備是由於總合約成本超出總合約金額，而未簽約在產品作減值撥備是由於本集團停止以往年度未簽約的藥物開發服務項目。

15. TRADE AND BILLS RECEIVABLE

15. 應收賬款及應收票據

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Trade receivables	貿易應收賬款	18,122	551
Bills receivable	應收票據	769	-
		18,891	551

Included in trade receivables of the Group as at 31 December 2017 is the trade receivable from a related company of RMB8,824,000 (2016: RMBNil), which is unsecured, interest-free and bears normal commercial terms as other trade debtors. A related company is an entity in which a director of the Company, Mr. William Xia GUO, had significant influence.

貿易應收款項包含應收關聯公司一筆總值人民幣8,824,000（二零一六年：無）之貿易應收款項。此等貿易應收款項為無抵押，免息及與第三方之商業條件一致。關聯公司是指本公司董事郭夏先生能夠對該等公司產生重大影響。

(a) Ageing analysis

The Group normally grants 30 days (2016: 15 to 30 days) credit period to its customers. The bills receivable as at 31 December 2017 are non-interest bearing bank acceptance bills and are aged within 6 months. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management.

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date and net of allowances for doubtful debts, is as follows:

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Within 30 days	30日內	16,333	518
31 to 60 days	31至60日	2,525	-
61 to 90 days	61至90日	-	33
Over 365 days	超過365日	33	-
		18,891	551

(b) Trade and bills receivables that are not impaired

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Neither past due nor impaired	無逾期或減值	16,333	551
Within 30 days past due	逾期少於30日	2,525	-
31 to 365 days past due	逾期31日至365日	-	-
More than 365 days past due	逾期超過365日	33	-
Amounts past due	逾期金額	2,558	-
		18,891	551

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

(a) 賬齡分析

本集團通常授予其客戶30天（二零一六年：15至30日）信貸期。於二零一七年十二月三十一日，應收票據為無息銀行承兌匯票，並賬齡於六個月內。本集團力求嚴格控制其未償還應收款項，逾期結餘由管理層定期檢討。

於報告期末貿易應收款項及應收票據之賬齡，按發票日期及扣除呆賬撥備，分析如下：

(b) 無減值之貿易應收款項及應收票據

應收賬項無逾期或減值因大部份客戶沒有拖欠記錄。

已逾期應收賬項但無減值的數位客戶在本集團及公司有良好記錄。根據過去經驗，管理層相信此等結餘對信貸質素無重大變化及結餘應可全數收回所以沒有作出減值準備。

16. TRADE DEPOSITS PAID

Trade deposits paid represented guarantee deposits paid to customers in connection with service agreement signed for the provision of PM services and will be refunded upon satisfaction of contract terms

16. 預付業務押金

預付業務押金為預付客戶有關上市後臨床研究及學術推廣服務合同的保證金。

17. PREPAYMENTS AND OTHER RECEIVABLES

17. 預付款及其他應收款

	Note	2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Prepayments		61	61
Value-added tax recoverable		281	283
Advances to staff for business trips		284	758
Amounts due from directors	(a)	68	88
Other receivables		121	394
		815	1,584

All of the prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

所有預付款及其他應收款項期於1年內可收回或確認為費用。

(a) Amounts due from directors

(a) 應收董事款項

The amounts due from directors, disclosed pursuant to section 383 of the Hong Kong Companies Ordinance, are as follows:

根據香港《公司條例》第383條之董事往來披露如下：

Name of director 董事姓名	At 31 December 2017 於二零一七年 十二月三十一日 RMB' 000 人民幣千元	31 December 2016 and 1 January 2017 於二零一六年十二月三十一日 及二零一七年一月一日 RMB' 000 人民幣千元		Maximum amount outstanding during the year 當年最高結欠	
		At 1 January 2016 於二零一六年 一月一日 RMB' 000 人民幣千元		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Dr. Maria Xue Mei Song 宋雪梅博士	68	60	–	68	73
Mr. Michael Su 蘇毅先生	–	28	–	28	30
	68	88	–		

The amounts due from directors are non-trade related, unsecured, interest-free and repayable on demand.

應收董事款項為無抵押、免息及須於要求時償還。

18. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

18. 貿易應付款項，其他應付款項及應計費用

			2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Trade payables	貿易應付款項	(a)	43	108
Litigation claims payables	應付法律訴訟賠償	(b)	13,484	13,033
Accrued staff costs, welfare and benefits	應計員工成本，福利和福利		3,492	2,279
Value-added tax and sundry taxes payable	應付增值稅及其他稅項		1,913	98
Amounts due to related companies	應付關聯公司款項	(c)	-	2,987
Others	其他		4,147	4,806
			23,079	23,311

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

所有貿易及其他應付賬項於1年內支付或確認為收入。

(a) Ageing analysis

(a) 賬齡分析

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

於報告期末貿易應付款項之賬齡按發票日期分析如下：

			2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Within 30 days	30日內		-	108
Over 365 days	超過365日		43	-
			43	108

(b) Several subsidiaries of the Company are defendants in various lawsuits and claims arising in the normal course of business. The amounts provided represented the outstanding claims payables to plaintiffs according to the respective court judgements.

