



東瑞製葯(控股)有限公司

**DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED**

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號：2348 Stock Code：2348

年報

**2016**

Annual Report

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# Corporate Information 公司資料

## BOARD OF DIRECTORS EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)  
Mr. HUNG Yung Lai  
Mr. LI Tung Ming

## NON-EXECUTIVE DIRECTORS

Mr. LEUNG Hong Man  
Mr. EDE, Ronald Hao Xi

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky  
Mr. LO Tung Sing Tony

## CHIEF EXECUTIVE OFFICER

Ms. Li Kei Ling  
(Appointed on 1 March 2015 and resigned on 18 April 2016)  
Mr. Chen Shaojun (Appointed on 18 April 2016)

## AUDIT COMMITTEE

Mr. CHOI Tat Ying Jacky (*Chairman*)  
Mr. PAN Xue Tian  
Mr. LO Tung Sing Tony

## REMUNERATION COMMITTEE

Mr. PAN Xue Tian (*Chairman*)  
Ms. LI Kei Ling  
Mr. CHOI Tat Ying Jacky  
Mr. LO Tung Sing Tony

## NOMINATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)  
Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky  
Mr. LO Tung Sing Tony

## AUDITORS

Ernst & Young  
*Certified Public Accountants, Hong Kong*

## 董事會

### 執行董事

李其玲女士 (*主席*)  
熊融禮先生  
李東明先生

### 非執行董事

梁康民先生  
EDE, Ronald Hao Xi 先生

### 獨立非執行董事

潘學田先生  
蔡達英先生  
勞同聲先生

## 總裁

李其玲女士 (於二零一五年三月一日被委任並  
於二零一六年四月十八日辭任)  
陳紹軍先生 (於二零一六年四月十八日被委任)

## 審核委員會

蔡達英先生 (*主席*)  
潘學田先生  
勞同聲先生

## 薪酬委員會

潘學田先生 (*主席*)  
李其玲女士  
蔡達英先生  
勞同聲先生

## 提名委員會

李其玲女士 (*主席*)  
潘學田先生  
蔡達英先生  
勞同聲先生

## 核數師

安永會計師事務所  
執業會計師 · 香港

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited, Hong Kong  
Citibank N.A., Hong Kong  
The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong  
Industrial and Commercial Bank of China Suzhou Wuzhong Sub-Branch  
Agricultural Bank of China Suzhou Nanmen Sub-Branch

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road,  
Wanchai, Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited  
(Its name will be changed to  
Conyers Trust Company (Cayman) Limited with effect  
from 30 March 2017)  
Cricket Square, Hutchins Drive, P.O. Box 2681,  
Grand Cayman KY1-1111, Cayman Islands.

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## 主要往來銀行

中國銀行(香港)有限公司·香港  
花旗銀行·香港  
香港上海滙豐銀行有限公司·香港  
中國工商銀行蘇州市吳中支行  
中國農業銀行蘇州市南門支行

## 總辦事處及主要營業地點

香港灣仔軒尼詩道338號  
北海中心30樓3001-02室

## 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## 主要股份過戶登記處

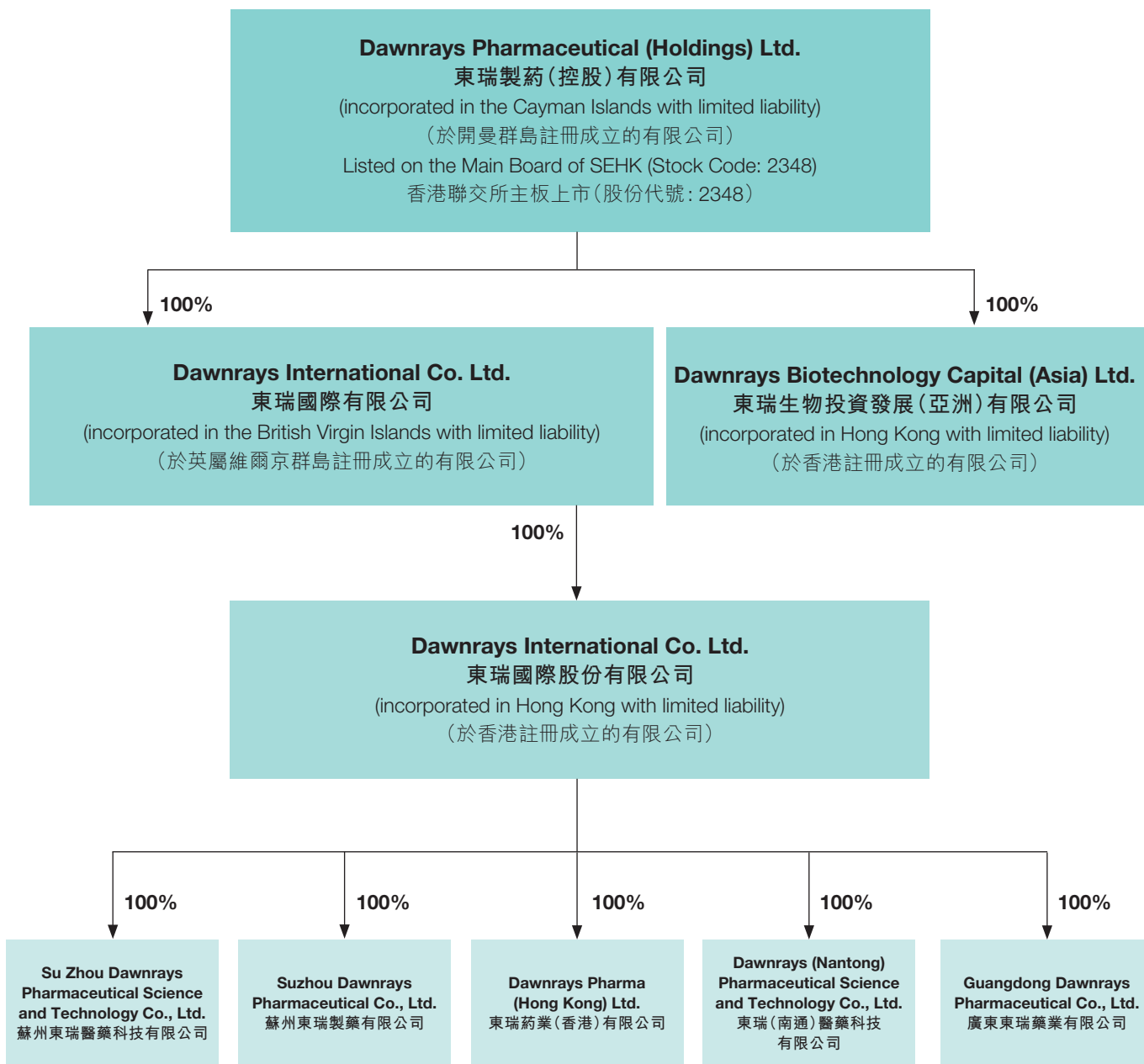
Codan Trust Company (Cayman) Limited  
(公司名稱將於2017年3月30日起更改為  
Conyers Trust Company (Cayman) Limited)  
Cricket Square, Hutchins Drive, P.O. Box 2681,  
Grand Cayman KY1-1111, Cayman Islands.

## 香港股份過戶登記分處

卓佳雅柏勤有限公司  
香港皇后大道東183號  
合和中心22樓

# Group Structure

## 本集團架構圖



Dear SHAREHOLDERS,

On behalf of the board (the "Board") of the directors (the "Directors") of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), I am pleased to present the results of the Group for the year ended 31 December 2016 (the "reporting period").

### GROUP RESULTS

The Group has recorded revenue of approximately RMB824,351,000 for the year ended 31 December 2016 (2015: RMB985,000,000), representing a decrease of 16.3% as compared to 2015. Profit attributable to owners of the parent was approximately RMB265,917,000 (2015: RMB302,198,000), representing a decrease of 12.0% over 2015.

### FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.10 per share for the year ended 31 December 2016, amounting to the total sum of approximately HK\$80,109,000 (equivalent to approximately RMB71,082,000), to the shareholders whose names appeared in the register of members as of Wednesday, 31 May 2017 subject to the approval of the shareholders at the forthcoming 2017 Annual General Meeting (the "2017 AGM"). Taking into consideration the interim dividend of HK\$0.03 per share, the total annual dividend distributed for the year is HK\$0.13 per share. The dividend payout ratio is approximately 34.5%.

### BUSINESS REVIEW AND PROSPECT

Generally speaking, the global situation of economy was still complicated in 2016. As continuously affected by economic reforms, the operating environment in the PRC market highly fluctuated, while all industries were faced with different pressures. As for China's pharmaceutical industry, although it still maintained a growth trend, its overall growth rate slowed down. Due to various medical and pharmaceutical policies and measures issued by the Government, all types of pharmaceutical firms were still in the face of a much fluctuant business environment. However, in consideration of the particularity of medical service and the increasing rigid social demand, plenty of opportunities also exist at related markets in spite of various challenges. As the governmental resources and social capital are expected to continuously invest in various sub-industries, therefore China's medical and healthcare industry still maintain favorable development momentum.

致各股東：

本人欣然代表東瑞製藥(控股)有限公司(「本公司」)之董事(「董事」)會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度(「報告期間」)之業績報告：

### 本集團業績

本集團截至二零一六年十二月三十一日止年度錄得營業額約人民幣824,351,000元(二零一五年：人民幣985,000,000元)，較二零一五年下降16.3%。母公司擁有人應佔溢利約人民幣265,917,000元(二零一五年：人民幣302,198,000元)，較二零一五年減少12.0%。

### 末期派息

董事會建議派發截至二零一六年十二月三十一日止年度末期股息為每股港幣0.10元，合共約港幣80,109,000元(約相當於人民幣71,082,000元)予於二零一七年五月三十一日(星期三)已登記在股東名冊上之股東，惟須待股東在即將舉行之二零一七年股東週年大會(「二零一七年股東週年大會」)上批准通過，方可作實。連同中期股息每股港幣0.03元計算，本年度全年共派息每股港幣0.13元，派息比例約34.5%。

### 業務回顧與展望

概括而言，二零一六年全球經濟形勢仍然複雜。受經濟改革持續影響，中國的經營環境較為波動，各行各業均面對不同挑戰。就中國製藥行業而言，雖然維持增長態勢，但總體增長放緩。在政府持續頒佈的各項醫療醫藥政策和措施的影響下，各類型醫藥製藥企業依然面對頗為變動的商業環境，然而，醫療服務的特殊性，以及社會剛性需求不斷增加，相關市場雖然充滿各樣挑戰，但也滿載不少機遇，預期政府資源和社會資本仍將持續投入各個子行業內，致使中國醫療保健行業的發展維持良好狀況。

# Chairman's Statement

## 主席報告

During the period, the Group's turnover and profit decreased as compared to 2015, which was primarily attributable to the Group's termination of Master Agency Agreement for "Leiyide" (雷易得) (Entecavir Dispersible Tablets) in Mainland China, thus temporarily affecting the sales volume as the Company needed to adjust the marketing structure. The sales of "Leiyide" (雷易得) is expected to recover gradually through unremitting effort of the marketing team. The Group's contract to supply Entecavir Tablets in Hong Kong market through the distribution business partner of GlaxoSmithKline Limited, a partner of the Group, has operated smoothly as a whole, and all parties concerned were satisfied with the Group's product quality and supply service.

In spite of the fierce market competition, a much stable market foundation has been established as the Group implemented various market strategies and plans during the earlier market launch phase of system specific medicines. During the period, sales amount of major varieties of the Group's specific medicines except "Leiyide" (雷易得) increased significantly as compared to 2015, which has made important contributions to the Group's profitability.

During the period, the antibiotics end market tended to be stable, but its growth still slowed down. Some homogeneous varieties competed fiercely and led to the increasing difficulty in business operation. Besides, as the Group adjusted relevant business strategies, production and sales volume of intermediates and bulk medicines decreased during the transition period, therefore the Group's performance in cephalosporin antibiotics failed to meet the expectations and recorded another loss, but the amount of loss shrank as compared to 2015.

During the review period, Dawnrays Biotechnology Capital (Asia) Limited, a newly-established wholly-owned subsidiary of the Company, set up a joint venture with 中山康方生物醫藥有限公司 (Akeso Biopharma Inc.) for the purpose of, including but not limited to, research, development, production and sale of biodrugs. Relevant information has been published in the Company's announcement on 14 December 2016.

期內，本集團的營業額和利潤與二零一五年比較均有所下降，其主要原因是本集團於期內取消了「雷易得」（恩替卡韋分散片）中國大陸的總代理協議，需重整市場營銷結構，因而暫時影響銷售所致。預期通過營銷團隊的不斷努力，「雷易得」的銷售將會逐步恢復。至於本集團通過合作夥伴葛蘭素史克有限公司的經銷夥伴供應香港市場的恩替卡韋片劑合約，整體運作暢順，各方均滿意本集團的產品質量和供應服務。

儘管市場競爭異常激烈，但基於本集團早期在各個專科藥產品投放市場階段，實施的各項市場戰略計劃，建立了較為穩固的市場基礎。期內，除「雷易得」外，本集團其他專科藥物主要品種的銷售金額較二零一五年均有可觀增長，為本集團盈利作出重要貢獻。

期內，抗菌素終端市場趨向平穩但增長仍然放緩，部分同質化品種之間的競爭極為激烈，業務營運難度增加。此外，本集團調整相關業務策略，於過渡期間中間體及原料藥的生產及銷售量均下降，以致本集團於頭孢菌素抗生素方面的表現未符預期，仍然錄得虧損，惟虧損幅度較二零一五年已有所收窄。

於回顧期內，本公司新成立之全資附屬公司東瑞生物投資發展（亞洲）有限公司與中山康方生物醫藥有限公司成立合營公司，以為包括但不限於生物製劑的研發、生產和銷售的目的。有關詳情已刊載於本公司二零一六年十二月十四日之公告內。

Besides, considering the changes in surrounding environment of the Group's specific plants, the Group has gradually conducted feasibility study on relevant solutions, and will duly announce the details when the final solution is determined.

As to prospect of China's medical and pharmaceutical industry, the economic growth of China slows down, the government has applied stricter standards and supervision on the pharmaceutical industry, and particularly taken more rigorous management mechanism in terms of price and circulation of drugs, which have increased the costs of pharmaceutical enterprises. However, the Group still keeps its previous views that benefitting from improving government medical resources and medical insurance system, aging population, increasing health awareness and affordability of the general public, there is still further development room for social demands in the medical and pharmaceutical market, while the pharmaceutical sector will still maintain continual and steady growth.

Accordingly, based on the Group's strength and weakness, as well as the direction of government policies and the market demands and trends, the Group considers the situation and continues to concentrate its resources to perform the following tasks in 2017 in a more efficient manner:

- 1) As to system specific medicines business, the Group will closely monitor and follow up all designed and implemented marketing policies and measures and strengthen management so as to increase penetration rate to all-tier end markets in hope of a more extensive and consolidated market coverage and a more favorable condition of the Group's system specific medicine sales. Therein, in terms of the sales of "Leiyide" (雷易得) for treating hepatitis B virus, the Group will allocate more resources, build the sales team and channels, and intensify the market management system, so as to make new breakthrough in sales.
- 2) As to cephalosporin antibiotics business, considering that the drug administration authorities in China and other countries are highly concerned about clinical application and management of antibiotics, growth space of relevant products has been restricted at the end market and the operating environment was faced with challenges. The Group will continue to make all efforts to improve product quality and stability, and also curb production cost to make the business of such series products finally reach balance between revenues and expenditures.

此外，由於本集團個別廠區周邊環境之變化，本集團已逐步開展有關解決方案的可行性探討工作，並於決定方案後適時公佈詳情。

展望中國醫藥行業的未來發展，雖然中國經濟增長放緩，政府施加於製藥行業的標準和監管愈見嚴格，尤其在藥品的價格及流通方面採取更為嚴謹的管理機制，令製藥企業各項成本均有所上升，惟本集團仍然維持原來觀點——在政府醫療資源改善，醫保體系愈益優化，人口老化，居民健康意識增強和支付能力增加等因素支持下，醫藥消費方面的社會需求應還有進一步的發展空間，而中國的製藥行業仍會繼續穩步發展。

因此，本集團審時度勢，針對企業各種強項與弱點，以及政府政策的方向和市場的需求趨勢，繼續集中各項資源，以期於二零一七年能有效地做好下述各項主要工作：

- 1) 在系統專科藥方面，本集團將繼續嚴密監察跟蹤各項已制定執行的銷售政策和措施，加強管理，以期提升各級終端市場的滲透率，爭取更加廣泛而穩固的市場覆蓋，力使本集團系統專科藥的銷售維持在良好的狀況。其中，於抗乙肝病毒藥物「雷易得」的銷售方面，本集團將調配更多資源，建設銷售團隊及渠道，強化市場管理系統，以期在銷售上有新的突破。
- 2) 在頭孢菌素抗生素方面，因中國及其他國家的藥政管理機關均極為關注抗菌素的臨床應用管理，有關產品於終端市場的增長空間遭受遏制，經營環境充滿挑戰。本集團將繼續努力提高產品的品質和穩定性，並全力控制生產成本，以期該系列產品的業務最終能達到收支平衡的狀況。



# Chairman's Statement

## 主席報告

3) As to product R&D, the Group will accommodate to the development tendency of disease spectrums among the public, and carry out diversified cooperation with external institutions through internal R&D resources by coordinating with the government's industry policy and by combining the Group's financial resources and business development conditions, in an effort to enrich the Group's drug varieties in development in all treatment sectors more effectively, and foster more vital forces for the Group's profit growth in future.

The Group's management team will continue to practice its time-honored pragmatic style of operation, aim at the long-term shareholder interest, make prudent decisions and focus on our business. Meanwhile, the team will continue to recruit outstanding talents, optimize management system and stabilise the management team in a bid to create reasonable returns for the shareholders of the Company.

### APPRECIATION

Meanwhile, I would like to take this opportunity to express my appreciation for the support and cooperation from the Company's shareholders and directors and the Group's business partners, management personnel and all staff for my work in the previous year.