(b) 本集團內的幾家附屬公司因業務經營而成被告。應付法律訴訟賠償為依據法院判決的應付原告法律訴訟賠償。

(c) Related companies were entities in which a director of the Company, Mr. William Xia GUO, had significant influence. The amounts due were unsecured, interest-free and repayable on demand.

(c) 關聯公司是指本公司董事郭夏先生能夠對該等公司產生重大影響。應付關聯公司款項為無抵押、免息及須於要求時償還。

19. RECEIPTS IN ADVANCE

19. 預收款項

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
At 1 January	於一月一日	4,855	24,215
Cash received for the year	本年收款	83	552
Reclassify to loans from related companies (note 20)	本年調賬至關連方借款 (附註20)	-	(6,459)
Revenue recognised for the year	本年確認為收入	(4,556)	(13,453)
At 31 December	於十二月三十一日	382	4,855

As at 31 December 2016, included in receipts in advance was an amount of RMB300,000 representing suspended projects which are pending of mutual agreement between the Group and the customers on final settlement in respect of the deposits received.

於二零一六年十二月三十一日，預收款項中包括人民幣300,000元屬於已暫停項目的預收款項。該等預收款項的處理方法有待本集團與客戶協商後決定。

20. LOANS FROM RELATED COMPANIES

20. 關聯公司貸款

Related companies were entities in which a director of the Company, Mr. William Xia GUO, had significant influence. The loans from related companies were unsecured, interest-free and specifically provided to finance the daily operations of the Group. The loans were repayable on 30 June 2018 but contain a repayment on demand clause and, therefore were classified as current liabilities in 2016. All of the loans were settled before its due date in 2017.

關聯公司是指本公司董事郭夏先生能夠對該等公司產生重大影響。關聯公司貸款為無抵押、免息及須用於本集團日常營運用途。根據貸款條款，貸款將於二零一八年六月三十日償還，但載有按要求償還條款，因此於二零一六年分類為流動負債。所有貸款均於二零一七年在償還期限前結清。

21. BANK BORROWINGS

21. 銀行貸款

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Bank loan	銀行貸款	-	1,500

The loan was unsecured, interest-bearing at the Loan Prime Rate of Beijing Bank plus 92 points and was guaranteed by a director of the Company, Dr. Maria Xue Mei SONG. The loan was fully repaid during the year. The effective interest rate during the year ended 31 December 2017 was 5.22% (2016: 5.22%) per annum.

於二零一六年十二月三十一日之銀行貸款為無抵押及以本公司其中一位董事，宋雪梅博士作個人擔保。無抵押銀行貸款以浮動年利率按北京銀行年利率上浮92點子計息。所有銀行貸款已於二零一七年提前全部償還。於二零一七年十二月三十一日止年度的實際年利率為5.22厘（二零一六年十二月三十一日止年度：5.22厘）。

22. CAPITAL AND RESERVES

22. 股本及儲備

(a) Movements in components of equity

(a) 個別權益組成部份年初與年終的變動詳情

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

本集團綜合權益各部份之期初及期末結餘之間之對賬載於綜合權益變動報表內。本公司個別權益部份於年初及年末之間之變動詳情載列如下：

		Share capital 股本 RMB' 000 人民幣千元	Share Based Payment reserve 股份基礎 支付儲備 RMB' 000 人民幣千元	Capital reserve 特別儲備 RMB' 000 人民幣千元	Contributed surplus 盈餘公積 RMB' 000 人民幣千元	Accumulated losses 累計虧損 RMB' 000 人民幣千元	Total 合計 RMB' 000 人民幣千元
At 1 January 2016	於二零一六年一月一日	81,699	5,626	2,162	28,011	(151,619)	(34,121)
Changes in equity for 2016:	二零一六年之權益變動:						
Loss and total comprehensive loss for the year	年度虧損及綜合支出總額	-	-	-	-	(5,051)	(5,051)
Conversion of convertible bonds	可轉換票據轉換成股本	6,974	-	3,977	-	-	10,951
Equity settled share-based transactions	權益償付以股份為付款基礎之交易	-	1,424	-	-	-	1,424
At 31 December 2016 and 1 January 2017	二零一六年十二月三十一日及 二零一七年一月一日	88,673	7,050	6,139	28,011	(156,670)	(26,797)
Changes in equity for 2017:	二零一七年之權益變動:						
Loss and total comprehensive loss for the year	年度虧損及綜合支出總額	-	-	-	-	(1,862)	(1,862)
Equity settled share-based transactions	權益償付以股份為付款基礎之交易	-	516	-	-	-	516
Cancellation of share options	取消購股權	-	(3,703)	-	-	3,703	-
At 31 December 2017	二零一七年十二月三十一日	88,673	3,863	6,139	28,011	(154,829)	(28,143)

(b) Issued share capital

(b) 已發行股本

		2017		2016	
		二零一七年		二零一六年	
		Number of Shares' 000 股數' 000	RMB' 000 人民幣千元	Number of Shares' 000 股數' 000	RMB' 000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及已繳足 普通股:				
At 1 January	於一月一日	992,772	88,673	915,272	81,699
Issue of shares upon conversion of convertible notes(note)	兌換可換股票據	-	-	77,500	6,974
At 31 December	於十二月三十一日	992,772	88,673	992,772	88,673

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權不時收取所宣派的股息，並有權於本集團會議上按每股一票投票表決。所有普通股在本集團剩餘資產方面具同等地位。

Note:

附註：

During the year ended 31 December 2016, the Company completed the conversion of all outstanding convertible bonds in which 77,500,000 ordinary shares at HK\$0.10 each were issued upon conversion of all outstanding convertible notes.

截至二零一六年十二月三十一日止年度，本公司已完成兌換所有可換股票據，並以兌換價每股0.10港元兌換了77,500,000股本公司之普通股。

Interest expense of RMB725,000 was recognised in profit or loss in respect of the convertible bonds for the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度，可換股債券利息開支人民幣725,000元已於損益確認。

(c) Nature and purpose of reserves

(c) 儲備之性質及目的

(i) Special reserve

(i) 特別儲備

The special reserve represents the differences between the nominal value of the shares of VP (BVI) (a holding company of the other members of the Group prior to the group reorganisation) and the nominal value of the Company's shares issued pursuant to the group reorganisation.

特別儲備是指VP(BVI) (本集團重組前本集團其他成員公司之控股公司) 股份面值及本公司根據本集團重組而發行之股份面值兩者間之差額。

(ii) Capital reserve

(ii) 資本儲備

The capital reserve represents the additional contributions made by the shareholders of the Company and the additional contributions made by the non-controlling shareholder of the subsidiary of the Company prior to the listing of the Company's shares on The Growth Enterprise Market of the Stock Exchange. It also includes the premium of the issued share capital of the Company.

資本撥備是指本公司股東於本公司股份在聯交所上市前所作之額外注資，以及本公司附屬公司少數股東於年內所作額外注資。資本撥備亦包括本公司已發行股本的溢價。

(iii) Statutory reserve and statutory enterprise expansion fund

Pursuant to the PRC regulations and the Articles of Association and Board regulations of the subsidiaries of the Company, each of the subsidiary is required to transfer 10% of its net profit, as determined under PRC accounting regulations, to a statutory reserve until the fund aggregates 50% of each of the subsidiary registered capital. The transfer to this reserve must be made before distribution of any dividends to shareholders. The statutory reserve shall only be used to make good of previous years' losses, to expand the subsidiary's production operations or to increase the capital of the subsidiary. Upon approval by a resolution at a shareholder's general meeting, the subsidiary may transform its statutory reserve into share capital and issue bonus share to existing shareholders in proportion to their original shareholdings or to increase the nominal value of each share currently held by them, provided that the balance of the reserve fund after such issue is not less than 25% of the registered capital. Moreover, the subsidiaries of the Company established in the PRC can transfer certain percentage of their profit after taxation on voluntary basis, as determined under the PRC accounting regulations to the enterprise expansion fund.

(iv) Contributed surplus

The contributed surplus represents the difference between the net assets of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Group Reorganisation.

The Company's reserves available for distribution to its shareholders comprise the capital reserve and contributed surplus. In accordance with the Company's Articles of Association, dividends shall be payable out of profits or other reserves of the Company. Under the Companies Law of the Cayman Islands, the Company must be able to pay its debts as they fall due in the ordinary course of business immediately following the distribution of any dividends.