By Order of the Board

**Li Kei Ling**  
*Chairman*

Hong Kong, 24 March 2017

3) 在產品研發方面，本集團將因應社會疾病譜的發展趨勢，配合政府產業政策，並結合本集團財務資源和業務發展狀況，通過內部的研發資源以及與外部機構進行多樣性合作，以期能以有效的方法壯大本集團於不同治療領域的在研品種，為未來的盈利增長培育更多生力軍。

本集團管理層將秉承一貫的務實經營作風，以股東長遠利益為依歸，審慎決策，專注發展本集團業務；同時將不斷引進優秀人才，優化管理體系，穩定管理人員隊伍，以期為本公司股東的投資創造合理的回報。

### 感謝

藉此機會，本人衷心感謝本公司各位股東、董事及本集團各業務夥伴、管理人員和員工在過去一年給予本人的支持。

承董事會命

**李其玲**  
*主席*

香港，二零一七年三月二十四日

### REVIEW OF OPERATIONS

During the review period, under the pressure of intense market competition, most of the Group's system specific medicines still recorded increase in sales amount while maintaining good business growth momentum compared to 2015. In particular, as to anti-hypertensive drug in "An" (安) series medicines and "Xikewei" (西可韋), the Group's marketing team adjusted marketing measures to a reasonable extent, strengthened allocation of resources, optimized supply and sales system, and succeeded in achieving remarkable increase in sales amount of that series of medicines, making extremely important contributions to the Group's profitability.

As to sales of "Leiyide" (雷易得) (Entecavir Dispersible Tablets) for treating hepatitis B virus, since the Master Agency Agreement for 0.5mg "Leiyide" (雷易得) was terminated in July 2016, the Group has directly planned and organized the marketing of "Leiyide" (雷易得). Apart from reinforcing the original marketing channels, the Group also attached great importance to expanding other regional markets, in an effort to bring into full play the market potential of this product more effectively. Since the Group's sales team directly took over the front end sales of "Leiyide" (雷易得) in the second half of 2016, the sales management personnel has considered in the long run and focused their overall work on adjusting the structure and order of regional markets, so as to establish a more steady market foundation and benefit future development of the product. Consequently, sales of the product during the review period decreased as compared to that in 2015.

In terms of the Group's business of cephalosporin antibiotics, during the period, the Group still recorded losses from the business of that series of products, but the amount of losses shrank as compared to 2015. In consideration of the fierce competition at China's cephalosporin market, the Group determined to adjust the strategy after evaluating various factors and market tendency, and focused attention on production and sales of cephalosporin varieties with higher added values, apart from existing varieties. Therefore, some workshops need to be shut down for transformation, leading to decrease in production and sales volume of the Group's intermediates and bulk medicines in 2016 as compared to last year.

### 業務營運回顧

於回顧期內，在競爭激烈的市場環境下，本集團大部分系統專科藥的銷售金額均保持增長，業務發展態勢對比二零一五年依然良好。其中治療高血壓的「安」系列產品及「西可韋」，在本集團營銷管理人員適當調整銷售策略並加強配置資源，優化供銷體系之下，成功為該等系列產品銷售金額取得可觀增長，於本集團的盈利作出極為重要的貢獻。

有關抗乙型肝炎藥物「雷易得」(恩替卡韋分散片)的銷售方面，本集團於二零一六年七月取消了該產品0.5毫克的總代理協議後，隨即自行直接計劃和組織「雷易得」的營銷工作。本集團除著力鞏固原有的銷售渠道，並且加強開拓其他地區市場，以期更有效地全面發揮該產品市場潛力。二零一六年下半年由本集團銷售團隊直接管理「雷易得」的前綫銷售工作後，銷售管理人員從長遠考慮，整體工作側重於調整各地區市場的結構和秩序，以便建立較穩固的市場根基，以有助於產品未來發展，因此之故，該產品於回顧期內的銷售與二零一五年比較有所下降。

至於本集團的頭孢菌素抗生素業務，於回顧期內，本集團於該系列產品業務仍然錄得虧損，惟虧損金額較二零一五年有所下降。由於中國頭孢菌素市場競爭異常激烈，本集團經評估各項因素和市場趨勢後調整策略，除原有品種外，將加強生產銷售附加值較高的頭孢菌素品種，因此，個別車間須暫停運作以待改造，致使本集團二零一六年的中間體及原料藥的生產及銷售數量與去年比較均有所下降。

# Management Discussion and Analysis

## 管理層討論與分析

### PRODUCTION AND SALES

For the year ended 31 December 2016, the Group's production and sales volume of intermediates and bulk medicines decreased by 32.6% and 34.0% respectively as compared to that in 2015; the decrease in production and sales volume of intermediates and bulk medicines was because the production workshops were shut down for transformation; the production volume of cephalosporin powder for injection decreased by 47.9% while the sales volume decreased by 20.0% as compared to last year, where the decrease in sales volume of powder for injection was attributable to the temporary loss of market in some regions. The production volume of solid-dosage-forms decreased by 15.1% as compared to last year, but the sales volume increased by 6.6% over last year. As for the international business, the Group kept expanding its overseas market, making the overseas sales accounted for 12.2% of total sales volume of the Group; the export sales amount decreased by 19.0% as compared to last year due to the reduction in supply of bulk medicines.

### NEW PRODUCTS AND PATENT LICENSING

- (1) In 2016, a total of 18 declarations for registration were filed with the Food and Drug Administration of Jiangsu Province (including 10 supplementary applications for approval or record and 8 applications for re-registration); a total of 30 approval documents were obtained (including 2 production approval documents, 10 supplementary application documents for record, 15 re-registration approval documents and 3 documents for issuing drug standards).
- (2) One patent certificate was obtained  
The exterior shape design of Entecavir Dispersible Tablets was granted the design patent certificate on 14 September 2016.

### 生產銷售情況

本集團截至二零一六年十二月三十一日止年度，中間體及原料藥的生產量及銷售量較二零一五年分別下降32.6%及34.0%；中間體及原料藥生產和銷售量的減少是生產車間停工改造所致；頭孢菌素粉針劑的生產量較去年下降47.9%，銷售量較去年減少20.0%。粉針劑銷售量的減少與部分地區市場暫時流失有關。固型劑的生產量比去年減少15.1%，但銷售量較去年增加了6.6%。國際業務方面，本集團不斷拓展海外市場，海外市場銷售佔本集團總體銷售份額的12.2%，由於原料藥供應量減少，出口銷售金額較去年下降19.0%。

### 新產品和專利授權情況

- (1) 二零一六年度共有18個品種向江蘇省食品藥品監督管理局進行了註冊申報（其中補充申請批件或備案件10個、再註冊申請8個）；共獲得批件30個（其中生產批件2個、補充申請備案件10個、再註冊批件15個、藥品標準頒佈件3個）。
- (2) 獲得一項專利證書  
恩替卡韋分散片的外觀形狀設計於二零一六年九月十四日獲外觀設計專利證書。

# Management Discussion and Analysis

## 管理層討論與分析

### HONORS AWARDED IN 2016

- February 2016 “Leiyide” (雷易得) Brand Entecavir Dispersible Tablets was recognized as Famous Brand Product of Jiangsu Province by Jiangsu Provincial Brand Strategy Promotion Committee.
- May 2016 Suzhou Dawnrays Pharmaceutical Co., Ltd. was honored as one of the “Top Ten Excellent Enterprises of Jiangsu Province”.
- July 2016 “Cetirizine Hydrochloride Raw Materials and Tablets (“Xikewei”, 西可韋)” and “Cefoperazone Sodium and Sulbactam Sodium for Injection (“Xianshu”, 先舒) and its Raw Materials” were recognised as “High-tech Product of Jiangsu Province” by the Science and Technology Department of Jiangsu Province.
- September 2016 “Entecavir Raw Materials and Dispersible Tablets (“Leiyide”, 雷易得)” and “Potassium Citrate Extended-release Tablets (“Jieshitong”, 傑士同)” were recognised as “High-tech Product of Jiangsu Province” by the Science and Technology Department of Jiangsu Province.
- December 2016 “Amlodipine Besylate Tablets (“Anneizhen”, 安內真)”, “Entecavir Dispersible Tablets (“Leiyide”, 雷易得)” and “Cetirizine Hydrochloride Tablets (“Xikewei”, 西可韋)” were honored as “Excellent Product Brand Award in Pharmaceutical Industry of Jiangsu Province in 2016”.

### 二零一六年獲得之榮譽

- 二零一六年二月 雷易得牌恩替卡韋分散片被江蘇省名牌戰略推進委員會認定為江蘇省名牌產品。
- 二零一六年五月 蘇州東瑞製藥有限公司榮獲「江蘇省十佳優秀企業」榮譽稱號。
- 二零一六年七月 「鹽酸西替利嗪原料及片劑(西可韋)」、「注射用頭孢哌酮鈉舒巴坦鈉(先舒)及其原料」由江蘇省科學技術廳頒發認定為江蘇省高新技術產品。
- 二零一六年九月 「恩替卡韋原料及其分散片(雷易得)」、「枸橼酸鉀緩釋片(傑士同)」由江蘇省科學技術廳頒發認定為江蘇省高新技術產品。
- 二零一六年十二月 「苯磺酸氨氯地平片(安內真)」、「恩替卡韋分散片(雷易得)」、「鹽酸西替利嗪片(西可韋)」榮獲「2016江蘇省醫藥行業優秀產品品牌獎」。

# Management Discussion and Analysis

## 管理層討論與分析

### FINANCIAL REVIEW

#### SALES AND GROSS PROFIT

For the year ended 31 December 2016, the Group recorded a turnover of approximately RMB824,351,000, which was decreased by RMB160,649,000, represented a decrease of 16.3% compared with last year. Of which the turnover of intermediate and bulk medicines was RMB163,586,000 which was decreased by RMB76,026,000 or 31.7% compared with last year. The turnover of finished drugs was RMB660,765,000 which was decreased by RMB84,623,000 or 11.4% compared with last year. The reasons for the decrease in turnover mainly attributed to the decrease in sales volume of intermediates and bulk medicines and temporary impact caused by the Group's termination of Master Agency Agreement for 0.5mg Leiyide and withdrawal of goods from the general agency.

Sales amount of finished drugs, comprising system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-form of antibiotics, reached approximately RMB660,765,000. Taking into account of the total turnover, sales amount of finished drugs was approximately 80.2% which was increased by 4.5 percentage points compared with last year. Sales amount of system specific medicines accounted for 90.2% of sales of finished drugs.

Gross profit was approximately RMB511,479,000 which was decreased by RMB57,909,000 compared with last year, representing a decrease of 10.2%. Gross profit margin increased by 4.2 percentage points to 62.0% from 57.8% as in last year. It was mainly due to the influence of increased sales proportion of system specific medicines.

#### TABLE OF TURNOVER ANALYSIS

PRODUCT 產品		TURNOVER (RMB'000) 營業額 (人民幣千元)			SALES BREAKDOWN (%) 銷售比例 (%)			Percentage points 百分點 Changes 變幅
		2016 二零一六年	2015 二零一五年	Changes 變幅	2016 二零一六年	2015 二零一五年	Changes 變幅	
Intermediates and Bulk Medicines	中間體及原料藥	163,586	239,612	-76,026	19.8	24.3	-4.5	
Finished Drugs	成藥	660,765	745,388	-84,623	80.2	75.7	+4.5	
Overall	總體	824,351	985,000	-160,649	100.0	100.0	0.0	

### 財務回顧

#### 銷售及毛利

截至二零一六年十二月三十一日止年度，本集團全年銷售額約人民幣824,351,000元，比去年下降16.3%，銷售額下降人民幣160,649,000元。其中中間體及原料藥銷售額人民幣163,586,000元，比去年下降31.7%，銷售額下降人民幣76,026,000元；成藥銷售額人民幣660,765,000元，比去年下降11.4%，銷售額下降人民幣84,623,000元。營業額下降的主要原因乃由於中間體及原料藥的銷售量下降及本集團取消0.5毫克「雷易得」總代理協議並向總代理商收回產品暫時影響所致。

成藥包括系統專科藥、頭孢菌素的粉針劑、片劑及其他口服抗生素固型劑，銷售金額約人民幣660,765,000元。成藥的銷售金額佔總體銷售金額的比重約80.2%，較去年的銷售比重增加了4.5個百分點。其中系統專科藥佔成藥銷售的比重約90.2%。

毛利額約人民幣511,479,000元，比去年減少約人民幣57,909,000元，下降幅度為10.2%。毛利率為62.0%，較去年的57.8%增加了約4.2個百分點。主要是專科藥銷售佔比增加的影響。

#### 營業額分析 — 按產品劃分

### EXPENSES

During the year, the total expenses incurred were approximately RMB202,605,000, equivalent to 24.6% of turnover (2015: 22.7%). The total expenses decreased by approximately RMB21,075,000 compared with last year which was RMB223,680,000. The selling and distribution expenses increased slightly due to enhancement in distribution channel development and strength in promotion and marketing effort. Administrative expenses decreased by RMB10,315,000 compared with last year due to strengthened control in administrative expenses.

### SEGMENT PROFIT

For the year ended 31 December 2016, the segment profit of finished drugs segment was approximately RMB419,905,000, which was decreased by approximately RMB78,375,000 when compared with that in 2015 which was RMB498,280,000. The segment results of intermediates and bulk medicines segment recorded losses of approximately RMB14,489,000. The loss was reduced by RMB23,373,000 compared with the loss of RMB37,862,000 in 2015. As the Group had strict control in the production cost of cephalosporin bulk medicines, the overall production cost was reduced and the loss situation of the Group's bulk medicines business had larger improvement compared with last year.

### PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2016, profit attributable to owners of the parent amounted to approximately RMB265,917,000, recorded a decrease of RMB36,281,000 or 12% compared with RMB302,198,000 in last year. Such decrease was primarily attributable to the temporary impact caused by termination of Master Agency Agreement for 0.5mg Leiyide, one of the system specific medicines, and withdrawal of goods from the general agency.

### ANALYSIS ON THE RETURN ON ASSETS

As at 31 December 2016, net assets attributable to owners of the parent were approximately RMB1,636,756,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent, was 16.2% (2015: 20.5%). The current ratio and quick ratio was 6.19 and 5.57 respectively. Turnover days for trade receivables were approximately 50 days. The turnover days for trade receivables including bills receivables were 111 days. Turnover days for inventory were approximately 157 days.

### 費用

年內，費用總支出約共人民幣202,605,000元，較去年人民幣223,680,000元減少人民幣21,075,000元。佔營業額的比例為24.6%（二零一五年：22.7%）。由於加強銷售管道建設和宣傳推廣力度，銷售費用略有上升。行政費用較去年減少了人民幣10,315,000元，是加強控制行政費用開支所致。

### 分類溢利

截至二零一六年十二月三十一日止年度，成藥分部的分類溢利約人民幣419,905,000元，較二零一五年人民幣498,280,000元減少盈利人民幣78,375,000元。中間體及原料藥分部的分類業績為虧損約人民幣14,489,000元，較二零一五年虧損人民幣37,862,000元，減少虧損人民幣23,373,000元。由於本集團嚴格控制頭孢菌素原料藥的生產成本，總體成本有所下降，故本集團原料藥業務虧損狀況與去年同比有較大改善。

### 母公司擁有人應佔溢利

截至二零一六年十二月三十一日止年度，母公司擁有人應佔溢利約人民幣265,917,000元，比去年人民幣302,198,000元減少人民幣36,281,000元或下降12%。利潤下降的主要原因是系統專科藥中的0.5毫克「雷易得」因取消總代理協議並向總代理商收回產品的暫時影響所致。

### 資產盈利能力分析

於二零一六年十二月三十一日，母公司擁有人應佔淨資產約人民幣1,636,756,000元，淨資產收益率（界定為母公司擁有人應佔溢利除以母公司擁有人應佔淨資產）為16.2%（二零一五年：20.5%）。流動比率和速動比率分別為6.19和5.57，應收賬款周轉期約50日，應收賬款（含應收票據）周轉期約111日，存貨周轉期約157日。

# Management Discussion and Analysis

## 管理層討論與分析

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group had cash and bank balance approximately RMB663,296,000 (as at 31 December 2015: RMB685,790,000). In addition, in order to operate the idle funds more effectively and improve returns, the Group had placed total RMB210,000,000 on principal-preservation type of structured deposits with interest rates at 2.6%-2.8% p.a. to several creditworthy banks in Mainland China. During the year, the net cash flows from operating activities was approximately RMB320,258,000 (2015: RMB298,322,000). Net cash flows used in investing activities was approximately RMB105,739,000 (2015: RMB146,200,000). Net cash flows used in financing activities was approximately RMB117,271,000 (2015: RMB37,984,000).

As at 31 December 2016, the Group had aggregate bank facilities of approximately RMB724,397,000 (as at 31 December 2015: RMB763,035,000), of which, bank facilities of HK\$40,000,000 were secured by corporate guarantee of the Company. Of the aggregate bank facilities including a mortgage loan of HKD120,000 and short term bank loan of HKD10,000,000 which were subject to the arrangement of floating interest rates ranged from HIBOR plus 1.5% to 1.75%. As at 31 December 2016, the debt ratio (defined as sum of interest-bearing bank loans over total assets) of the Group was 0.5% (as at 31 December 2015: 0.5%).

As at 31 December 2016, the Group had the inventory balance of RMB124,746,000 (as at 31 December 2015: RMB147,747,000).

As at 31 December 2016, the Group's contracted but not provided for plant and machinery capital commitments amounted to approximately RMB3,060,000 (as at 31 December 2015: RMB7,776,000), which mainly derived from the sewage treatment works and workshop GMP renovation in Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.

Dawnrays Biotechnology Capital (Asia) Ltd. ("Dawnrays Biotechnology"), a wholly-owned subsidiary of the Company, was set up in September 2016. In December 2016, Dawnrays Biotechnology and 中山康方生物醫藥有限公司 (Akeso Biopharma Inc.) ("Akeso") entered into a joint venture agreement, for the purpose of, amongst other things, establishing a joint venture company, 康融東方(廣東)醫藥有限公司 (AD Pharmaceuticals Co., Ltd.) ("AD Pharmaceuticals"), and regulating the funding and management arrangements with respect to AD Pharmaceuticals and the respective rights and obligations of Dawnrays Biotechnology and Akeso. Dawnrays Biotechnology proposed to invest RMB150,000,000 to hold 35% share interests in AD Pharmaceuticals. AD Pharmaceuticals is to be engaged, including but not limited to, in the research and development of products and technologies in relation to biochemistry fields; the production and sale of related products.

### 流動資金及財政資源

於二零一六年十二月三十一日，本集團持有現金及銀行存款約人民幣663,296,000元(於二零一五年十二月三十一日：人民幣685,790,000元)；此外，為更有效運用閒置資金，提高回報，於多間國內信譽良好的銀行敘造年利率在2.6%-2.8%的保本類型結構性存款共人民幣210,000,000元。年內，經營業務的現金流入淨額約人民幣320,258,000元(二零一五年：人民幣298,322,000元)；使用在投資活動的現金流出淨額約人民幣105,739,000元(二零一五年：人民幣146,200,000元)；使用在融資活動的現金流出淨額約人民幣117,271,000元(二零一五年：人民幣37,984,000元)。

於二零一六年十二月三十一日，本集團之銀行信貸總額約人民幣724,397,000元(於二零一五年十二月三十一日：人民幣763,035,000元)，其中港幣40,000,000元銀行信貸額度以本公司擔保。銀行信貸額當中包括按揭貸款港幣120,000元和短期銀行貸款港幣10,000,000元，均以浮動利率安排，貸款利率為香港銀行同業拆息+1.5%至1.75%。於二零一六年十二月三十一日，本集團之負債比率(界定為計息銀行貸款除以資產總值)為0.5%(於二零一五年十二月三十一日：0.5%)。

於二零一六年十二月三十一日，本集團存貨餘額約人民幣124,746,000元(於二零一五年十二月三十一日：人民幣147,747,000元)。

於二零一六年十二月三十一日，本集團已訂約但未作撥備的廠房及機器資本開支承擔約人民幣3,060,000元(於二零一五年十二月三十一日：人民幣7,776,000元)，主要涉及東瑞(南通)醫藥科技有限公司的污水處理及車間GMP改造工程。

本公司全資附屬公司東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)於2016年9月成立，並於二零一六年十二月與中山康方生物醫藥有限公司(「中山康方」)訂立合資經營合同，以便(其中包括)成立合營公司—康融東方(廣東)醫藥有限公司(「康融東方」)及規管康融東方的資金與管理安排及東瑞生物和中山康方各自的權利與責任。東瑞生物擬投資人民幣150,000,000元以持有康融東方35%之股份權益。康融東方主要從事包括但不限於生物化學相關領域的產品及技術的研究和開發；從事相關產品的生產和銷售。

# Management Discussion and Analysis

## 管理層討論與分析

During the year, the wholly-owned subsidiary of the Company, Dawnrays International Co. Ltd. had re-invested the after tax dividend distributed from Suzhou Dawnrays Pharmaceutical Co., Ltd. amounting USD3,500,000 into the registered capital of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.

In addition, for matching future development, Suzhou Dawnrays Pharmaceutical Co., Ltd. had applied to increase the registered share capital by USD86,500,000 and would be injected by instalments before 1 January 2045.

The Group has sufficient financial and internal resources to pay the capital commitments, joint venture project and increased registered share capital described above.

Save as aforesaid disclosure, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the year.

### FOREIGN EXCHANGE AND TREASURY POLICIES

For the year ended 31 December 2016, part of the Group's bank fixed deposits and account receivable were denominated in foreign currency and as the depreciation of Renminbi in 2016, the Group recorded approximately RMB6,966,000 exchange gain. The Group's substantial business activities, assets and liabilities are denominated in Renminbi, the risk derived from the foreign exchange to the Group is not high, except for the Group pays dividends in Hong Kong dollars. Therefore, the foreign exchange risks are primarily with respect to Hong Kong Dollars. The treasury policy of the Group is to manage any risk of foreign exchange or interest rate (if any) only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

### STAFF AND REMUNERATION POLICY

As at 31 December 2016, the Group employed approximately 887 employees and the total remuneration was approximately RMB99,191,000 (2015: RMB118,611,000). The decrease was due to the adjustment in production plan which cut off some employees and reduced total remuneration compared with last year. The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

年內，本公司全資附屬公司東瑞國際股份有限公司以蘇州東瑞製藥有限公司稅後分配利潤再投入東瑞(南通)醫藥科技有限公司350萬美元註冊資本。

另為配合未來發展，蘇州東瑞製藥有限公司已申請增加註冊資本8,650萬美元並於二零四五年一月一日前分期投入。

本集團有充足的財政及內部資源足以支付上述資本開支承擔、合資項目及增加註冊資本。

年內，除上述披露外，本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

### 外幣及庫務政策

於二零一六年十二月三十一日止年度，本集團部分銀行定期存款及應收賬款以外幣結算，由於二零一六年人民幣貶值，本集團錄得匯兌收益約人民幣6,966,000元。本集團大部分業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。惟本集團以港元派付股息，因此，外匯風險主要是與港元有關。本集團的庫務政策為只會在外匯風險或利率風險(如有)對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯和利率市場狀況，並於有需要時以外匯遠期合約對沖外匯風險及利息掉期合約對沖利率風險。

### 僱員及薪酬政策

於二零一六年十二月三十一日，本集團約有員工887名，員工費用總額約人民幣99,191,000元(二零一五年：人民幣118,611,000元)。由於生產計劃調整而縮減部分員工導致員工費用較去年下降。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場薪酬指標及個別員工的資歷而定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。



# Management Discussion and Analysis

## 管理層討論與分析

### CHARGES ON ASSETS

As at 31 December 2016, the Group's assets with carrying amount of approximately RMB31,815,000 were pledged to banks to secure mortgage credit facilities granted to its subsidiaries (as at 31 December 2015: RMB29,821,000).

### CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no material contingent liabilities.

### PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments, increased registered share capital and external investment under the section "Liquidity and Financial Resources", the Group does not have any plan for material investments or acquisition of capital assets.

### SEGMENT INFORMATION

An analysis of the Group's segment information for the year ended 31 December 2016 is set out in note 3 to the financial statements.

### 資產抵押

於二零一六年十二月三十一日，本集團以賬面值人民幣31,815,000元資產抵押予銀行以獲取授予其附屬公司的按揭信貸額度。(於二零一五年十二月三十一日：人民幣29,821,000元)。

### 或有負債

截至二零一六年十二月三十一日，本集團並無重大或有負債。

### 未來重大投資及預期融資來源

除於上述「流動資金及財政資源」所載有關資本開支承擔、增加註冊資本及對外投資所披露者外，本集團並無任何未來重大投資計劃或購入資本資產計劃。

### 分類資料

本集團截至二零一六年十二月三十一日止年度之分類資料分析載於財務報表附註3。

The board of Directors (the “Board”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) believes that corporate governance is essential to the success of the Company and its subsidiaries (collectively referred to as the “Group”). Good corporate governance can safeguard the interests of all shareholders and enhance corporate value. Therefore, the Board has adopted various measures to ensure that a high standard of corporate governance is maintained.

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (the “Listing Rules”) for the year ended 31 December 2016, except for the following deviation:

1. Code Provision A.2.1 of the CG Code—The roles of chairman and chief executive officer should be separate and should not be performed by the same individual

Ms. Li Kei Ling, the Chairman of the Board (“Chairman”), was appointed as the chief executive officer (“CEO”) on 1 March 2015 which was a non-compliance to the Code Provision A.2.1. The Board believes that a balance of power and authority can be adequately ensured by the operation of the Board which comprises experienced and caliber individuals. However, in order to re-comply with Code Provision A.2.1 of the CG Code, Mr. Chen Shaojun has been appointed as the Company’s CEO since 18 April 2016 and is delegated with the authority and responsibility for managing the Group’s business operation and implementing the development strategies.

2. Code Provision A.6.7 of the CG Code—Attendance of Non-executive directors at general meeting

Other than one Non-executive Director who was not in position to attend the annual general meeting of the Company held on 20 May 2016 (the “2016 AGM”) due to an overseas commitment, all Non-executive Directors (including Independent Non-executive Directors) attended the 2016 AGM.

東瑞製葯(控股)有限公司(「本公司」)之董事會(「董事會」)深信企業管治為本公司及其附屬公司(統稱「本集團」)成功的關鍵，良好的企業管治能保障全體股東權益及提升企業價值，因此董事會已採取各項措施，以確保維持高標準的企業管治。

就董事所知、所得資料及所信，截至二零一六年十二月三十一日年度，本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四的企業管治守則(「管治守則」)所載之守則條文規定。惟下列偏離事項除外：

1. 管治守則條文第A.2.1條訂明主席與總裁之角色應有區分，並不應由同一人同時兼任

本公司董事會主席(「主席」)李其玲女士自二零一五年三月一日起被委任為總裁(「總裁」)，此乃沒有遵守管治守則條文第A.2.1條，但董事會認為董事會成員不乏經驗豐富及具才幹之士，足以確保權力及職能平衡。但為重新遵守管治守則條文第A.2.1條，於二零一六年四月十八日起委任陳紹軍先生為本公司總裁並獲授予權力和責任管理本集團業務營運及推行發展策略。

2. 管治守則條文第A.6.7條訂明非執行董事出席股東大會

除了一位非執行董事因於海外處理事務而未能出席二零一六年五月二十日舉行的本公司股東週年大會(「二零一六股東週年大會」)外，所有非執行董事(包括獨立非執行董事)均有出席二零一六股東週年大會。

# Corporate Governance Report

## 企業管治報告

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Company confirms that all the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the 2016 annual report.

### THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these committees are set out in this report.

No corporate governance committee has been established and so the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, developing, reviewing and monitoring the code of conduct to employees and directors such as inside information disclosure regulations and assuring the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board held 26 board meetings including 6 regular meetings and 20 ad-hoc meetings during the year ended 31 December 2016. The regular board meetings were to consider, among other things, reviewing and approving the interim and annual results of the Group, overall group strategy, annual budgets, approval of major capital transactions and other significant operational and financial matters. The ad-hoc meetings were convened when circumstance required such as review and approve capital expenses for production facilities, granting share option to employee, appointment of CEO and management, share repurchase and investment in research and development and joint venture project etc.

### 證券交易的標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的行為守則。根據對所有董事作出的特定查詢後，本公司確認所有董事於二零一六年年報覆蓋的會計期內一直遵守標準守則所規定的準則。

### 董事會

董事會負責領導及監控本公司，並負責監管本集團之業務、策略方針及表現。董事會亦轉授權力及責任予管理層，以管理本集團。此外，董事會亦已將各種職責分派至董事會轄下委員會。該等委員會之詳情載於本報告內。

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展、制定、檢討及監察僱員及董事的操守準則例如內幕信息披露管理制度及確保本公司之政策及常規符合法律及監管規定等。

董事會於截至二零一六年十二月三十一日止年度內已舉行二十六次董事會會議，包括六次定期董事會會議及二十次臨時董事會會議。定期會議是考慮(其中包括)審閱及批准本集團中期及全年業績、整體企業策略、年度預算、批准重大資本交易及其他重大營運及財務事宜。臨時會議是在情況有需要時例如考慮及批准生產設備的資本開支、授予購股權給僱員、總裁和管理層任命、回購公司股票、申請研發項目及合資項目等而召開。

Details of the attendance of Directors at board meetings, annual general meeting of the Company (the “AGM”) and other three board committees’ meetings (the Audit Committee, the Nomination Committee and the Remuneration Committee) during the year 2016 are set out in the following table:

於二零一六年，各董事於董事會會議、本公司週年股東大會（「週年股東大會」）及另外三個董事委員會會議（審核委員會、提名委員會及薪酬委員會）的出席詳情列載於下表：

Name of Directors	董事姓名	No. of meetings attended/held				
		Board	AGM	Audit Committee	Nomination Committee	Remuneration Committee
		董事會	股東週年大會	審核委員會	提名委員會	薪酬委員會
<i>Executive Directors</i>						
Ms. Li Kei Ling (Chairman)	李其玲女士(主席)	25/26	1/1		4/4	5/5
Mr. Hung Yung Lai	熊融禮先生	26/26	1/1			
Mr. Li Tung Ming	李東明先生	24/26	1/1			
<i>Non-executive Directors</i>						
Mr. Leung Hong Man	梁康民先生	10/26	0/1			
Mr. Ede, Ronald Hao Xi	EDE, Ronald Hao Xi 先生	14/26	1/1			
<i>Independent Non-executive Directors</i>						
Mr. Pan Xue Tian	潘學田先生	14/26	1/1	3/3	4/4	5/5
Mr. Choi Tat Ying Jacky	蔡達英先生	16/26	1/1	3/3	3/4	5/5
Mr. Lo Tung Sing Tony	勞同聲先生	12/26	1/1	3/3	3/4	5/5

At least 14 days notice of regular board meeting is given to all Directors. The agenda and board papers are sent to the Directors at least 3 days before the meetings of the Board and board committees so that the Directors have the time to review the documents. Directors can include matters for discussion in the agenda if the need arises. Minutes of meetings of the Board and board committees are recorded in sufficient details that matters considered and decisions reached. The draft and final versions of the minutes will be sent to Directors within a reasonable time after the meetings. Minutes of meetings of the Board and board committees are kept by the company secretary of the Company and open for inspection on reasonable notice by any Director.

董事會定期會議的通告於會議舉行最少十四天前發出予各董事。董事會及其轄下委員會會議的議程及相關會議文件，至少在每次會議三天前送交予各董事，使各董事有時間審閱該等文件。如有需要，董事可在議程中加插欲討論的事項。董事會及其轄下委員會的會議記錄均詳盡記錄會議上考慮事項及達致的決定，並於會議後合理時間內把初稿及最終定稿發送給董事。董事會及轄下委員會會議記錄由本公司公司秘書存置，並於任何董事發出合理通知時供公開查閱。

All Directors are entitled to have unrestricted access to the advice and service of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations are followed. Upon reasonable request and appropriate circumstances, Directors can seek independent professional advice to assist them to discharge their duties, at the Company’s expenses.

所有董事均有權取得公司秘書的意見和服務，以確保董事會程序及所有適用規則及規例均獲得遵守；根據合理要求並在適當情況下，董事可尋求獨立專業意見，以妥善履行彼等之職責，費用由本公司支付。

# Corporate Governance Report

## 企業管治報告

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board had determined to be material, the matter will be dealt with by holding a board meeting with the presence of disinterested Independent Non-executive Directors or a meeting of a board committee set up for that purpose pursuant to a resolution passed in a board meeting.

### BOARD COMPOSITION

The Board has adopted a board diversity policy which seeks to achieve board diversity through the consideration of a number of factors, including but not limited to educational background, ethnicity, working experience, professional skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates would bring to the Board.

The Board currently comprises eight Directors, of whom three are Executive Directors, two are Non-executive Directors and three are Independent Non-executive Directors. The composition meets the requirement of the Listing Rules for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors. The three Independent Non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting, business management and pharmaceutical industry respectively. With their experience gained from senior positions held in other organisations, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. The biographies of the Directors are set out in pages 31 to 33 to the 2016 annual report, which demonstrates the skills, expertise, experience and qualifications.

The Company has received annual confirmation of independence from the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-executive Directors are independent within the definition of the Listing Rules.

Ms. Li Kei Ling, the Chairman of the Company and Mr. Hung Yung Lai, one of the Executive Directors, are directors and ultimate shareholders of several private companies incorporated in Hong Kong and British Virgin Islands.

Save as disclosed above, the Board members have no financial, business, family or other material/relevant relationships with each other. The balanced Board composition is formed to ensure strong independence exists across the Board which can effectively exercise independent judgement.

倘董事會認為主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，將以在該事項中本身沒有重大利益的獨立非執行董事出席的董事會議或根據董事會會議通過之決議案就此而成立之董事委員會會議處理。

### 董事會組成

董事會已採納董事會成員多元化政策，透過考慮多項因素，包括但不限於教育背景、種族、工作經驗、專業技能知識及服務年期，務求達致董事會成員多元化。所有董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將考慮候選人之客觀條件，最終將按人選的長處及其可為董事會提供的貢獻而作決定。

董事會現由八名董事組成，其中三位成員為執行董事、二位為非執行董事及三位為獨立非執行董事。其組成情況符合上市規則要求董事會成員最少須有三分之一為獨立非執行董事之做法，三位獨立非執行董事極具才幹，在會計、工商管理及製藥業各範疇擁有學術及專業資歷；加上他們在其他機構擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各董事履歷載於二零一六年報第31至33頁，當中載列各董事之技能、專業知識、經驗及資格。

本公司已接獲該三名獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確定全體獨立非執行董事均屬上市規則所界定之獨立人士。

董事會主席李其玲女士及其中一位執行董事熊融禮先生為數家於香港及英屬維爾京群島註冊成立的私人公司的董事及最終股東。

除上文披露外，董事會成員間並無任何財務、業務、家族或其他重大／相關關係。董事會以如此均衡之架構組成，目的在確保整個董事會擁有穩固之獨立性，能夠有效地作出獨立判斷。

### DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors understand the importance of continuous professional development and are willing to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code A.6.5 on Directors' training. All Directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2016 to the Company.

The individual training record of each Director received for the year ended 31 December 2016 is set out below:

### 董事之持續培訓及發展

董事了解持續專業發展之重要性並願意發展及更新其知識和技能，以確保其繼續在具備全面資訊及切合所需之情況下向董事會作出之貢獻。

董事承諾遵守管治守則第A.6.5條有關董事培訓，於截至二零一六年十二月三十一日止年度，全體董事均有參與持續專業發展，並已向本公司提供其所接受之培訓記錄。

於截至二零一六年十二月三十一日止年度，各董事接受培訓之個人記錄載列如下：

Directors	董事	Briefings and updates on the listing rules, business, operations, and corporate governance matters 有關上市條例、業務、營運及企業管治事宜之簡報及更新	Attending or participating in seminars/conferences relevant to the management/business/directors' duties 出席或參加與管理／業務／董事職責有關之講座／會議
Ms. Li Kei Ling	李其玲女士	✓	
Mr. Hung Yung Lai	熊融禮先生	✓	
Mr. Li Tung Ming	李東明先生	✓	
Mr. Leung Hong Man	梁康民先生	✓	✓
Mr. Ede, Ronald Hao Xi	EDE, Ronald Hao Xi 先生	✓	
Mr. Pan Xue Tian	潘學田先生	✓	
Mr. Choi Tat Ying Jacky	蔡達英先生	✓	
Mr. Lo Tung Sing Tony	勞同聲先生	✓	

### APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

The nomination committee will consider the appointment of new Directors first by reviewing the profiles of the candidates and making recommendations to the Board. New Directors appointed by the Board during the year to fill a casual vacancy or as an addition to the Board shall retire and submit themselves for re-election at the first general meeting immediately followed their appointment.

Non-executive Directors are appointed for a fixed term of two years and are subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Company's articles of association (the "Articles").