(iii) 法定公積及法定企業發展基金

根據中國的法規及本公司的公司章程，本公司須按中國會計制度計算所得溢的10%轉撥入法定公積金，直至該儲備金的總額相等於本公司的註冊資本的50%為止。轉撥款項入此項儲備必須於分派股息予股東前作出。法定公積金只可用於抵消過往年度的虧損、擴大本公司的生產經營、或增加本公司的股本。若股東大會批准，本公司可將法定公積金轉為股本，並按現有股東的原有持股量發行紅股予該等股東，或增加該等股東現時持有的每股股份面值，惟於該發行後，該法定公積金的結餘不得少於註冊資本的25%。此外，本集團於中華人民共和國批准成立的附屬公司可酌情將其除稅後純利之某個百分比撥入法定企業發展基金。

(iv) 供款盈餘

本公司之供款盈餘是指附屬公司之資產淨值及本公司根據本集團重組發行以作交換之股份面值兩者間之差額。

本公司可供分派予股東之儲備包括資本儲備及實繳溢價。根據本公司組織章程，應付之股息須自本公司溢利或其他儲備中撥出(包括股份溢價賬)。此外，根據開曼群島之公司法，本公司須在緊接派發股息之後，能夠支付日常業務中到期之借貸。

23 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

23 合併現金流量表註釋

Reconciliation of profit before taxation to cash generated from/(used in) operations:

除稅前溢利與經營業務所得/（所用）現金之對賬:

		2017 二零一七年 RMB' 000 人民币千元	2016 二零一六年 RMB' 000 人民币千元
Profit before taxation 除稅前溢利		33,898	2,085
Adjustments for: 調整:			
- Bank interest income - 銀行利息收入	5	(8)	(9)
- Interest expenses - 利息支出	6(a)	76	800
- Equity settled share-based payment expenses - 權益償付以股份為基礎交易的開支	6(b)	516	1,424
- Depreciation - 折舊	6(c)	1,020	1,032
Operating profit before changes in working capital 營運資金變動前之經營業務所得現金:		35,502	5,332
(Increase)/decrease in work-in-progress 在產品(增加)/減少		(332)	587
(Increase)/decrease in trade and bills receivables 貿易應收款項及應收票據(增加)/減少		(18,340)	2,817
Decrease/(increase) in trade deposits paid 預付業務押金減少/(增加)		1,500	(3,100)
Decrease/(increase) in prepayments and other receivables 預付款及其他應收款項減少/(增加)		769	(252)
(Decrease)/increase in trade payables, payables and accrued charges 貿易應付款項, 其他應付款項及應計費用(減少)/增加		(232)	761
Decrease in receipts in advance 預收款項減少		(4,473)	(12,901)
Cash generated from/(used in) operations 經營業務所得所得/（所用）之現金		14,394	(6,756)

24. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Within one year	一年內	22	47

The Group is the lessee in respect of a number of buildings held under operating leases. The leases typically run for an initial period of one year, with an option to renew when all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes contingent rentals.

25. RETIREMENT BENEFIT SCHEMES

Pursuant to the relevant labour rules and regulations in the PRC, the subsidiaries of the Company in the PRC participate in defined contribution retirement schemes (the "Schemes") organised by the relevant local authorities whereby the subsidiaries in the PRC are required to make contributions to the Schemes at rates which range from 0.4% to 19% (2016: 0.3% to 20%) of the eligible employee's salaries during the year. The relevant local government authorities are responsible for the entire pension obligations payables to retired employees.

26. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 20 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company within the Group, to take up options at predetermined considerations to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

24. 經營租賃承擔

於二零一七年十二月三十一日，不可撤銷經營租賃項下之未來最低租賃付款總額須於下列期間內支付：

本集團為根據經營租賃持有之多處物業的承租人。該等租約初始期限一般為一年，並有權選擇續約，屆時所有條款均會重新磋商。租賃付款一般每年提高一次，以反映市場租金水平，概無租約包含或然租金。

25. 僱員退休福利計劃

根據中國的相關勞工規則及法規，本集團於中國的附屬公司參與相關地方當局籌辦的界定供款退休計劃（「計劃」），據此，中國附屬公司於年內須按合資格僱員薪金的0.4%至19%（二零一六年：0.3%至20%）向計劃作出供款。相關地方當局承擔應付退休僱員的全部退休金責任。

26. 權益償付以股份為基礎交易

本公司於二零零三年六月二十日採納一項購股權計劃；據此，本公司之董事獲授權酌情邀請本集團之僱員（包括本集團旗下任何公司之董事）接納購股權以認購本公司普通股。每一購股權授予持有人認購本公司一股普通股股權之權利。

(a) The terms and conditions of the grants given are as follows:

(a) 於彙報日之未屆滿及未行使購股權之條款及條件如下:

2017:

二零一七年:

Grant date	授權日期	Exercise price	行使價	Note 附註	At 1 January 2017 於二零一七年一月一日	Lapsed during the year 於本年度註銷	At 31 December 2017 於二零一七年十二月三十一日
10 May 2007	10/5/2007	HK\$0.625	港幣62.5仙	(ii)	1,950,100	(1,950,100)	-
7 April 2009	7/4/2009	HK\$0.435	港幣43.5仙	(iii)	3,918,800	(250,000)	3,668,800
30 June 2015	30/6/2015	HK\$0.45	港幣45仙	(iv)	17,300,000	(1,190,000)	16,110,000
					23,168,900	(3,390,100)	19,778,800