### 委任、重選及罷免董事

新董事之委任先經提名委員會考慮，審閱候選人之履歷後向董事會作出建議。年內獲董事會委任填補臨時空缺或新增加入董事會之新董事須退任並於緊隨彼等獲委任後之股東大會上膺選連任。

非執行董事的固定委任年期為兩年，並須根據本公司組織章程細則（「組織章程細則」）於股東週年大會上輪席告退並重選連任。

# Corporate Governance Report

## 企業管治報告

At each AGM, one-third of the Directors are required to retire from office according to the Company's Articles. As the Company has eight Directors, at least one third of them shall retire subject to rotation, and barring unforeseen resignation/retirement during a year, each Director is effectively appointed for an average term of not more than 3 years. Ms. Li Kei Ling, Mr. Leung Hong Man and Mr. Lo Tung Sing Tony will retire at the forthcoming AGM. All retiring Directors are eligible for re-election.

### RESPONSIBILITIES OF DIRECTORS

Every newly appointed Director will receive a comprehensive, formal and tailored induction on his first appointment to have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors endeavour to give sufficient time and attention to the Group's affairs and are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound and independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various board committees and scrutinize the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

### SUPPLY OF AND ACCESS TO INFORMATION

The management has the obligation to supply the Board with monthly updates and adequate information to enable it to make informed decisions on matters placed before it. Where any Director requires more information than is volunteered by the management, each Director has separate and independent access to the Group's management to make further enquires if necessary. Where queries are raised by Directors, management will respond as promptly and fully as possible.

根據組織章程細則於每屆股東週年大會上，三分之一董事須退任。由於共有八名董事，當中最少三分之一須輪席告退，因此在排除年內出現不可預見的辭任／退任的情況下，每名董事的有效任期平均為不超過三年。李其玲女士、梁康民先生及勞同聲先生將於應屆股東週年大會上告退。所有退任董事符合資格膺選連任。

### 董事之責任

每位新委任董事均會在首次接受委任時獲得全面、正式兼特為其而設的就任須知，以對本集團之營運及業務有適當理解，以及完全知悉彼在法規及普通法、上市規則、適用之法律規定及其他監管規定以及本公司之業務及管治政策下之職責。董事將致力付出足夠時間及精神以處理本集團事務，並獲持續更新有關法律及規管變更、業務及市場變動以及本集團之策略發展，以便履行彼等之職責。

獨立非執行董事在董事會會議上擔當活躍角色，可為制訂策略及政策作出貢獻，並就策略、政策、表現、問責、資源、重大委任及行為準則事宜作出可靠及獨立之判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事會轄下委員會之成員，審查本集團在實現議定企業目標及指標時之整體表現，並監察表現之呈報。

### 資料之提供及獲取

管理層有責任向董事會提供月報及充足之資料，以供董事會對提呈事項作出知情決定。倘有任何董事要求獲得除管理層自願提供之資料以外之其他資料，董事於必要時可透過不同及獨立途徑接觸本集團管理層，以作出進一步諮詢。若有董事提出問題，管理層將儘快作出全面的回應。

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision of the CG Code A.2.1, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The Board has appointed Ms. Li Kei Ling as the Chairman. She has executive responsibilities and provides leadership to the Board such as ensuring all Directors are properly briefed on issues arising at Board meetings and received complete and reliable information in a timely manner so that the Board works effectively and discharges its responsibilities. Ms. Li Kei Ling was appointed as the CEO on 1 March 2015. After the appointment, the roles of the Chairman of the Board and the CEO were performed by the same individual. The Board believed that the structure enables the Group to make and implement decision promptly and efficiently which would be beneficial to the Group as a whole. However it was a non-compliance to the Code Provision A.2.1. In order to comply with the code provision requirement of separating the roles of chairman and chief executive officer under the Corporate Governance Code as set out in the Appendix 14 to the Listing Rules, the Board appointed Mr. Chen Shaojun as the CEO of the Company on 18 April 2016. With the change came into effect, Ms. Li focuses on executing the overall developmental strategies of the Group, supervising implementation of the strategic management decisions to ensure good corporate governance practices and business policies are established, whereas Mr. Chen is delegated with the authority and responsibility for implementing the Board's policies and the Group's daily business operations and management. The CEO will periodically present the updated market situation, long term strategies and objectives of the Group, quarterly results variances analysis between the actual performances and the budget targets to the Board at the Board meeting. This helps the Board to monitor the Group's business operations and to adjust the targets when required.

### ACCOUNTABILITY AND AUDIT

The management provides explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors and CEO acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements and announcements to shareholders. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

### 主席及總裁

根據管治守則條文A.2.1規定，主席及行政總裁之職務應分開，不得由同一人兼任。董事會委任李其玲女士為主席，彼負有執行責任及領導董事會，如確保董事會會議上所有董事均適當知悉當前的事項和及時收到完備可靠的資訊，使董事會有效地運作和履行其職責。於二零一五年三月一日起主席李其玲女士被委任為本公司總裁，於委任後，董事會主席及總裁的角色由同一人兼任，董事會認為可促使本集團及時且有效地作出及落實決定以符合本集團之整體利益，惟未有遵守管治守則中所載的守則條文A.2.1規定。為能令本公司能遵守上市規則附錄14企業管治守則關於主席及總裁的角色應有區分的守則條文，董事會於二零一六年四月十八日委任陳紹軍先生為本公司總裁，自變更生效之日起，李女士專注於制定本集團的整體發展策略及監督管理本集團決策之執行，確保制定良好的企業管治常規和經營方針；而陳先生獲授予權力和責任負責推行董事會的政策及本集團的日常業務的營運及管理工作，總裁於每一季度向董事會提呈季度業績，會上闡述更新之市場情況、本集團長期策略及目標，實際表現與預算目標有所差異之分析，此舉有助董事會監控本集團之業務營運及於必要時修訂目標。

### 問責及核數

管理層向董事會提供有關解釋及資料，令董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事及總裁確認須負責為每一財政年度編製能真實及公允地反映本集團業務狀況之財務報告及向股東提呈中期及年度財務報表及公佈。董事會並不知悉任何重大不確定因素會對本集團的持續經營能力投下重大疑惑，因此，董事會仍然採用持續經營基準編製賬目。



# Corporate Governance Report

## 企業管治報告

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports and other financial disclosures required under the Listing Rules, and reports to the regulators as well as the information required to be disclosed pursuant to the statutory requirements.

The responsibilities of the auditors to the shareholders are set out in the Independent Auditors' Report on pages 50 to 55.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

The senior management of the Group is responsible for the design, implementation and monitoring of the risk management and internal control systems. Appropriate policies and controls have been set and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However the systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Of which including:

- (i) establishing written policies and work flow for major operations and production cycles to ensure compliance with applicable laws, regulations, and industry standards;
- (ii) clearly defined the authorities and key responsibilities of each business and operational unit, having in place appropriate segregation of duties and setting proper authorization levels to ensure adequate checks and balances; and
- (iii) Rules and guidelines are set to control treasury activities, financial and management reporting, human resources functions and computer systems' operations.

董事會確認，其有責任在本公司年度報表及中期報告和根據上市規則規定須予披露的其他財務資料、以及向監管者提交的報告書以至根據法例規定須予披露的資料，提供平衡、清晰及易於理解之評估。

核數師向股東承擔的責任載於第50至55頁獨立核數師報告內。

### 風險管理及內部監控

董事會確認其監管本集團的風險管理及內部監控系統的責任，以及透過審核委員會至少每年檢討其成效。審核委員會協助董事會履行其於本集團財務、營運、合規、風險管理及內部監控，以及財務及內部審計職能方面資源的監管及企業管治角色。

本集團高級管理層負責風險管理及內部監控系統的設計、實施及監察。適當的政策和監控已訂立及建立，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計準則及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。惟有關系統及內部監控只能作出合理而非絕對的保證可防範重大失實陳述或損失，其訂立旨在管理而非消除未能達致業務目標的風險。

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計，其中包括：

- (i) 訂明書面工作制度和主要業務與生產週期的工作流程以確保遵照有關法律、規例和生產製造標準；
- (ii) 清楚界定各業務及營運部門的權責，制訂適當的分工，實施妥善的審批權，以確保有效之制衡；及
- (iii) 訂立規則及指引以監控本集團庫務事宜、財務與管理匯報、人力資源功能及電腦系統之運作。

The Group's risk management framework includes the following elements:

- (i) identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- (ii) develop necessary measures to mitigate, reduce or transfer such risks; and
- (iii) monitor and review the effectiveness of such measures.

The Group has embedded its risk management systems into the core operating practices of the business. On an ongoing basis, business and operational units assess and identify their potential risks which may impact on their ability to achieve their business objectives and/or those of the Group. The head of each unit has to complete relevant risk and control self-assessment questionnaires and confirm to the CEO that appropriate internal control policies and procedures have been established and properly complied with. CEO conducts review of the effectiveness of risk management annually and presents report to the Audit Committee after review.

In addition, the Board monitors and reviews the adequacy and effectiveness of the internal control systems through a programme of internal audit. The internal audit department is set up by the Company to review the major operational and financial control of the Group in compliance with the established processes and standards on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit department reports directly to the Chairman of the Board and the Audit Committee. The Audit Committee examines the internal audit department's review and opinions about operational effectiveness of the Group's internal control system and reports to the Board.

During 2016, based on the internal audit report and the risk management report presented by internal audit department and CEO respectively, the Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

本集團的風險管理框架包括以下部分：

- (i) 識別本集團業務環境的重大風險及評估該等風險對本集團業務的影響；
- (ii) 制定紓緩或減少或轉移該等風險的控制措施；及
- (iii) 監察及檢討有關措施的有效性。

本集團已把其風險管理系統融入業務的核心營運常規，業務及營運部門持續評估及識別各自可能影響其實現本身及／或本集團經營目標的能力的潛在的風險，各單位主管須填寫有關風險及內部監控的自我評估問卷，並向總裁確認已制訂及妥善遵守適當的內部監控政策及程序；總裁須每年對風險管理有效性進行評估並於評估後提交報告給審核委員會。

此外，董事會透過內部稽核程序監察及檢討其內部監控系統是否足夠及有效。本公司設立內部審計部以持續基準審閱本集團之主要營運及財務控制，及旨在以循環基準涵蓋本集團之所有主要營運，內部審計部直接向董事會主席及審核委員會匯報。而審核委員會則審閱內部審計部對本集團內部監控系統運作成效的檢討結果及意見，並向董事會作出匯報。

於2016年，根據內部審計部及總裁分別提交的內部審計報告及風險管理報告，審核委員會及董事會均無發現任何將對本集團的財務狀況或經營業績造成重大影響而需多加關注的事項，亦認為風險管理及內部監控系統整體而言充足並具成效，包括在會計、內部審計及財務匯報職能方面有足夠的資源、員工資歷及經驗，以及有足夠的員工培訓課程及預算。

# Corporate Governance Report

## 企業管治報告

### INSIDE INFORMATION POLICY

The Company has established policy to ensure that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Access to inside information is at all times confined to relevant senior management executed on “as needed” basis, until proper disclosure or dissemination of inside information is made in accordance with applicable laws and regulation. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed.

### DELEGATION BY THE BOARD

The day-to-day management of the Group is delegated to the management by the Board, with division heads responsible for individual department’s daily operations.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board’s approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

### BOARD COMMITTEES

The Board has established the nomination committee, remuneration committee and audit committee. The committees’ terms of references defined their functions and responsibilities have been posted on the Company’s website.

### NOMINATION COMMITTEE

As at 31 December 2016, the nomination committee of the Company (the “Nomination Committee”) had Ms. Li Kei Ling as the committee’s chairman, and the three Independent Non-executive Directors, Mr. Pan Xue Tian, Mr. Choi Tat Ying Jacky and Mr. Lo Tung Sing Tony as the committee’s members. The Nomination Committee’s terms of reference are summarized as follows:

- (1) to review the structure, size and composition (including the skill, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (2) to nominate for the approval of the Board, candidates to fill board vacancies as and where they arise;
- (3) to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;

### 內幕消息政策

本公司已制定政策，以確保內幕消息根據適用法例及法規公平及適時地向公眾發佈。在任何時候，只限於相關高級管理層人員並按情況需要方能獲取內幕消息，直至內幕消息根據適用法例及法規予以披露或發佈，並提醒相關負責之員工及其他專業人士須將內幕消息保密直至已公開披露。

### 董事會權力的轉授

董事會轉授本集團之日常管理權力給管理層，部門主管負責各部門的日常運作。

董事會特別委託管理層執行之主要企業事宜包括籌備中期及年度報告及通告以供董事會於公佈前批核，執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

### 董事會轄下的委員會

董事會成立提名委員會、薪酬委員會及審核委員會。闡明委員會的權力及職責的職權範圍登載於本公司網站上。

### 提名委員會

於二零一六年十二月三十一日，本公司提名委員會（「提名委員會」）以李其玲女士為委員會主席及三名獨立非執行董事－潘學田先生、蔡達英先生及勞同聲先生為委員會成員。提名委員會之職權範圍概述如下：

- (1) 至少每年檢討董事會之架構、人數及組成（包括技術、知識及經驗）；並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；
- (2) 當董事會有空缺時，負責提名候選人予董事局審批；
- (3) 物色具備合資格可擔任董事的人士，挑選提名有關人士出任董事或就此向董事會提出意見；

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|---|---|
| (4) to assess the independence of independent non-executive directors; and  | (4) 評核獨立非執行董事的獨立性；及                       |
| (5) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer. | (5) 就董事委任或重新委任以及董事(尤其是主席及總裁)繼任計劃向董事局提出建議。 |

During the year 2016, the Nomination Committee had four meetings to review the independence of independent Non-executive director, the renewal of Directors' service contract and to recommend the appointment of CEO.

於二零一六年，提名委員會舉行了四次會議評估獨立非執行董事的獨立性、董事服務合同的續期及建議委任總裁。

### REMUNERATION COMMITTEE

As at 31 December 2016, the remuneration committee of the Company (the "Remuneration Committee") had Mr. Pan Xue Tian, an Independent Non-executive Director, as the committee's chairman, Ms. Li Kei Ling, and two Independent Non-executive Directors, Mr. Choi Tat Ying Jacky and Mr. Lo Tung Sing Tony, as the committee's members. The Remuneration Committee's terms of reference are summarized as follows:

### 薪酬委員會

於二零一六年十二月三十一日，本公司薪酬委員(「薪酬委員會」)以獨立非執行董事潘學田先生為委員會主席，李其玲女士及兩名獨立非執行董事—蔡達英先生及勞同聲先生為委員會成員。薪酬委員會職權範圍概述如下：

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| (i) to recommend to the Board on the Group's policy and structure of all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; | (i) 就本集團董事及高級管理層的全體薪酬政策及架構，以及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議； |
| (ii) to determine with delegated responsibility, the remuneration packages of individual executive Directors and senior management;  | (ii) 獲董事會轉授責任釐定各執行董事及高級管理層之薪酬待遇；                           |
| (iii) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment;  | (iii) 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任時應向彼等支付之補償金；             |
| (iv) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and   | (iv) 檢討及批准因行為失當而遭解聘或免職之董事所涉及的補償安排；及                        |
| (v) to ensure that no Director or any of her/his associates is involved in deciding her/his own remuneration;  | (v) 確保任何董事或其任何聯繫人不得參與自行釐定薪酬。                               |

The Group's remuneration policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. In order to attract, retain, and motivate high-performance persons, the Company has adopted share option scheme to reward those participants who contribute to the success of the Group's operations.

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂，為招攬、挽留及激勵表現稱職人員，本公司採納購股權計劃，從而對為本集團業務成功作出貢獻之參與者提供獎勵。

# Corporate Governance Report

## 企業管治報告

The Board considers that the executive directors of the Company and the CEO are the key management of the Group. For the year ended 31 December 2016, the aggregate emoluments payable to directors and chief executive officer were within the following bands:

		Number of individuals 人數
Nil to HK\$1,000,000	零至港幣 1,000,000 元	7
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至 2,000,000 元	1
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至 3,000,000 元	-
HK\$3,000,001 to HK\$4,000,000	港幣 3,000,001 元至 4,000,000 元	-
HK\$4,000,001 to HK\$5,000,000	港幣 4,000,001 元至 5,000,000 元	-
HK\$5,000,001 to HK\$6,000,000	港幣 5,000,001 元至 6,000,000 元	1

Details of the amount of Directors' and chief executive officer's emoluments are set out in note 7 to the financial statements and the details of the Share Option Scheme are set out in note 29 to the financial statements.

The Remuneration Committee had five meetings in 2016 to determine the salary adjustment of senior management and the salary of newly appointed CEO and recommendation to the Board the adjustment of Non-executive Director's fee.

### AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company who among themselves possess a wealth of management experience in the accounting profession, commercial and pharmaceutical sectors.

As at 31 December 2016 the Audit Committee's chairman was Mr. Choi Tat Ying Jacky, Mr. Pan Xue Tian and Mr. Lo Tung Sing Tony were the committee's members. The Audit Committee's terms of reference are summarized as follows:

- (i) to consider and recommend to the board the independence, appointment, re-appointment and removal of external auditor;
- (ii) to approve the remuneration and terms of engagement of the external auditor, and to deal with any questions of its resignation or dismissal;
- (iii) to review financial information; and
- (iv) to oversee financial reporting system, risk management and internal control system.

董事會認為本公司執行董事及總裁均為本集團主要管理人員。截至二零一六年十二月三十一日止年度，應付董事及總裁之薪酬介乎以下範圍：

董事及總裁酬金之詳情載於財務報表附註7，而購股權計劃之詳情載於財務報表附註29。

於二零一六年，薪酬委員會舉行了五次會議以釐定高級管理層薪酬調整和新委任總裁薪酬及向董事會建議調整非執行董事袍金。

### 審核委員會

本公司遵照上市規則第3.21條，以審閱及監管本集團財務申報過程及內部監控成立審核委員會（「審核委員會」）。審核委員會包括三名本公司獨立非執行董事。彼等分別於會計專業、商業及製藥行業具有豐富之管理經驗。

於二零一六年十二月三十一日，審核委員會主席為蔡達英先生，潘學田先生及勞同聲先生為委員會成員。審核委員會的職權範圍概述如下：

- (i) 就外聘核數師的獨立性、委任、重新委任及罷免作出考慮並向董事會提供建議；
- (ii) 批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (iii) 審閱財務資料；及
- (iv) 監管財務申報制度、風險管理及內部監控系統。

During the year 2016, the Audit Committee had three meetings, two or which were with external auditors without executive directors present. The work performed by the Audit Committee for the year ended 31 December 2016 is summarized below:

- (1) reviewed the external auditors' independence, the terms of engagement and approved the remuneration of the external auditors;
- (2) reviewed the annual audit plan of the external auditors and discussed with them about the nature and scope of the audit;
- (3) reviewed the Group's interim financial information and annual financial statements, before submission to the Board, discussed the financial reporting matters and any areas of concerns during the audits, including but not limited to the impact of the changes in accounting policies and practices, and on the compliance with accounting standards, the Listing Rules and the legal requirements;
- (4) reviewed internal audit report and annual audit plan of the internal audit department and the effectiveness of internal audit function;
- (5) reviewed the Group's risk management and internal control systems and their effectiveness.

The audited financial statements of the Company for the year ended 31 December 2016 have been reviewed by the Audit Committee before recommending them to the Board for approval.

### AUDITORS' REMUNERATION

Ernst and Young has been reappointed as the Company's external auditors at the AGM on 20 May 2016 until the conclusion of the next AGM. During the year 2016, the remuneration paid or payable to the Company's external auditor in respect of services provided are as follows:

Fees for audit services amounted to RMB1,388,000.

Fees for non-audit services amounted to approximately RMB71,000.

### COMPANY SECRETARY

Ms. Pang Kit Ling, the company secretary of the Company, is a full time employee of the Group. During the year, the company secretary of the Company had duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

### CONSTITUTIONAL DOCUMENTS

There is no change in the Company's memorandum and articles of association during the year ended 31 December 2016.

於二零一六年，審核委員會開會三次，其中兩次在執行董事不在場的情況下與外聘核數師開會。截至二零一六年十二月三十一日止年度，審核委員會的工作摘要如下：

- (1) 審閱外聘核數師的獨立身份、聘任書及批准外聘核數師的薪酬；
- (2) 與外聘核數師檢討年度審核計劃，及討論審核性質及範疇；
- (3) 在向董事會提交半年及年度財務報表前作出審閱，討論有關財務報告事宜及審核過程中之任何問題，包括但不限於會計政策及慣例變動之影響、及是否遵守會計政策、上市規則及法律之規定；
- (4) 審閱內部審計部提交的內部審計報告及每年的內部審計計劃，及內部審核功能的有效性；
- (5) 審閱本集團風險管理及內部監控系統和其有效性。

本公司截至二零一六年十二月三十一日止年度經審核的財務報表於提呈董事會批准前經由審核委員會審閱。

### 核數師酬金

安永會計師事務所於本公司二零一六年五月二十日股東週年大會上獲續聘為本公司之外聘核數師直至應屆股東週年大會為止。於二零一六年，就所提供服務已付或應付本公司之外聘核數師之酬金如下：

核數服務之費用共人民幣1,388,000元。

其他非審核服務之費用共約人民幣71,000元。

### 公司秘書

本公司公司秘書彭潔玲女士為本集團全職僱員，年內，本公司公司秘書遵守上市規則3.29條規定的持續專業培訓要求。

### 組織章程文件

於截至二零一六年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則並無任何變動。

# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

Pursuant to Articles 58 of the Company's Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a director, please refer to the procedures available on the websites of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

### COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders. The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press release. Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board attends the AGM and arranges the chairman of the committees or in the absence of the chairman of such committees, another member of the committees to be available to answer questions at the AGM. The Chairman proposes separate resolutions for each issue to be considered, including the election of Directors, and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of AGM.

### 股東權利

根據本公司之公司組織章程細則第58條之規定，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會表決權利）十分之一的股東，於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則股東（們）可親自以相同方式召開該大會，股東因董事會未有召開會議而招致的任何合理費用，須由本公司償還股東。

開曼群島公司法或本公司之公司組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。

關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

股東可隨時致函本公司之香港主要營業地點（地址為香港灣仔軒尼詩道338號北海中心30樓3001-02室），向董事會提出查詢及表達意見。

### 與股東的溝通

董事會認同與所有股東有良好的溝通至為重要，本公司設立不同渠道保持與股東溝通，包括刊印年度報告、中期報告及新聞稿，本公司之網站載有公司資料、企業管治常規、本公司刊發之中期及年度報告、公告及通函，使本公司股東可及時地取得本公司之最新資訊。

本公司的股東週年大會提供寶貴場合讓董事會直接與股東溝通。董事會主席出席股東週年大會，並安排董事會轄下委員會的主席，或在該等委員會的主席缺席時由另一名委員會成員在股東週年大會上回答提問。主席就每項獨立之事宜個別提出決議案以供審議，包括選舉董事，並對各項提呈之決議案以投票方式進行表決。投票表決之結果於股東週年大會日於本公司網站上登載。

# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## 董事及高級管理層履歷

### EXECUTIVE DIRECTORS

**Ms. Li, Kei Ling**, aged 68, is an Executive Director and Chairman of the Company. Ms. Li is one of the founders of the Group. She founded the Group in December 1995 and was appointed to the Board in October 2002. She was also the chief executive officer of the Company from 1 March 2015 to 17 April 2016. Ms. Li is also the Chairman of Dawnrays International Co. Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., Guangdong Dawnrays Pharmaceutical Co., Ltd., and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. She is the Chairman of the Nomination Committee and a member of the Remuneration Committee. Ms. Li has over twenty years of experience in corporate management, strategic planning, business operations and finance, in particular for pharmaceutical enterprises in the PRC. She is responsible for supervising the strategic management decisions to ensure good corporate governance practices and business policies are established, and executing the overall developmental strategies of the Group.

**Mr. HUNG, Yung Lai**, aged 72, is an Executive Director of the Company and one of the founders of the Group. Mr. Hung founded the Group in December 1995 and was appointed to the Board in October 2002. Mr. Hung also holds directorship in Dawnrays International Co. Ltd., Dawnrays Biotechnology Capital (Asia) Ltd., Dawnrays International Co. Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., Guangdong Dawnrays Pharmaceutical Co., Ltd., and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Hung holds a degree from 上海音樂學院 (Shanghai Conservatory of Music). He has over twenty years of experience in corporate management and corporate development, and has participated in founding and managing of pharmaceutical and high-tech enterprises. Mr. Hung is an executive director and the chairman of Sing Lee Software (Group) Ltd., a company listed on the Growth Enterprise Market of the Stock Exchange.

### 執行董事

**李其玲女士**，68歲，本公司執行董事兼主席，李女士為本集團創辦人之一，彼於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。於二零一五年三月一日至二零一六年四月十七日，彼亦是本公司總裁。李女士亦是本公司之附屬公司包括東瑞國際有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司、東瑞(南通)醫藥科技有限公司、廣東東瑞藥業有限公司及東瑞藥業(香港)有限公司之主席，彼也是提名委員會主席及薪酬委員會的成員。李女士於企業管理、策略規劃、業務營運及財務等方面，尤其在中國製藥企業的上述有關方面，擁有逾二十年經驗。彼負責監督管理決策之執行，確保制定良好的企業管治常規和經營方針，及制定本集團的整體發展策略。

**熊融禮先生**，72歲，本公司執行董事及本集團創辦人之一。熊先生於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。熊先生亦於本公司之附屬公司包括東瑞國際有限公司、東瑞生物投資發展(亞洲)有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司、東瑞(南通)醫藥科技有限公司、廣東東瑞藥業有限公司及東瑞藥業(香港)有限公司擔任董事職務。熊先生持有上海音樂學院的學位。彼於企業管理與公司發展方面擁有逾二十年經驗，並曾創立及管理製藥及高科技企業。熊先生是聯交所創業板上市公司新利軟件(集團)股份有限公司的執行董事兼主席。



# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## 董事及高級管理層履歷

**Mr. LI, Tung Ming**, aged 68, is an Executive Director of the Company. Mr. Li joined the Group in April 2000 and was appointed to the Board in January 2004. Mr. Li also holds directorship in Dawnrays Biotechnology Capital (Asia) Ltd., Suzhou Dawnrays Pharmaceutical Co., Ltd., Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., Guangdong Dawnrays Pharmaceutical Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Li has over twenty years of experience in the pharmaceutical industry in the PRC, and began his career in product development, promotion, sales and corporate management in the pharmaceutical market in the PRC in 1980. Mr. Li is responsible for liaison with the Group's academic network of medical experts and academic advisers and assists in new product development of the Group.

### NON-EXECUTIVE DIRECTORS

**Mr. LEUNG, Hong Man**, aged 42, is a Non-executive Director of the Company. He joined the Group and was appointed to the Board in November 2005. Mr. Leung has started his business career in knitting machinery since 1993. He has over 10 years experience in sales and management and also over 10 years experience in finance and property investments. In recent years, Mr. Leung has strived to exploit business in hi-tech agriculture and arts and cultural industries. Mr. Leung currently is the shareholder and the director of Toyo International Investment Ltd., of which has been one of the substantial shareholders (as required to be disclosed under Part XV of the Securities and Futures Ordinance) of the Company since September 2005.

**Mr. EDE, Ronald Hao Xi**, aged 58, is a Non-executive Director of the Company. He joined the Group and was appointed to the Board in June 2015. Mr. Ede has extensive experience in financial and business management in multinational companies. During the period of September 2006 and 3 March 2016, Mr. Ede was an independent director, a member of audit committee and transactions committee of Mindray Medical International Ltd., a company delisted from NYSE on 4 March 2016 due to privatization. Mr. Ede obtained his Bachelor degree in Business Administration from The University of Hawaii and a Master of Business Administration degree from The University of Washington.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. PAN, Xue Tian**, aged 80, is an Independent Non-executive Director of the Company. Mr. Pan joined the Group in June 2003. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. Mr. Pan has extensive experience in drug administration and supervision, medical hygiene and hospital management. Mr. Pan once held various senior management positions in the Ministry of Health of the PRC. He graduated from the medicine faculty of 中國大連醫學院 (Dalian Medical University of the PRC).

**李東明先生**，68歲，本公司執行董事。李先生於二零零零年四月加盟本集團，及於二零零四年一月被委任為董事。李先生亦於本公司之附屬公司包括東瑞生物投資發展(亞洲)有限公司、蘇州東瑞製藥有限公司、蘇州東瑞醫藥科技有限公司、東瑞(南通)醫藥科技有限公司、廣東東瑞藥業有限公司及東瑞藥業(香港)有限公司擔任董事職務。李先生於一九八零年開始從事中國醫藥市場的產品開發、推廣、銷售及企業的管理工作，擁有逾二十年經驗。李先生負責本集團醫學專家和醫葯學術顧問之間學術網路聯繫工作及協助本集團新產品的開發。

### 非執行董事

**梁康民先生**，42歲，本公司非執行董事，彼於二零零五年十一月加入本集團及被委任為董事。梁先生自一九九三年開展針織機械事業，在銷售及管理工作方面累積超過十年經驗，以及逾十年的金融及房地產投資經驗。近年更致力拓展高新農業事務和文化藝術行業。梁先生現時為東海國際投資有限公司(自二零零五年九月起成為本公司根據證券及期貨條例第XV部需要披露的主要股東之一)的股東及董事。

**EDE, Ronald Hao Xi**先生，58歲，本公司非執行董事，彼於二零一五年六月加入本集團及被委任為董事。EDE先生於跨國公司財務及業務管理方面擁有廣泛經驗。EDE先生於二零零六年九月至二零一六年三月三日期間曾為邁瑞醫療國際有限公司(一家因私有化已於二零一六年三月四日起於紐約證券交易所退市的公司)的獨立董事、審核委員會及交易委員會成員。EDE先生於夏威夷大學(The University of Hawaii)取得工商管理學士學位及於華盛頓大學(The University of Washington)取得工商管理碩士學位。

### 獨立非執行董事

**潘學田先生**，80歲，本公司獨立非執行董事。潘先生於二零零三年六月加盟本集團。彼現為本公司薪酬委員會主席、審核委員會及提名委員會的成員。潘先生在藥物管理及監管、醫療衛生及醫院管理方面擁有豐富經驗。潘先生曾於中國衛生部擔任多個高級管理層職位。潘先生畢業於中國大連醫學院醫學系。

# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## 董事及高級管理層履歷

**Mr. CHOI, Tat Ying Jacky**, aged 48, is an Independent Non-executive Director of the Company. Mr. Choi joined the Group in September 2004. He is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Choi has extensive experience in financial and treasury management, corporate finance, investment and audit. He earned his Bachelor degree of Business Administration from Hong Kong Baptist University with a first class honours in 1990. Mr. Choi is a practising member of the Hong Kong Institute of Certified Public Accountants.

**Mr. LO, Tung Sing Tony**, aged 48, is an Independent Non-executive Director of the Company. Mr. Lo joined the Group in October 2010. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Lo has extensive experience in financial management and business development in Hong Kong and multinational companies. He obtained his Bachelor degree in Business Administration from The Chinese University of Hong Kong and Master of Science in Financial Management from The University of London. Mr. Lo is an associate member of The Hong Kong Institute of Certified Public Accountants and a full member of CPA Australia. He currently holds the position of the Head of Corporate Financial Control at The Hong Kong Jockey Club.

### CHIEF EXECUTIVE OFFICER

**Mr. CHEN, Shaojun**, aged 39, is the chief executive officer of the Company. Mr. Chen has been appointed as the chief executive officer of the Company from 18 April 2016 to take charge of daily business operations of the Group. He joined sales and marketing department of Suzhou Dawnrays Pharmaceutical Company Limited, a subsidiary of the Company, in August 2002 as area manager and was responsible for developing area market of the Group's new specific medicines and managing sales business. He was appointed as executive vice president of the Company in December 2014. Mr. Chen has long specialized in sales promotion, network building, brand upgrading, planning and managing of business development in China pharmaceutical market. He also served corporate senior management position. He has accumulated almost twenty years of rich successful experience in respect of pharmaceutical sales and marketing and corporate development and management.

**蔡達英先生**，48歲，本公司獨立非執行董事，蔡先生於二零零四年九月加盟本集團。彼現分別為本公司審核委員會主席、薪酬委員會及提名委員會的成員。蔡先生於財務及財資管理、公司融資、投資及核數方面擁有豐富經驗。蔡先生於一九九零年在香港浸會大學取得工商管理學士一級榮譽學位。蔡先生是香港會計師公會執業會員。

**勞同聲先生**，48歲，本公司獨立非執行董事，勞先生於二零一零年十月加盟本集團。彼現分別為本公司審核委員會、薪酬委員會及提名委員會的成員。勞先生於香港及跨國公司財務管理及業務發展方面擁有廣泛經驗。勞先生於香港中文大學取得工商管理學士學位及於倫敦大學取得財務管理理學碩士學位。彼亦是香港會計師公會及澳洲會計師公會會員。彼現任香港賽馬會公司財務管制主管。

### 總裁

**陳紹軍先生**，39歲，本公司總裁，陳先生於二零一六年四月十八日被委任為本公司總裁，負責管理本集團日常營運事務。陳先生於二零零二年八月加盟本公司之附屬公司蘇州東瑞製藥有限公司銷售及市場推廣部擔任地區經理，負責開拓本集團新專科藥產品地區市場和管理銷售業務。彼於二零一四年十二月被委任為本公司常務副總裁。陳先生長期專注於中國醫藥市場的銷售推廣、網絡建設、品牌提升及業務拓展的計劃與管理工作，並曾擔任企業高級管理職位，於醫藥營銷及企業發展與管理等方面積累了近二十年的豐富成功經驗。

# Report of the Directors

## 董事會報告

The board of Directors (the “Board”) herein present their report and the audited financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

### RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2016 and the state of affairs of the Company and the Group at that date are set out in the audited financial statements on pages 56 to 137.

An interim dividend of HK\$0.03 per ordinary share was paid on 28 September 2016. The Board recommends the payment of a final dividend of HK\$0.10 per ordinary share in respect of the year, to shareholders on the register of members on 31 May 2017. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

### BUSINESS REVIEW

Review of the Group’s business for the year ended 31 December 2016 are presented in “Chairman’s Statement” and “Management Discussion and Analysis” on pages 5 to 7 and pages 9 to 11 respectively. The “Financial Review” on pages 12 to 15 also includes an analysis of the Group’s financial key performance indicators during the year. Future developments in the Group’s business are disclosed in “Chairman’s Statement” on pages 7 to 8.

The applicable discussion and analysis as cross-referenced above shall form an integral part of this Report of the Directors.

### EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 22 February 2017, the wholly-owned subsidiary of the Company, Dawnrays Biotechnology Capital (Asia) Ltd. invested joint venture, AD Pharmaceuticals Co., Ltd., was officially established and obtained the business license.

董事會(「董事會」)提呈其董事會報告及東瑞製藥(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度的經審核財務報表。

### 主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載列於財務報表附註1。本集團於年內的主要業務性質並無重大變動。

### 業績及股息

本集團截至二零一六年十二月三十一日止年度的溢利及本公司及本集團於該日的財務狀況，載於經審核財務報表第56至137頁。

每股普通股港幣0.03元的中期股息已於二零一六年九月二十八日派發。董事會建議向於二零一七年五月三十一日名列股東名冊的股東支付末期股息每股普通股港幣0.10元。有關建議已列入財務報表，並以分配保留溢利的形式計入財務狀況表內權益一節中。

### 業務回顧

本集團截至二零一六年十二月三十一日止年度的業務回顧，分別載於「主席報告」第5至7頁及「管理層討論與分析」第9至11頁。「財務回顧」第12至15頁亦包括了本年度本集團主要財務表現指標的分析。本集團的未來發展於「主席報告」第7至8頁披露。

上述互相參照之適用討論及分析是本董事會報告書的組成部分。

### 報告期後事項

於報告期後，本公司全資附屬公司東瑞生物投資發展(亞洲)有限公司投資的合營公司—康融東方(廣東)醫藥有限公司於二零一七年二月二十二日正式成立並取得營業執照。

### PRINCIPAL RISKS AND UNCERTAINTIES

Details about the Group's financial risk management objectives and policies are disclosed in note 33 to the financial statements. The following risks and uncertainties may affect the results and business operations of the Group, some of which are inherent to pharmaceutical sector and some are from external sources.

#### (1) DRUG APPROVAL PROCESS IN RELATION TO PRODUCTS UNDER DEVELOPMENT

The actual timing of the market launch of products under development could vary significantly from the Group's estimates due to a number of factors including delays or failures in pre-clinical studies or clinical trials, the lengthy approval process and the uncertainties in the outcome of regulatory approval process. If any of the necessary approvals in relation to products under development is delayed or not obtained, this could adversely affect the timing of the market launch of the products. The Group is committed to investing in research and development of new drugs in order to ensure a rich product pipeline.