2016:

二零一六年:

Grant date	授權日期	Exercise price	行使價	Note 附註	At 1 January 2016 於二零一六年一月一日	Lapsed during the year 於本年度註銷	At 31 December 2016 於二零一六年十二月三十一日
10 August 2006	10/8/2006	HK\$0.36	港幣36仙	(i)	928,800	(928,800)	-
10 May 2007	10/5/2007	HK\$0.625	港幣62.5仙	(ii)	1,950,100	-	1,950,100
7 April 2009	7/4/2009	HK\$0.435	港幣43.5仙	(iii)	4,330,800	(412,000)	3,918,800
30 June 2015	30/6/2015	HK\$0.45	港幣45仙	(iv)	20,670,000	(3,370,000)	17,300,000
					27,879,700	(4,710,800)	23,168,900

Notes:

備註:

(i) These options were exercisable within the period commencing from 10 August 2006 to 9 August 2016. The options were valid and effective until 9 August 2016.

(i) 該等購股權可於二零零六年八月十日至二零一六年八月九日期間認購本公司股份。該購股權將於二零一六年八月九日失效。

(ii) These options were exercisable within the period commencing from 10 May 2007 to 9 May 2017. The options were valid and effective until 9 May 2017.

(ii) 該等購股權可於二零零七年五月十日至二零一七年五月九日期間認購本公司股份。該購股權將於二零一七年五月九日失效。

(iii) These options were exercisable within the period commencing from 7 April 2009 to 6 April 2019. The options were valid and effective until 6 April 2019.

(iii) 該等購股權可於二零零九年四月七日至二零一九年四月六日期間認購本公司股份。該購股權將於二零一九年四月六日失效。

(iv) These options are exercisable in three trench with the maximum percentage of options exercisable with the periods commencing from 30 June 2016 to 29 June 2017, 30 June 2017 to 29 June 2018 and on 30 June 2018 being 40%, 70% and 100% respectively. The options are valid and effective until June 2025.

(iv) 該等購股權可分三期行使：即二零一六年六月三十日至二零一七年六月二十九日、二零一七年六月三十日至二零一八年六月二十九日及二零一八年六月三十日以後，分別以40%、70%及100%之可於行使購股權百分比上限認購本公司股份。該購股權將於二零二五年六月二十九日失效。

(b) The number and weighted average exercise prices of share options that are exercisable are as follows:

(b) 購股權之數目及加權平均行使價如下:

	2017 二零一七年		2016 二零一六年	
	Weighted average exercise price HK\$ 加權平均 行使價港幣	Number of options 購股權之數目	Weighted average exercise price HK\$ 加權平均 行使價港幣	Number of options 購股權之數目
Outstanding at the beginning of the year 於一月一日尚未行使	0.465	18,518,150	0.464	13,927,450
Granted during the year 於本年度授出	0.450	3,617,250	0.450	9,301,500
Lapsed during the year 於本年度註銷	0.550	(3,390,100)	0.431	(4,710,800)
Outstanding at the end of the year 於十二月三十一日尚未行使	0.447	18,745,300	0.465	18,518,150
Exercisable at the end of the year 於十二月三十一日可予行使	0.447	18,745,300	0.465	18,518,150

The options outstanding as at 31 December 2017 had their exercise price of HK\$0.435 and HK\$0.45 (2016: HK\$0.625, HK\$0.435, HK\$0.45) and a weighted average remaining contractual life of 6.28 years (2016: 5.34 years).

於二零一七年十二月三十一日未行使購股權之行使價為港幣43.5仙及港幣45仙（二零一六年：港幣62.5仙、港幣43.5仙及港幣45仙）及加權平均餘下契約年期是6.28年（二零一六年：5.34年）。

(c) Fair value of share options and assumptions

(c) 購股權之公允值及假設

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

本集團以授出購股權來獲得之服務之公允值，乃參考已授出購股權之公允值計量。已授出購股權之估計公允值以二項式點陣模式計量。購股權之合約年期用作該模式之一項輸入參數。有關提早行使之預期已計入二項式點陣模式之內。