#### (2) TENDER AND PRICE CONTROL

In each province where the Group markets products, the Group have to participate in a government-led tender process every year or every few years. In the event that the Group fails to win the tender in a provincial tender process, the sale of the Group's products to public hospitals in such province will be prohibited and the Group will lose market share in such province. In addition, certain new methods have been recently adopted in the provincial tender process, which may exert further downward pressure against the price of pharmaceutical products and the Group's market share, revenue and profitability may be adversely affected. The Group has a team of staff monitoring and handling the drug tenders with the objective of winning the tenders for the Group's products at a desirable price level.

#### (3) HEALTHCARE REFORM IN CHINA

The healthcare system in the PRC is undergoing a crucial reform period, where laws, regulations and policies in effect governing the medical, healthcare and pharmaceutical industry are constantly evolving. New policies implementation may have material effects to the Group. It may also incur significant costs, divert the resources and attention of the management and thus leading to more uncertainties and risks in respect of the Group's business and operation.

### 主要風險及不確定性

本集團的金融風險管理目標及對策載於財務報表附註33。下列之風險及不確定性可能會影響本集團之業績及業務經營，部份因素屬醫藥行業固有，部份則來自外界來源。

#### (1) 有關開發中產品之藥品批准

開發中產品上市之實際時間可能由於多項因素而與本集團預期之時間存在重大差異，包括臨床前研究或臨床試驗延遲或失敗，審批流程需時及監管批准過程結果之不確定性。倘任何開發中產品須取得之必要批准有所延誤或未能獲取，將影響該等產品上市之實際時間。本集團致力投資於研發新藥品以確保擁有豐富的在研產品線。

#### (2) 招標及價格控制

在本集團營銷產品的各個省份，本集團須每年參與或每隔幾年參與政府主導的招標程序。倘本集團未能在某個省級招標程序中中標，本集團的產品將不能銷售至該省份的公立醫院，本集團也將會失去該省份的市場份額；另外，最近省級招標過程中採用若干新方法，可能對醫藥產品價格造成進一步下調的壓力，這對本集團的市場份額、收益及盈利能力可能會有不利影響。本集團擁有一隊監督及處理藥品招標之隊伍，負責為本集團產品爭取以理想之價格水平中標。

#### (3) 中國醫療改革

中國當前處於醫療體制改革關鍵時期，很多監管醫療保健及製藥業的法律、法規或執行政策正在發展且經常變更。新政策推行均可能對本集團造成重大影響，也可能產生高昂費用、分散資源及管理層注意力，因而使本集團的業務及營運面臨更多的不確定因素及風險。

# Report of the Directors

## 董事會報告

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board is well aware of the importance of environmental protection on the Group's sustainability and stable development. The Group strives to improve product quality while achieving the best balance between cost control and environmental protection, devotes to be a resource-saving and environment-friendly enterprise with low energy and resources consumption and low level of discharge on wastages. The Group has established an environmental management system to promote clean production, to reduce pollution and to reduce the risk of environmental accidents. The Group also evaluates environmental and social risks of its suppliers on a regular basis to ensure the safety of its supply chains.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The environmental, social and governance report of the Company prepared in accordance with Appendix 27 of the Listing Rules will be announced on the The Stock Exchange of Hong Kong Limited and the Company's website within three months after the publication of the annual report of the Company.

### COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

As far as the directors and management are aware, for the year ended 31 December 2016, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

### 環保政策及表現

董事會非常瞭解環境保護對本集團持續穩定發展的重要性。本集團力求在提高產品品質的同時在成本控制及環境保護之間取得最佳平衡，致力成為能源資源消耗少、污染物排放低、節約資源及保護環境的企業。本集團通過環境管理體系的建立，推行清潔生產，減少污染，降低環境事故風險，亦定期評估供應商的環境和社會風險，以確保其供應鏈安全。

### 環境、社會及管治報告

根據上市規則附錄27編製的本公司環境、社會及管治報告將於本公司年報刊發後三個月內在香港聯合交易所有限公司及本公司網站上公佈。

### 遵守相關法律及規例

就董事及管理層所知，截至二零一六年十二月三十一日止年度，本集團已遵守對本集團業務及營運有重大影響之相關法律及規例。

### KEY RELATIONSHIPS

#### (1) EMPLOYEES

Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety. The staff and remuneration policy are presented in “Management Discussion and Analysis” on page 15.

#### (2) SUPPLIERS

The Group has established a supplier management system to handpick suppliers through a screening and evaluation process based on quality and price. Furthermore, the Group also carries out field audit on its suppliers when necessary, with a view to make endeavor to ensure its suppliers are equipped to provide guarantees on quality, as well as safety and other environmental issues that require managerial skills. Such audit cover a number of areas, including productivity, technical standards, quality assurance, supply capability, as well as safety and environmental management credentials.

#### (3) DISTRIBUTORS

The Group sells some of products to customers through third-party distributors. The Group works closely with distributors to ensure that the Group shares the view for upholding brand value and customer services, specifically focusing on attracting and retaining customers in order to drive sales growth. The Group also requires distributors to comply with the Group’s policies and promotional activities standards. The Group also monitors the financial condition and repayment history of distributors.

#### (4) CUSTOMERS

The Group maintains a good relationship with its customers and constantly endeavours to deliver quality products and services to its customers. The Group also directs dedicated efforts to deal with complaints about relevant products and has established relevant processes to handle complaints. In addition the Group has assigned staff to investigate customers’ complaint cases and provide timely feedbacks in order to safeguard customers’ benefits.

### 重要關係

#### (1) 僱員

本集團以人為本，給予僱員合理待遇，同時為挽留人才不斷完善薪酬福利、培訓、職業健康與安全等制度，並定期檢討更新。本集團的僱員及薪酬政策載於「管理層討論與分析」第15頁。

#### (2) 供應商

本集團建立了供應商管理制度，通過品質、價格對供應商篩選及評估以挑選供應商。此外，為求致力確保供應商在品質保證、安全及其他環境管理等方面的能力，本集團按需要到供應商現場調查，對其生產能力、技術水準、品質保證能力、供貨能力、安全環境管理資質等方面進行實地審查。

#### (3) 分銷商

本集團透過第三方分銷商向客戶出售部份產品。本集團與分銷商合作緊密，以確保本集團於提升品牌價值及客戶服務方面(尤其是專注於吸引和維繫顧客以促進銷售增長)之觀點一致。本集團要求分銷商遵守本集團的政策及推廣活動標準，亦會監察分銷商之財務狀況及還款紀錄。

#### (4) 客戶

本集團與顧客關係良好，不斷致力為客戶提供優質產品及服務，對有關產品的投訴更是高度重視，並已制定處理投訴機制，公司設有專責人員對投訴事件進行調查，並對客戶提供及時回饋，保障客戶利益。

# Report of the Directors 董事會報告

## CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 17 to 30 of the annual report.

## EMOLUMENT POLICY

The Group's emolument policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. Other fringe benefits, including defined contribution retirement schemes, share option scheme and medical cover are also provided.

## REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals during the year are set out in notes 7 and 8 to the financial statements.

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 138. This summary does not form part of the audited financial statements.

## DONATION

During the year, the Group made charitable donation amounting to RMB65,000.

## PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

Details of movements in property, plant and equipment and land use rights of the Company and the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

## INTEREST-BEARING BANK LOANS

Details of interest-bearing bank loans of the Group as at 31 December 2016 are set out in note 24 to the financial statements.

## SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 27 to the financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions 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.

## 企業管治

本公司之企業管治常規詳情載於年報第17至30頁之企業管治報告內。

## 薪酬政策

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂。另提供其他福利包括定額供款退休計劃、購股權計劃及醫療福利。

## 董事及五名最高薪人士之酬金

年內，董事及五名最高薪人士之酬金詳情載於財務報表附註7及附註8。

## 財務資料概要

節錄自本集團最近五個財政年度已公佈的經審核財務報表的已公佈業績、資產及負債概要載於第138頁。該概要並不構成經審核財務報表的部分。

## 捐款

年內，本集團的慈善捐款為人民幣65,000元。

## 物業、廠房及設備及土地使用權

本公司及本集團於年內的物業、廠房及設備及土地使用權的變動詳情，分別載於財務報表的附註13及14。

## 計息銀行貸款

本集團於二零一六年十二月三十一日的計息銀行貸款詳情載於財務報表附註24。

## 股本

本公司之股本於本年度之變動載於財務報表附註27。

## 優先購買權

本公司的公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例提呈發售新股予現有股東。

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

During the year, the Company repurchased 4,356,000 shares of the Company's listed securities on the Stock Exchange at an aggregate consideration of HKD22,103,160 before expenses. The repurchases were effected by the Directors for the enhancement of shareholder value in the long term. The repurchased shares, of which 3,536,000 shares were cancelled in 2016 and the remaining 820,000 shares were cancelled on 26 January 2017. The monthly breakdown of shares repurchased during the year was as follows:

Month of Repurchase	Number of Shares repurchased	The highest price paid per share (HK\$) 每股已付最高價格 (港元)	The lowest price paid per share (HK\$) 每股已付最低價格 (港元)	Aggregate consideration paid (HK\$) 總代價 (港元)
購回月份	購回股份數目			
January 2016 二零一六年一月份	760,000	5.24	4.84	3,829,360
February 2016 二零一六年二月份	1,680,000	5.39	4.97	8,649,600
August 2016 二零一六年八月份	944,000	5.37	5.07	5,005,080
September 2016 二零一六年九月份	152,000	5.40	5.36	817,840
December 2016 二零一六年十二月份	820,000	4.70	4.40	3,801,280
Total 總計	4,356,000			22,103,160

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased redeemed or sold any of the Company's listed securities for the year ended 31 December 2016.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in consolidated statement of changes in equity and note 30 to the financial statements.

### DISTRIBUTABLE RESERVES

At 31 December 2016 the Company's reserves available for distribution amounted to RMB281,148,000, of which RMB71,082,000 has been proposed as a final dividend for the year. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company of approximately RMB60,281,000 as at 31 December 2016 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

### 購買、贖回或出售本公司上市證券

年內，本公司在聯交所購回4,356,000股本公司上市證券，未計其他費用之總代價為港幣22,103,160元，股份回購是董事為提高股東長遠利益而作出。購回的股份其中3,536,000股已於二零一六年內註銷，剩餘820,000股已於二零一七年一月二十六日註銷。於年內每月購回股份之詳情列載如下：

除上文披露者外，截至二零一六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、贖回或出售任何本公司上市證券。

### 儲備

本公司及本集團於年內的儲備變動詳情，載於綜合權益變動表及財務報表附註30。

### 可供分派儲備

本公司於二零一六年十二月三十一日的可供分派儲備達人民幣281,148,000元，其中建議人民幣71,082,000元用作宣派年內的末期股息。根據開曼群島公司法（一九六一年第三卷，經綜合及修訂）第二十二章，本公司於二零一六年十二月三十一日可供分派予本公司股東的股份溢價賬約人民幣60,281,000元，惟本公司須於緊接建議派發股息當日後，本公司有能力清償其於一般業務過程中到期的債務。股份溢價賬亦可以繳足紅股的方式分派。



# Report of the Directors

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 21.63% of the total sales for the year and sales to the largest customer included therein amounted to 6.00%. Purchases from the Group's five largest suppliers accounted for 22.56% of the total purchases for the year and purchases from the largest supplier included therein amounted to 8.26%.

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

### DIRECTORS

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

#### EXECUTIVE DIRECTORS

Ms. Li Kei Ling  
Mr. Hung Yung Lai  
Mr. Li Tung Ming

#### NON-EXECUTIVE DIRECTORS

Mr. Leung Hong Man  
Mr. Ede, Ronald Hao Xi

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Pan Xue Tian  
Mr. Choi Tat Ying Jacky  
Mr. Lo Tung Sing Tony

In accordance with the article 87 of the Company's articles of association (the "Articles"), Ms. Li Kei Ling, Mr. Leung Hong Man and Mr. Lo Tung Sing Tony will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

The Company has received annual confirmations of independence from Mr. Pan Xue Tian, Mr. Choi Tat Ying Jacky and Mr. Lo Tung Sing Tony, and as at the date of this report still considers them to be independent.

### 主要客戶及供應商

於回顧年內，向本集團五大客戶的銷售額佔銷售總額的21.63%，而向其中最大客戶的銷售額則佔6.00%。向本集團五大供應商的採購額佔年內採購總額的22.56%，而向其中最大供應商的採購額則佔8.26%。

本公司董事或其任何聯繫人或任何股東（據董事所知，擁有本公司已發行股本逾5%權益）於本集團五大客戶或供應商中並無擁有任何實益權益。

### 董事

本公司於年內及截至本報告刊發之日止的董事如下：

#### 執行董事

李其玲女士  
熊融禮先生  
李東明先生

#### 非執行董事

梁康民先生  
EDE, Ronald Hao Xi先生

#### 獨立非執行董事

潘學田先生  
蔡達英先生  
勞同聲先生

根據本公司組織章程細則（「組織章程細則」）第87條，李其玲女士、梁康民先生及勞同聲先生將於應屆股東週年大會（「股東週年大會」）上輪席告退，並符合資格膺選連任。

本公司已取得潘學田先生、蔡達英先生及勞同聲先生的年度獨立確認書，並於本報告刊發之日仍視彼等為獨立人士。

## DIRECTORS' AND KEY MANAGEMENT'S BIOGRAPHIES

The Board considers the executive directors of the Company and the CEO are the key management of the Group.

Biographical details of the Directors of the Company and the CEO are set out on pages 31 to 33 of the annual report.

## DIRECTORS' SERVICE CONTRACTS

Ms. Li Kei Ling entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Ms. Li's service contract was renewed for a term of three years which commenced on 1 July 2005 and will continue thereafter for successive terms of three years. Her appointment is subject to termination by either party giving not less than three months' written notice. Ms. Li is currently entitled to director's fee and other remuneration from the Group totally HK\$1,162,800 per year.

Mr. Hung Yung Lai entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Mr. Hung's service contract was renewed for a term of three years which commenced on 1 July 2005 and will continue thereafter for successive terms of three years. His appointment is subject to termination by either party giving not less than three months' written notice. Mr. Hung is currently entitled to director's fee and other remuneration from the Group totally HK\$742,800 per year.

Mr. Li Tung Ming entered into a service contract with the Company for a term of two years which commenced on 14 January 2004. Mr. Li's service contract was renewed on 1 January 2007 for a term of three years and will continue thereafter for successive terms of three years. His appointment is subject to termination by either party giving not less than three months' written notice. Mr. Li is currently entitled to director's fee and other remuneration from the Group totally HK\$742,800 per year.

Mr. Leung Hong Man entered into a service contract with the Company for a term of two years which commenced on 1 November 2005 and will continue thereafter for successive terms of two years. Mr. Leung is currently entitled to a basic annual remuneration of HK\$180,000. Mr. Ede, Ronald Hao Xi entered into a service contract with the Company for a term of two years which commenced on 15 June 2015. Mr. Ede is currently entitled to a basic annual remuneration of HK\$216,000. Mr. Leung and Mr. Ede's appointments are subject to termination by either party giving not less than one month's written notice. Save for the above directors' fees, Mr. Leung and Mr. Ede are not entitled to any other remuneration.

## 董事及主要管理層履歷

董事會認為本公司執行董事及總裁均為本集團主要管理人員。

本公司董事及總裁的履歷詳情載於年報第31至33頁。

## 董事服務合約

李其玲女士與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。李女士的服務合約於二零零五年七月一日獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。李女士目前於本集團有權享有董事袍金及其他酬金每年共港幣1,162,800元。

熊融禮先生與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。熊先生的服務合約由二零零五年七月一日開始獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。熊先生目前於本集團有權享有董事袍金及其他酬金每年共港幣742,800元。

李東明先生與本公司訂立服務合約，由二零零四年一月十四日開始為期兩年。李先生的服務合約於二零零七年一月一日開始獲續約三年，其後每次續期三年，其委任可由任何一方發出不少於三個月書面通知書予以終止。李先生目前於本集團有權享有董事袍金及其他酬金每年共港幣742,800元。

梁康民先生與本公司訂立服務合約，由二零零五年十一月一日開始為期兩年，其後每次續期兩年，梁先生現時享有年度酬金港幣180,000元。Ede, Ronald Hao Xi先生與本公司訂立服務合約，由二零一五年六月十五日開始為期兩年。Ede先生現時享有年度酬金港幣216,000元。梁先生及Ede先生的委任均可於任何一方發出不少於一個月書面通知書予以終止。除上述董事袍金外，梁先生及Ede先生並無享有任何其他酬金。

# Report of the Directors

## 董事會報告

Mr. Pan Xue Tian entered into a service contract with the Company for a term of two years which commenced on 1 July 2003 and will continue thereafter for successive terms of two years. Mr. Choi Tat Ying Jacky entered into a service contract with the Company for a term of two years which commenced on 30 September 2004 and will continue thereafter for successive terms of two years. Mr. Lo Tung Sing Tony entered into a service contract with the Company for a term of two years which commenced on 1 October 2010 and will continue thereafter for successive terms of two years. Mr. Pan, Mr. Choi and Mr. Lo's appointments are subject to termination by either party giving not less than one month's written notice. Each of Mr. Pan, Mr. Choi and Mr. Lo is currently entitled to an annual remuneration of HK\$216,000. Save for the above directors' fees, the three Independent Non-executive Directors are not entitled to any other remuneration.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group. There is no contract of significance between the Group, its controlling shareholder or any of its subsidiaries during the year.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

### COMPETITION AND CONFLICT OF INTERESTS

In the opinion of the Directors, none of the Directors, the substantial shareholders of the Company and any of their respective close associates has engaged in any businesses that competes or may compete, either directly or indirectly with the business of the Group or has any other conflict of interests with the Group during the year under review which are required to be disclosed under the Listing Rules.

潘學田先生與本公司訂立服務合約，由二零零三年七月一日開始為期兩年，其後每次續期兩年。蔡達英先生與本公司訂立服務合約，由二零零四年九月三十日開始為期兩年，其後每次續期兩年。勞同聲先生與本公司訂立服務合約，由二零一零年十月一日開始為期兩年，其後每次續期兩年。潘先生、蔡先生及勞先生的委任均可於任何一方發出不少於一個月書面通知書予以終止。潘先生、蔡先生及勞先生現時各自享有年度酬金港幣216,000元。除上述董事袍金外，三名獨立非執行董事並無享有任何其他酬金。

擬於應屆股東週年大會上再獲推選的董事，並無與本公司訂立不可於一年內免賠償（除法定賠償外）予以終止的服務合約。

### 董事於合約的權益

概無董事於對本集團業務屬重大的任何合約中直接或間接擁有重大權益。本集團、其控股股東或其任何附屬公司之間並無任何重大合約。

### 管理合約

於年內，概無訂立或存在任何有關處理及管理本公司全部業務或業務的重要部份的合約。

### 競爭及利益衝突

董事認為，本公司董事、主要股東及彼等各自任何緊密聯繫人，概無於本年度內從事任何與本集團業務構成或可能構成直接或間接競爭的業務，或與本集團出現任何其他利益衝突，而須根據上市規則予以披露。

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or offices, to the extent as permitted by laws.

The Company has acquired insurance coverage on Directors' and officers' liabilities which provides certain indemnities against liabilities incurred in respect of any legal actions which may be taken against Directors and officers in the execution and discharge of their duties or in relation thereto.

### EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

### SHARE OPTION SCHEME

The share option scheme adopted by the Company on 21 June 2003 (the "2003 Share Option Scheme") was expired on 20 June 2013. All other respects of the provisions of the 2003 Share Option Scheme shall remain in full force and holders of all options granted under the 2003 Share Option Scheme prior to such expiry shall be entitled to exercise the outstanding options pursuant to the terms of the 2003 Share Option Scheme until expiry of the said options. As a result, on 24 May 2013, the shareholders of the Company approved at the annual general meeting a new share option scheme (the "2013 Share Option Scheme"), and took effect immediately on 21 June 2013, which was after the expiry of the 2003 Share Option Scheme. The principal terms of the 2013 Share Option Scheme and the 2003 Share Option Scheme are similar and are collectively referred to as the "Scheme". The detailed disclosures relating to the Scheme including the purposes and the eligible participants of the Scheme and valuation of options are set out in note 29 to the financial statements. The total number of shares available for issue under the Scheme is 79,478,400 shares which representing approximately 9.91% of the issued share capital of the Company at the date of this annual report.

### 獲准許的彌償條文

根據組織章程細則，在法律容許的範圍內，各董事有權從公司的資產中按其可能產生或就或因其執行及／或履行職務及／或行使其權力時所產生及／或與其職責、權力或職務有關的所有成本、費用、開支、虧損及負債獲得彌償。

本公司已為董事及行政人員購買責任保險，為彼等因履行其職責或相關事宜時可能要承擔的法律責任提供若干彌償。

### 股票掛鈎協議

於年內曾訂立或年終仍存在之股票掛鈎協議詳情載列如下：

### 購股權計劃

本公司於二零零三年六月二十一日採納購股權計劃（「二零零三購股權計劃」）已於二零一三年六月二十日屆滿。二零零三購股權計劃條文之所有其他方面將繼續全面有效，於二零零三購股權期限前，根據二零零三購股權計劃條款授出之所有購股權之持有人，將繼續有權根據二零零三購股權計劃條款行使未獲行使之購股權，直至前述購股權到期。因此，一項新購股權計劃已於二零一三年五月二十四日之股東週年大會上獲股東批准（「二零一三購股權計劃」），並於二零一三年六月二十一日（即二零零三購股權計劃屆滿後）立即生效。二零一三購股權計劃之主要條款與二零零三購股權計劃相類似，並統稱為「該計劃」。有關該計劃的詳情包括該計劃的目的與合資格參與者及購股權的估值載於財務報表附註29。於本報告日，根據該計劃可予發行的股份總數為79,478,400股，約佔本公司已發行股份的9.91%。

# Report of the Directors

## 董事會報告

Movements of Company's share options under the Scheme during the year were as follows: 於年內，該計劃中的本公司購股權變動如下：

Name or Category of participant	參與者名稱或類別	Number of share options 購股權數目				At 31 December 2016 於二零一六年十二月三十一日	Date of grant of share options (a) (dd/mm/yy) 授出購股權日期 (a) (日/月/年)	Exercise period of share options (dd/mm/yy) 購股權行使期間 (日/月/年)	Exercise price of share options (b) 購股權行使價 (b) HK\$ 港幣	Closing price of the Company's shares at immediate date before the grant (c) 緊接授出購股權前一天本公司股份收市價格 (c) HK\$ 港幣
		At 1 January 2016 於二零一六年一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效 (d)					
<b>Chief Executive Officer (e)</b>	<b>總裁 (e)</b>									
Mr. Chen Shaojun	陳紹軍先生	3,000,000	-	-	-	3,000,000	08/01/15	08/01/16-07/01/21	5.15	4.97
		3,000,000	-	-	-	3,000,000	18/03/15	18/03/16-17/03/21	5.27	5.15
		2,000,000	-	-	-	2,000,000	16/04/15	16/04/16-15/04/21	7.34	7.17
		8,000,000	-	-	-	8,000,000				
<b>Other employees</b>	<b>其他僱員</b>									
In aggregate	總計	1,764,000	-	(440,000)	-	1,324,000	25/03/11	25/03/12-24/03/17	3.13	3.14
		1,000,000	-	-	-	1,000,000	17/09/14	17/09/15-16/09/20	6.44	6.07
		3,000,000	-	(100,000)	-	2,900,000	08/01/15	08/01/16-07/01/21	5.15	4.97
		4,000,000	-	-	-	4,000,000	16/04/15	16/04/16-15/04/21	7.34	7.17
		1,400,000	-	-	-	1,400,000	23/11/15	23/11/16-22/11/21	6.38	6.37
		-	1,800,000	-	(300,000)	1,500,000	11/05/16	11/05/17-10/05/22	6.34	6.29
		-	1,200,000	-	-	1,200,000	08/09/16	08/09/17-07/09/22	5.66	5.56
		11,164,000	3,000,000	(540,000)	(300,000)	13,324,000				
		19,164,000	3,000,000	(540,000)	-	21,324,000				

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period. (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital. (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
- (c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options. (c) 於授予購股權前一天所披露的本公司股份價格為緊接授出購股權當日前一個交易日的聯交所收市價。
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees. (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。
- (e) Mr. Chen Shaojun was appointed as chief executive officer of the Company on 18 April 2016. (e) 陳紹軍先生於二零一六年四月十八日被委任為本公司總裁。

The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercise of options within the disclosure line. The weighted average closing price of Company's shares immediately before the dates on which the options were exercised by employees was HK\$5.52. No options granted under 2003 Share Option Scheme and 2013 Share Option Scheme were cancelled during the year.

於緊接購股權行使日期前披露的本公司股份價格為股份於緊接披露類別的所有購股權行使日期前一日的聯交所股份收市價的加權平均數。其他僱員已行使的購股權於緊接行使日期前一日之加權平均股份收市價為港幣五元伍角貳分。於年內，並無註銷任何根據二零零三購股權計劃及二零一三購股權計劃授出之購股權。

### DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

### 董事及總裁於股份及相關股份的權益及淡倉

As at 31 December 2016, the interests and short positions of the Directors and Chief Executive Officer in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

於二零一六年十二月三十一日，董事及總裁於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉載列如下：

Long positions in ordinary shares of the Company:

於本公司普通股中的好倉：

Name 名稱	Notes 附註	Number of shares held, capacity and nature of interest 持有的股份數目、身份及權益性質			Through controlled corporation 通過控制公司 持有	Total 總數	Percentage of the Company's issued share capital 佔本公司已發行 股本的百分比
		Directly beneficially owned 直接實益擁有	Share Option granted 獲頒授的購股權				
<b>Directors</b> 董事							
Ms. Li Kei Ling 李其玲女士	(a)	49,088,000	–	294,072,000	343,160,000	42.80	
Mr. Hung Yung Lai 熊融禮先生	(a)	312,000	–	294,072,000	294,384,000	36.71	
Mr. Li Tung Ming 李東明先生	(b)	112,000	–	40,000,000	40,112,000	5.00	
Mr. Leung Hong Man 梁康民先生	(c)	–	–	49,400,000	49,400,000	6.16	
<b>Chief Executive Officer</b> 總裁							
Mr. Chen Shaojun 陳紹軍先生	(d)	1,396,000	8,000,000	–	9,396,000	1.17	

# Report of the Directors

## 董事會報告

Long positions in shares and underlying shares of associated corporation:

於相聯法團股份及相關股份中的好倉：

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Relationship with the Company 與本公司的關係	Number of Ordinary shares 持有普通股股份數目	Capacity and nature of interest 身份及權益性質	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本的百分比
Ms. Li Kei Ling 李其玲女士	Fortune United Group Limited	the Company's holding company 本公司的控股公司	2	Through a controlled corporation 通過一間控制公司	50
Mr. Hung Yung Lai 熊融禮先生	Fortune United Group Limited	the Company's holding company 本公司的控股公司	2	Through a controlled corporation 通過一間控制公司	50

Notes:

附註：

- |   |  |
|---|--|
| (a) 294,072,000 shares of the Company are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.      | (a) 294,072,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Fortune United Group Limited 所持有。Fortune United Group Limited 的股本由李其玲女士全資擁有的 Keysmart Enterprises Limited 及由熊融禮先生全資擁有的 Hunwick International Limited 各自實益擁有 50% 權益。 |
| (b) 40,000,000 shares of the Company are held by Time Lead Investments Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming.   | (b) 40,000,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Time Lead Investments Limited 所持有。Time Lead Investments Limited 的全部已發行股本由李東明先生實益擁有。  |
| (c) 49,400,000 shares of the Company are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.   | (c) 49,400,000 股本公司股份由一家於香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有 50% 權益。   |
| (d) 1,396,000 shares of the Company are directly beneficially owned by Mr. Chen Shaojun and 8,000,000 underlying shares are the share options granted to him under the share option scheme of the Company. Mr. Chen is deemed to be interested in the shares which will be issued to him upon his exercise of options, representing approximately 0.998% of the Company's issued share capital. | (d) 1,396,000 股本公司股份由陳紹軍先生直接實益擁有，8,000,000 股相關股份的權益為根據本公司購股權計劃授予彼的購股權，陳先生被視為擁有當行使該批購股權時將發行給彼之股份權益，約佔本公司已發行股份的 0.998%。  |

Save as disclosed above, as at the date of this report, none of the Directors or Chief Executive Officer had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

除上述者外，於本報告刊發之日，概無董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有須根據證券及期貨條例第 352 條予以記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Share option scheme", "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name 名稱	Notes 附註	Nature of interest 權益性質	Number of Shares held 持有的股份數目	Approximate percentage to the total number of shares of the Company (%) 約佔本公司已發行 股本的百分比	Long position/ short position 好倉/淡倉
Fortune United Group Limited	(a)	Directly beneficially owned 直接實益擁有	294,072,000	36.67	Long position 好倉
Keysmart Enterprises Limited	(a)	Through controlled corporation 通過控制公司持有	294,072,000	36.67	Long position 好倉
Hunwick International Limited	(a)	Through controlled corporation 通過控制公司持有	294,072,000	36.67	Long position 好倉
Mdm. Lu Pun 姚彬女士	(b)	Family interest 家屬權益	294,384,000	36.71	Long position 好倉
Toyo International Investment Limited 東海國際投資有限公司	(c)	Directly beneficially owned 直接實益擁有	49,400,000	6.16	Long position 好倉
Mdm. Lo Mei Sai 羅美茜女士	(d)	Family interest 家屬權益	49,400,000	6.16	Long position 好倉
Mr. Leung Yiu Sing 梁耀成先生	(c) & (e)	Through controlled corporation 通過控制公司持有	51,500,000	6.42	Long position 好倉

### 董事購買股份或債券的權益

除於上述「購股權計劃」一節、「董事及總裁於股份及相關股份的權益及淡倉」一節及財務報表附註29所載購股權計劃披露的事宜外，年內並無任何董事、彼等的配偶或未滿18歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

### 主要股東及其他人士於股份及相關股份的權益

於二零一六年十二月三十一日，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，於本公司股份及相關股份的權益或淡倉載列如下：



# Report of the Directors

## 董事會報告

Name 名稱	Notes 附註	Nature of interest 權益性質	Number of Shares held 持有的股份數目	Approximate percentage to the total number of shares of the Company (%) 約佔本公司已發行 股本的百分比	Long position/ short position 好倉/淡倉
Mdm. Chu Shuet Fong 朱雪芳女士	(f)	Family interest 家屬權益	49,400,000	6.16	Long position 好倉
	(e)	Through controlled corporation 通過控制公司持有	2,100,000	0.26	Long position 好倉
UBS Group AG		Person having a security interest in shares 對股份持有保證權益的人	1,328,000	0.16	Long position 好倉
	(g)	Through controlled corporation 通過控制公司持有	43,918,200	5.48	Long position 好倉
	(h)	Through controlled corporation 通過控制公司持有	1,792,000	0.22	Short position 淡倉

Notes:

- (a) The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (b) Mdm. Lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (c) The issued capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company and his father Mr. Leung Yiu Sing.
- (d) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (e) 2,100,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Limited, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the issued share capital of Dragon Asia Industrial (Holdings) Limited.
- (f) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.
- (g) According to the corporate substantial shareholder notice of UBS Group AG filed for the relevant event dated 15 December 2016 as shown on the website of the Stock Exchange, UBS AG, UBS Asset Management (Hong Kong) Limited, UBS Asset Management (Singapore) Ltd., UBS Asset Management Trust Company, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG are directly interested in 1,792,200 shares, 10,348,000 shares, 1,596,000 shares, 24,000 shares, 30,150,000 shares and 8,000 shares respectively. Since they are all controlled by UBS Group AG, UBS Group AG is deemed to be interested in 45,246,200 shares for the purpose of the SFO.

附註：

- (a) Fortune United Group Limited的已發行股本由Keysmart Enterprises Limited及Hunwick International Limited平均實益擁有。Keysmart Enterprises Limited及Hunwick International Limited分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (b) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (c) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父親梁耀成先生平均實益擁有。
- (d) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (e) 2,100,000股本公司股份由香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有50%權益。
- (f) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。
- (g) 誠如聯交所網頁所示，根據UBS Group AG日期為二零一六年十二月十五日就相關事項存檔的公司主要股東通知，UBS AG、UBS Asset Management (Hong Kong) Limited, UBS Asset Management (Singapore) Ltd.、UBS Asset Management Trust Company, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG分別直接於1,792,200股、10,348,000股、1,596,000股、24,000股、30,150,000股及8,000股股份中擁有權益。由於彼等全部均由UBS Group AG所控制，故此就證券及期貨條例而言，UBS Group AG被視為於45,246,200股股份中擁有權益。

(h) According to the corporate substantial shareholder notice of UBS Group AG filed for the relevant event dated 15 December 2016 as shown on the website of the Stock Exchange, UBS AG, directly holds a short position in 1,792,000 shares. Since UBS AG is controlled by UBS Group AG, UBS Group AG is deemed to hold a short position in 1,792,000 shares for the purpose of the SFO. Pursuant to the same notice, UBS Group AG is deemed to hold a short position in 1,392,000 shares through the holding of certain unlisted cash-settled equity derivatives.

Save as disclosed above, as at 31 December 2016, no person, other than the Directors and Chief Executive Officer of the Company, whose interests are set out in the section “Directors’ and Chief Executive Officer’s interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public as at the date of this report.

## AUDITORS

Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

**Li Kei Ling**

*Chairman*

Hong Kong, 24 March 2017

(h) 誠如聯交所網頁所示，根據UBS Group AG日期為二零一六年十二月十五日就相關事項存檔的公司主要股東通知，UBS AG直接於1,792,000股股份中持有短倉。由於UBS AG由UBS Group AG所控制，故此就證券及期貨條例而言，UBS Group AG被視為於1,792,000股股份中持有短倉。根據同一通知，UBS Group AG透過持有若干非上市現金結算股本衍生工具於1,392,000股股份中持有短倉。

除上文披露者外，於二零一六年十二月三十一日，並無其他人士（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）登記於本公司股份或相關股份中擁有的權益或淡倉（須根據證券及期貨條例第336條予以登記）。

## 足夠的公眾持股量

根據本公司獲得的已公開資料及據董事所知，於本報告刊發之日，公眾人士持有本公司已發行股本總額至少25%。

## 核數師

安永會計師事務所將退任，而重新委任彼等為本公司核數師的決議案，將於應屆股東週年大會上呈。

代表董事會

**李其玲**

*主席*

香港，二零一七年三月二十四日

# Independent Auditors' Report

## 獨立核數師報告



**TO THE SHAREHOLDERS OF  
DAWRAYS PHARMACEUTICAL (HOLDINGS) LIMITED  
(Incorporated in the Cayman Islands with limited liability)**

### OPINION

We have audited the consolidated financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) and its subsidiaries set out on pages 56 to 137, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of 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 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) 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 Hong Kong Institute of Certified Public Accountants (“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.

致東瑞製葯(控股)有限公司  
(在開曼群島註冊成立的有限公司)  
全體股東

### 意見

本核數師(以下簡稱「我們」)已審計列載於第56至137頁東瑞製葯(控股)有限公司(以下簡稱「貴公司」)及其附屬公司的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及載有主要會計政策概要的綜合財務報表附註。

我們認為,該等綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公允地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況,及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港《公司條例》的披露要求妥為編製。

### 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審計綜合財務報表須承擔的責任」一節中闡述。根據香港會計師公會頒佈的職業會計師道德守則(「守則」),我們獨立於 貴集團,並已履行守則中的其他職業道德責任。我們相信,我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 關鍵審計事項

關鍵審計事項是根據我們的職業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項是在對整體綜合財務報表進行審計及出具意見的背景下來進行處理的，且我們不會對該等事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括有關該等事項的責任。相應地，我們的審計工作包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表整體的審計意見提供基礎。

#### Key audit matter

##### 關鍵審計事項

#### How our audit addressed the key audit matter

##### 我們的審計如何處理關鍵審計事項

#### **Impairment testing of Property, plant and equipment ("PPE") and Construction in progress ("CIP")**

物業、廠房及設備（「物業、廠房及設備」）及在建工程（「在建工程」）減值測試

As at 31 December 2016, the Group reported PPE and CIP of RMB566.3 million and RMB5.8 million, respectively. There is a risk of impairment of the Group's PPE and CIP particularly in the intermediates and bulk medicines segment as this segment reported losses in recent years. For this reason, the non-current assets in the manufacture and sale of intermediates and bulk medicines segment were subject to an impairment test. Value-in-use models were used to assess the risk of impairment and based on estimates including future sales, gross margins, operating costs, the discount rate and the assumptions inherent in those estimates. We focused on this area because of the inherent judgement involved in the impairment testing and the magnitude of the assets under consideration.