	2015		二零一五年
Fair value at measurement date	HK\$0.209 - HK\$0.2881	於計量日期之公允值	港幣20.9仙 - 港幣28.81仙
Share price	HK\$0.43	股價	港幣43仙
Exercise price	HK\$0.45	行使價	港幣45仙
Expected volatility (expressed as weighted average volatility used in the modeling under Binomial Lattice model)	89.29%	預期波幅（以二項式點陣模式項下設定所用加權平均波幅表示）	89.29%
Option life (expressed as weighted average life used in the modeling under Binomial Lattice model)	10 years	購股權年期（以二項式點陣模式項下設定所用加權平均波幅表示）	10 years
Expected dividends	0%	預期股息	0%
Risk-free interest rate (based on Exchange Fund Notes)	1.788%	無風險利率	1.788%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃按過往波幅（按購股權之加權平均剩餘年期計算）計算，並就根據過往之股息作出調整。主輸入假設項目之變動可對公允值之估計造成重大影響。

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

During the year ended 31 December 2017, equity settled share-based payment expenses related to services provided by the directors of the Company and other employees of RMB373,000 (2016: RMB714,000) and RMB143,000 (2016: RMB710,000) respectively were recognised in profit or loss arising from options vested during the year.

27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group wholly related to amounts paid to the Company's directors, as disclosed in note 8.

(b) Other related parties transactions

In addition to the financial arrangement dealt with a director of the Company as mentioned in note 21, the Group entered into the following material related party transactions during the year:

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Income for PM services from a related company (Note)	從關聯公司收取之上市后醫學臨床服務、臨床研究、醫學聯絡和醫療市場服務收入 (附註)	24,244	-

Note:

A related company is an entity in which a director of the Company, Mr. William Xia GUO has significant influence.

(c) Details of balances with related parties are disclosed in notes 15, 17, 18 and 20.

28. CONTINGENT LIABILITIES IN RESPECT OF LITIGATION CLAIMS

As of 31 December 2017, certain of the subsidiaries of the Group are defendants in proceedings relating to its customers. Based on the respective court judgements, management is of the opinion that the outcome of such proceedings will not be beyond the existing accruals made for such litigation claims as disclosed in note 18(b). Accordingly, there will be no significant impact to the financial status of the Group.

購股權是根據服務條件而授出。此項條件在計量所得服務之公允值（於授出日期）時不在考慮之列。授出購股權並無附有市場條件。

截至二零一七年十二月三十一日止年度，與本公司董事及其他僱員提供服務有關的權益償付以股份為基礎交易開支為人民幣373,000元（二零一六年：人民幣714,000元）及人民幣143,000元（二零一六年：人民幣710,000元）已於年內之損益確認。

27. 關聯方之重大交易及結餘

(a) 主要管理層人員酬金

集團主要管理層人員酬金包括支付本公司董事，並已於附註8披露。

(b) 其他關聯方交易

除附註21所述本公司董事處理之財務安排外，本集團於年內訂立以下重大關聯公司交易：

附註：

關聯公司是指本公司董事郭夏先生能夠對該等公司產生重大影響。

(c) 與關聯公司之結餘已在合併財務狀況表附註15, 17, 18及20中披露。

28. 法律訴訟的或然負債

於二零一七年十二月三十一日，本集團內的幾家附屬公司因業務經營成為被告。本集團管理層考慮相關法律建議和法院判決，評估所引起的或有負債，認為該等法律訴訟賠償應不會超出附註18(b)列出的應付法律訴訟賠償，因此對本集團的財務狀況沒有重大影響。

29. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's overall strategy remains unchanged from prior years.

The Group actively and regularly reviews and manages its capital structure to ensure it is effective and optimises shareholder returns, taking into consideration the future capital requirements of the Group prevailing and projected capital expenditure and projected investment opportunities.

In order to maintain or adjust the capital structure, the Group may consider the amount of dividends paid to shareholders, the return of capital to shareholders, the issue of new shares or selling assets to reduce debt.

The Group assesses the total equity/deficiency presented on the face of the consolidated statement of financial position for capital management purposes.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, the Group has policies in place to ensure credit is granted to customers with appropriate credit history and good reputations through evaluations on customer past history of making payments when due and have the ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which they operate. Trade and bills receivables are due within 30 days (2016: 15 to 30 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

29. 資本管理

本集團之基本目標為管理股本以保障本集團之繼續營運之能力，以使其能持續向股東提供回報及向其他相關人士提供利益，以產品價格及在風險水平內之相應服務及以合理成本安全運用資金。本集團整體策略與往年持平。

本集團積極及定期對資本架構進行檢討及管理，以達到最有效益及最高的股東回報。本集團在檢討及管理過程中，會考慮未來的資本需求及預期的資本開支及投資機會。

為保持或調整資本結構，本集團可以調整付給股東的股息，向股東退回資本，發行新股或出售資產以減低負債。

本集團的資本管理參照其載於合併財務狀況表的權益總額。

30. 財務風險管理及金融工具之公允值

本集團在一般業務過程中存在信貸、流動資金、利率及貨幣風險。

本集團面對之有關風險及本集團所採用之財務風險管理政策與慣例載述如下。

(a) 信貸風險

本集團之信貸風險主要來自貿易應收款項及其他應收款項與現金及現金等價物。管理層備有信貸政策，而有關該信貸之風險持續受到監控。

在貿易應收款項及其他應收款項方面，本集團均會對所有要求的客戶進行個別信貸評估。該等評估針對客戶過往償還到期款項的記錄及現時的還款能力，並會考慮客戶的相關資料及客戶經營業務的經濟環境。應收賬款由發單日期起計30日(二零一六年: 15至30日)內到期。一般而言，本集團不會向客戶要求抵押品。

The Group has a concentration of credit risk on its two largest customers (2016: two largest customers) and the largest customer which represent 98% (2016: 94%) and 72% (2016: 75%) of the total trade receivables balance respectively.

The credit risk on cash and cash equivalents is limited because the counterparties are authorised financial institutions with sound credit ratings.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairments or allowances.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in notes 15 and 17.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

本集團對兩大客戶（二零一六年：兩名最大客戶）及最大客戶的信貸風險集中分別佔貿易應收款項結餘總額的98%（二零一六年：94%）及72%（二零一六年：75%）。

本集團之銀行存款乃存放於有良好信貸評級之金融機構，管理層認為本集團面對之信貸風險為低。

信貸風險承受上限為各金融資產減值後於合併財務狀況表的賬面值。

有關本集團自應收賬款及其他應收款而產生之信貸風險之進一步量化披露載於附註15及17。

(b) 流動資金風險

本集團個別經營實體負責其日常運作之資金管理，包括存放短期現金存款及借入貸款以滿足預期現金需求，惟倘借貸超過若干預先授權之水準，則須獲母公司董事會批准。本集團之政策是定期監控流動資金需要及其遵守貸款契諾之情況，以確保本集團維持充足現金儲備及獲主要金融機構承諾提供足夠之信貸額，以應付短期及長期之流動資金需要。

下表呈列本集團於彙報日之金融負債之餘下合約期限，此乃根據合約未折現現金流量（包括按合約利率，或如屬浮息按彙報日通行之利率計算之利息）以及本集團須償還有關款項之最早日期作分析：

		Contractual undiscounted cash flows	
		合約未折現現金流出	
		Within 1 year or on demand	Carrying amount
		一年內或按要求	賬面值
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2017	二零一七年		
Trade payables, other payables and accrued charges	貿易應付款項，其他應付款項及應計費用	23,079	23,079

		Contractual undiscounted cash flows	
		合約未折現現金流出	
		Within 1 year or on demand	Carrying amount
		一年內或按要求	賬面值
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2016	二零一六年		
Trade payables, other payables and accrued charges	貿易應付款項, 其他應付款項及應計費用	23,311	23,311
Loans from related companies	關聯公司貸款	8,321	8,321
Bank borrowing	銀行貸款	1,570	1,500
		33,202	33,132

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and bank borrowing. The bank deposits and borrowings bear interest at variable rates and expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile is monitored by management.

Sensitivity analysis

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in the interest rates, with all other variables held constant, it would have increased/decreased the Group's profit after tax and accumulated losses by approximately RMB53,000 (2016: decreased/increased the Group's profit after tax and increased/decreased of accumulated losses by approximately RMB4,000).

The sensitivity analysis above has been determined assuming that changes in interest rates occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of reporting period. The analysis is performed on the same basis for 2016.

(d) Currency risk

The Group is not exposed to significant foreign currency risk as most of income and expenses are denominated in the functional currency of the Group.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2017 and 2016.

(c) 利率風險

本集團之利率風險主要來自銀行存款及付息借貸。本集團之銀行存款及付息借貸之利率均為浮動息率。因此，本集團面對利率現金流及利率公允價值風險本集團由管理層監控。

敏感性分析

於二零一七年十二月三十一日，估計利率普遍上升/下跌一百個基點，在所有其他可變動因素保持不變之情況下，本集團除稅後溢利減少/增及累計虧損增加/減少約人民幣53,000元（二零一六年：除稅後溢利減少/增加及累計虧損增加/減少約人民幣4,000元）。

以上的敏感度分析已假設利率變動已於報告期末發生而釐訂，並已應用於就於該日所面對來自衍生及非衍生財務工具之利率風險。一百點子增加或減少指管理層對直至下一個年度報告期末期間之利率可能合理變動之評估。分析按二零一六年相同之基準進行。

(d) 外匯風險

由於大部分收入及開支均以本集團功能貨幣計值，故本集團並無面對重大外幣風險。

(e) 公允值

所有金融工具之入賬金額與其於二零一七年及二零一六年十二月三十一日之公允值無重大不同。

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

31. 公司層面的財務狀況表

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Non-current asset	非流動資產		
Interests in subsidiaries	附屬公司權益	-	-
Current assets	流動資產		
Prepayments and other receivables	預付款及其他應收款項	88	-
Cash and cash equivalents	現金及現金等價物	25	659
		113	659
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	1,886	1,718
Amounts due to subsidiaries	附屬公司應付款項	26,370	25,738
		28,256	27,456
Net current liabilities	淨流動負債	(28,143)	(26,797)
Net liabilities	淨負債	(28,143)	(26,797)
Capital and reserves	股本及儲備		
Share capital	股本	88,673	88,673
Reserves	儲備	(116,816)	(115,470)
Total deficit	總虧損	(28,143)	(26,797)

32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group:

32. 截至二零一七年十二月三十一日止年度已頒佈但未生效之修訂、新準則及詮釋之潛在影響

截至此等合併財務報表刊發之日，香港會計師公會已頒佈多項修訂、新準則及詮釋，但於截至二零一七年十二月三十一日止年度仍未生效，且仍未於此等合併財務報表採納。這些包括以下可能與本集團相關的內容：

Effective for accounting periods beginning on or after

於下列日期或之後開始之會計期間生效

HKFRS 9, Financial instruments

香港財務報告準則第9號－金融工具

1 January 2018

二零一八年一月一日

HKFRS 15, Revenue from contracts with customers

香港財務報告準則第15號－與客戶的合同收入

1 January 2018

二零一八年一月一日

Amendments to HKFRS 2, Share-based payment: Classification and measurement of share-based payment transactions

香港財務報告準則第2號修訂－以股份為基礎的支付交易：以股份為基礎的支付交易項目之分類和計量

1 January 2018

二零一八年一月一日

HK(IFRIC) 22, Foreign currency transactions and advance consideration

香港財務報告詮釋委員會第22號－外幣交易及預付代價

1 January 2018

二零一八年一月一日

HKFRS 16, Leases

香港財務報告準則第16號－租賃

1 January 2019

二零一九年一月一日

HK(IFRIC) 23, Uncertainty over income tax treatments

香港財務報告詮釋委員會第23號－所得稅不確定性的處理

1 January 2019

二零一九年一月一日

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

本集團正在評估這些修訂和新準則在初始適用期內的預期影響。到目前為止，本集團已確定新準則的某些方面可能對合併財務報表產生重大影響。下面討論預期影響的更多細節。由於本集團尚未完成評估，可能會在適當時候確定進一步的影響，並在確定在生效日期之前(根據新準則)是否採用任何這些新要求以及採用哪種過渡方法時，將考慮進一步的影響。

HKFRS 15, Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Group has assessed that the application of HKFRS 15 in the future will not have a significant impact on the Group’s consolidated financial statements.

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year’s presentation.

香港財務報告準則第15號—與客戶的合同收入

《香港財務報告準則》第15號頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。於《香港財務報告準則》第15號生效後，其將取代現時載於《香港會計準則》第18號「收益」、《香港會計準則》第11號「建築合約」及相關詮釋的收益確認指引。

《香港財務報告準則》第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體履行履約責任時（或就此）確認收益

根據《香港財務報告準則》第15號，實體於履行履約責任時（或就此）確認收益，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時。《香港財務報告準則》第15號已就特別情況的處理方法加入更明確的指引。此外，《香港財務報告準則》第15號要求更詳盡的披露。

本集團董事預期，應用《香港財務報告準則》第15號可能對本集團綜合財務報表的呈報金額及披露造成影響。

33. 比較數字

為配合本年度報表的列示方式，部份比較數字已作調整。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	營業收入	14,931	5,956	20,497	20,241	58,491
(Loss)/profit before taxation	除稅前 (虧損)/溢利	(30,966)	44,117	(3,376)	2,085	33,898
Income tax	所得稅	(53)	(32)	(111)	42	(3,444)
(Loss)/profit and total comprehensive income for the year after tax before non-controlling interests	未計入非控制性權益前之本年淨(虧損)/溢利及綜合收益總額	(31,019)	44,085	(3,487)	2,127	30,454
Non-controlling interests	非控制權益	(9)	32	134	-	-
(Loss)/profit and total comprehensive income for the year after non-controlling interests	計入非控制性權益後之本年淨(虧損)/溢利及綜合收益總額	(31,028)	44,117	(3,353)	2,127	30,454

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日止年度				
		2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債	(124,625)	(31,055)	(39,668)	(25,166)	5,804
Non-current liabilities (Convertible notes payable)	非流動負債 (應付可轉換公司債券)	-	(6,476)	-	-	-
Non-controlling interests	非控制權益	(166)	(134)	-	-	-
Total (deficit)/equity	總(虧損)/權益	(124,791)	(37,665)	(39,668)	(25,166)	5,804

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