於二零一六年十二月三十一日，貴集團公佈物業、廠房及設備以及在建工程分別為人民幣566.3百萬元及人民幣5.8百萬元。貴集團的物業、廠房及設備以及在建工程，特別是中間體及原料藥分類（因該分類近年來錄得虧損）存在減值風險。故此，須對中間體及原料藥分類內的非流動資產進行減值測試。我們採取使用價值模式，基於對未來銷售、毛利率、營運成本折現率估測及該等估測使用的假設，評估減值風險。我們關注於此，是因為年度減值測試涉及內在判斷及大量資產須予考慮。

As a result, our audit procedures included an assessment of the assumptions and methods used by the Group. In doing so, we involved our own valuation experts. We assessed the assumptions adopted by the Group which included the discount rate, the expected trend in turnover, the gross margins, and the operating costs. We paid attention to the forecasts used with respect to future revenues and operating results by comparing the forecasts with the historical performance of the respective CGU and the business development plan.

故此，我們的審計程序包括對貴集團使用的假設及方法進行評估，這樣做時，我們引入了自己的估值專家。我們評估貴集團採用的假設包括有關折現率、營業額預期趨勢、毛利率及營運成本。我們將估測與各自現金產生單位的歷史表現及業績發展規劃進行比較，特別注重就未來收入及經營業績作出的估測。

# Independent Auditors' Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Cont'd)

#### Key audit matter

##### 關鍵審計事項

The Group's disclosures about impairment test of PPE and CIP are included in note 2.4 summary of significant accounting policies — Impairment of non-financial assets, note 2.5 significant accounting judgements, estimates and assumptions — Impairment of non-financial assets, note 13 Property, plant and equipment and note 15 Construction in progress to the financial statements.

貴集團有關物業、廠房及設備以及在建工程的減值測試的披露資料載於財務報表附註2.4主要會計政策概要、附註2.5主要會計判斷、估計及假設—非財務資產減值、附註13物業、廠房及設備及附註15在建工程內。

#### Provision for inventories

##### 存貨撥備

The Group reported inventories of RMB124.7 million as at 31 December 2016. The Group had exposure to the impairment risks of inventories arising from certain obsolete, slow-moving and due to expiration. We focused on this area because inventories were material to the Group as at 31 December 2016 and the determination of the impairment provision for inventories involved a high level of management's judgement and estimates in future sales and technique innovation.

於二零一六年十二月三十一日，貴集團公佈存貨為人民幣124.7百萬元。貴集團存在因過時、滯銷及過期而產生的存貨減值風險。我們關注於此，是因為貴集團於二零一六年十二月三十一日的存貨屬重大，且存貨減值撥備涉及高級管理層對未來銷售及技術創新的判斷及估計。

The Group's disclosures about provision for inventories are contained in note 2.4 summary of significant accounting policies — Inventories, note 2.5 significant accounting judgements, estimates and assumptions — Net realisable value of inventories, note 6 Profit before tax and note 17 Inventories to the financial statements.

貴集團有關存貨撥備的披露資料載於財務報告附註2.4主要會計政策概要—存貨、附註2.5主要會計判斷、估計及假設—可變現存貨淨值、附註6除稅前溢利及附註17存貨內。

### 關鍵審計事項(續)

#### How our audit addressed the key audit matter

##### 我們的審計如何處理關鍵審計事項

We evaluated the inventory impairment assessments made by management, including expected selling prices and expiration dates of the related inventories, and the Group's future plan of usage or sale. We assessed the aging reports of pharmaceutical products, by tracing the production dates back to the product release reports. We checked the condition of inventories by physical inspection on a sample basis. Furthermore, we checked the regulation updates to identify if there were any potential indicators of impairment.

我們評估管理層就滯銷存貨所作的減值估計，包括相關存貨的預期售價及到期日，以及貴集團的未來使用或銷售計劃。我們透過產品檢驗合格報告追蹤其生產日期，來評定藥品的庫齡報告。我們對存貨抽樣進行實地盤點，測試存貨是否保存完好。此外，我們審查最新法規，來確認撥備產生的任何潛在因素。

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料(綜合財務報表及我們就此發出的核數師報告除外)。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況有重大不符，或者似乎有重大錯報。基於我們已執行的工作，如果我們認為其他資料有重大錯報，我們需要報告有關事實。就此而言，我們無需報告任何事項。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港《公司條例》披露要求編製真實而公允列報的綜合財務報表，以及對於編製不存在由於舞弊或錯誤而導致的重大錯報的綜合財務報表所需的內部控制負責。

在編製綜合財務報表時，貴公司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，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

# Independent Auditors' Report

## 獨立核數師報告

### 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. Our 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### 核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於舞弊或錯誤而導致的任何重大錯報取得合理保證，並出具包括我們意見的核數師報告。我們僅向全體股東（作為一個整體）報告，除此之外本報告不可用作其他用途。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，但不能保證按香港審計準則進行的審計總能發現重大錯報。錯報可以由舞弊或錯誤引起，如果按合理預期而錯報個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯報可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了職業判斷，保持了職業懷疑態度。我們亦：

- 識別及評估由於舞弊或錯誤而導致綜合財務報表存在重大錯報的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為我們意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因舞弊而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 瞭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及相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。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報表使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

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

(Cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lai Chee Kong.

#### Ernst & Young

Certified Public Accountants  
22/F, CITIC Tower,  
1 Tim Mei Avenue,  
Central, Hong Kong

24 March 2017

### 核數師就審計綜合財務報表須承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 就貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部責任。

我們與審計委員會溝通計劃審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向審計委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及(倘適用)相關的防範措施。

從與審計委員會溝通的事項中，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為黎志光。

#### 安永會計師事務所

執業會計師  
香港中環  
添美道1號  
中信大廈22樓

2017年3月24日



# Consolidated Statement of Profit or Loss

## 綜合損益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>REVENUE</b>	收入	4	<b>824,351</b>	985,000
Cost of sales	銷售成本		<b>(312,872)</b>	(415,612)
<b>Gross profit</b>	毛利		<b>511,479</b>	569,388
Other income and gains	其他收入及收益	4	<b>24,425</b>	31,481
Selling and distribution expenses	銷售及分銷費用		<b>(98,895)</b>	(94,471)
Administrative expenses	行政費用		<b>(64,625)</b>	(74,940)
Other expenses	其他費用		<b>(38,928)</b>	(52,745)
Finance costs	財務費用	5	<b>(157)</b>	(1,524)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	6	<b>333,299</b>	377,189
Income tax expense	所得稅	10	<b>(67,382)</b>	(74,991)
<b>PROFIT FOR THE YEAR</b>	本年度溢利		<b>265,917</b>	302,198
Attributable to:	以下各項應佔：			
Owners of the parent	母公司擁有人		<b>265,917</b>	302,198
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	母公司普通股權益持有人應佔每股盈利	12		
Basic, for profit for the year	基本，以本年度溢利計算		<b>RMB0.3314</b>	RMB0.3758
Diluted, for profit for the year	攤薄，以本年度溢利計算		<b>RMB0.3312</b>	RMB0.3747

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>PROFIT FOR THE YEAR</b>	本年度溢利	<b>265,917</b>	302,198
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	以後期間將被重分類至損益表的其他全面收益/(虧損)：		
Exchange differences	匯兌差額	<b>4,373</b>	(1,343)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	本年度除稅後其他全面收益/(虧損)總額	<b>4,373</b>	(1,343)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	本年度除稅後全面收益總額	<b>270,290</b>	300,855
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	<b>270,290</b>	300,855

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	566,321	597,233
Land use rights	土地使用權	14	40,175	41,216
Construction in progress	在建工程	15	5,776	4,304
Intangible assets	無形資產	16	24,909	18,629
Deferred tax assets	遞延稅項資產	26	6,729	9,131
Total non-current assets	非流動資產總額		643,910	670,513
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	17	124,746	147,747
Trade and notes receivables	應收貿易及票據款項	18	225,660	282,173
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	19	220,958	13,830
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	20	7,794	3,683
Cash and bank	現金及銀行存款	21	663,296	685,790
Total current assets	流動資產總額		1,242,454	1,133,223
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and notes payables	應付貿易及票據款項	22	87,938	143,128
Other payables and accruals	其他應付款及預提費用	23	98,104	114,400
Interest-bearing bank loans	計息銀行貸款	24	9,104	8,847
Income tax payable	應付所得稅		5,510	18,050
Total current liabilities	流動負債總額		200,656	284,425
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>		1,041,798	848,798
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		1,685,708	1,519,311
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Government grants	政府撥款	25	2,248	2,683
Deferred tax liabilities	遞延稅項負債	26	46,704	42,752
Total non-current liabilities	非流動負債總額		48,952	45,435
<b>Net assets</b>	<b>淨資產</b>		1,636,756	1,473,876
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>			
Issued capital	已發行股份	27	84,952	85,206
Treasury shares	庫存股份	28	(74)	–
Reserves	儲備	30	1,551,878	1,388,670
<b>Total equity</b>	<b>權益總額</b>		1,636,756	1,473,876

**LI Kei Ling**  
李其玲  
Director  
董事

**HUNG Yung Lai**  
熊融禮  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔權益									
		Issued capital	Treasury shares	Share premium account	Capital redemption reserve	Share option reserve	Contributed surplus	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 27)	(note 28)		(note 29)	(note 30)	(note 30)	(note 30)			
		(附註27)	(附註28)		(附註29)	(附註30)	(附註30)	(附註30)			
At 1 January 2016	於二零一六年一月一日	85,206	-	76,861	3,025	13,334	100,175	190,382	(10,419)	1,015,312	1,473,876
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	265,917	265,917
Other comprehensive income for the year: 本年度其他全面收益:											
	Exchange differences 匯兌差額	-	-	-	-	-	-	-	4,373	-	4,373
Total comprehensive income for the year 本年度全面收益總額		-	-	-	-	-	-	-	4,373	265,917	270,290
Exercise of share options	行使購股權	29	47	-	2,122	-	(537)	-	-	-	1,632
Final 2015 dividend declared	宣派二零一五年末期股息	-	-	-	-	-	-	-	-	(80,648)	(80,648)
Dividend on shares issued for employee share options exercised after 31 December 2015	二零一五年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	-	-	-	(5)	(5)
Shares repurchased and cancelled	購回公司股份及註銷	27	(301)	-	(15,349)	301	-	-	-	(301)	(15,650)
Shares repurchased and subsequently cancelled	購回公司股份及隨後註銷	28	-	(74)	(3,353)	74	-	-	-	(74)	(3,427)
Equity-settled share option arrangements	以股權支付的購股權安排	29	-	-	-	-	11,423	-	-	-	11,423
Interim 2016 dividend	二零一六年中期股息	11	-	-	-	-	-	-	-	(20,735)	(20,735)
Transfer from retained profits	自保留溢利中轉發	-	-	-	-	-	-	31,177	-	(31,177)	-
At 31 December 2016	於二零一六年十二月三十一日	84,952	(74)	60,281*	3,400*	24,220*	100,175*	221,559*	(6,046)*	1,148,289*	1,636,756

\* These reserve accounts comprise the consolidated reserves of RMB1,551,878,000 (2015: RMB1,388,670,000) in the consolidated statement of financial position.

\* 此等儲備合共人民幣1,551,878,000元(二零一五年: 人民幣1,388,670,000元)構成綜合財務狀況表上的儲備金額。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔權益									
		Issued capital	Share premium account	Capital redemption reserve	Share option reserve	Contributed surplus	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total equity
		已發行股本	股份溢價	資本購回儲備	購股權儲備	繳入盈餘	法定盈餘	匯兌波動儲備	保留溢利	擬派末期股息	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 27)			(note 29)	(note 30)	(note 30)	(note 30)			
		(附註27)			(附註29)	(附註30)	(附註30)	(附註30)			
At 1 January 2015	於二零一五年一月一日	85,348	84,050	2,715	6,540	100,175	175,316	(9,076)	748,515	54,697	1,248,280
Profit for the year	本年度溢利	-	-	-	-	-	-	-	302,198	-	302,198
Other comprehensive loss for the year:	本年度其他全面虧損：										
Exchange differences	匯兌差額	-	-	-	-	-	-	(1,343)	-	-	(1,343)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	(1,343)	302,198	-	300,855
Exercise of share options	行使購股權	29	168	8,354	-	(2,172)	-	-	-	-	6,350
Final 2014 dividend declared	宣派二零一四年末期股息	-	-	-	-	-	-	-	-	(54,697)	(54,697)
Dividend on shares issued for employee share options exercised after 31 December 2014	二零一四年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	-	-	(45)	-	(45)
Shares repurchased	購回公司股份	27	(310)	(15,543)	310	-	-	-	(310)	-	(15,853)
Equity-settled share option arrangements	以股權支付的購股權安排	29	-	-	-	8,966	-	-	-	-	8,966
Interim 2015 dividend	二零一五年中期股息	11	-	-	-	-	-	-	(19,980)	-	(19,980)
Transfer from retained profits	自保留溢利中轉發	-	-	-	-	-	15,066	-	(15,066)	-	-
At 31 December 2015	於二零一五年十二月三十一日	85,206	76,861	3,025	13,334	100,175	190,382	(10,419)	1,015,312	-	1,473,876

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>333,299</b>	377,189
Adjustments for:			
Finance costs	5	<b>157</b>	1,524
Interest income	4	<b>(13,185)</b>	(21,890)
Dividend income from equity investments at fair value through profit or loss	4	<b>(367)</b>	(159)
Loss on disposal of items of property, plant and equipment	6	<b>36</b>	222
Depreciation	6	<b>51,988</b>	53,250
Amortisation of intangible assets	16	<b>828</b>	864
Recognition of land use rights	6	<b>1,041</b>	1,041
Gain on disposal of equity investments at fair value through profit or loss	6	<b>(101)</b>	(168)
Fair value (gains)/losses, net:			
Equity investments at fair value through profit or loss	6	<b>(402)</b>	594
Equity-settled share option expense	6	<b>11,423</b>	8,966
Write-down of inventories to net realisable value	6	<b>8,087</b>	15,800
Impairment of property, plant and equipment	13	<b>755</b>	–
		<b>393,559</b>	437,233
Decrease/(increase) in inventories		<b>14,914</b>	(75,966)
Decrease/(increase) in trade and notes receivables		<b>56,513</b>	(82,111)
(Increase)/decrease in prepayments		<b>(708)</b>	4,206
(Increase)/decrease in deposits and other receivables		<b>(323)</b>	410
Decrease in pledged bank deposits		<b>10</b>	40
(Decrease)/increase in trade and notes payables		<b>(55,190)</b>	35,743
(Decrease)/increase in other payables and accruals		<b>(14,514)</b>	42,939
Decrease in government grants		<b>(435)</b>	(792)
Income tax paid		<b>(73,568)</b>	(63,380)
Net cash flows from operating activities		<b>320,258</b>	298,322

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		17,088	21,248
Dividend income from equity investments at fair value through profit or loss	4	367	159
Proceeds from disposal of items of property, plant and equipment		455	53
Proceeds from disposal of equity investments at fair value through profit or loss		452	4,128
Decrease/(increase) in term deposits with maturity over three months		122,500	(122,500)
Purchase of structured deposits		(210,000)	-
Purchases of items of property, plant and equipment and construction in progress		(25,433)	(42,812)
Purchases of intangible assets	16	(7,108)	(3,679)
Purchases of equity investments at fair value through profit or loss		(4,060)	(2,797)
Net cash flows used in investing activities		(105,739)	(146,200)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		1,633	6,350
Repurchase of shares		(16,960)	(15,853)
Proceeds from bank loans		17,992	25,127
Repayment of bank loans		(18,391)	(212,993)
Interest paid	5	(157)	(1,524)
Dividends paid		(101,388)	(74,722)
Release of bank deposits pledged for bank loans		-	235,631
Net cash flows used in financing activities		(117,271)	(37,984)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>97,248</b>	114,138
Cash and cash equivalents at beginning of year		563,280	443,366
Effect of foreign exchange rate changes, net		2,768	5,776
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>663,296</b>	563,280
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		129,407	64,632
Short-term deposits		533,889	498,648
		<b>663,296</b>	563,280

### 1. CORPORATE AND GROUP INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

During the year, the Group was principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceuticals, bulk medicines and finished drugs. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

### 1. 公司及本集團資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點之地址則是香港灣仔軒尼詩道338號北海中心30樓3001-02室。

通過集團重組優化本公司及其附屬公司(統稱「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本公司股份於二零零三年七月十一日於聯交所主板上市。

本集團於年內主要從事非專利藥物開發、製造及銷售，包括中間體、原料藥及成藥。董事認為，於英屬維爾京群島註冊成立的公司Fortune United Group Limited，是本公司的最終控股公司。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION (Cont'd)

#### 1. INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company's subsidiaries are as follows:

### 1. 公司及本集團資料(續)

#### 1. 附屬公司資料

本公司之附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及營業地點	Issued share/ paid-up capital 已發行/ 已繳足股本	Percentage of equity attributable to the Company 本公司 應佔股權百分比	Principal activities 主要業務
<b>Directly held</b> 直接持有				
Dawnrays International Company Limited 東瑞國際有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100 美元	100%	Investment holding 投資控股
Dawnrays Biotechnology Capital (Asia) Limited 東瑞生物投資發展(亞洲) 有限公司	Hong Kong 香港	HK\$100 100 港元	100%	Investment holding 投資控股
<b>Indirectly held</b> 間接持有				
Dawnrays International Company Limited 東瑞國際股份有限公司	Hong Kong 香港	HK\$500,000 500,000 港元	100%	Investment holding and sale of pharmaceutical products 投資控股及銷售醫藥產品
Suzhou Dawnrays Pharmaceutical Co., Ltd.# 蘇州東瑞製藥有限公司#	Mainland China 中國大陸	US\$45,000,000 45,000,000 美元	100%	Manufacture and sale of pharmaceutical products 製造及銷售醫藥產品
Su Zhou Dawnrays Pharmaceutical Science and Technology Co., Ltd.# 蘇州東瑞醫藥科技有限公司#	Mainland China 中國大陸	US\$6,000,000 6,000,000 美元	100%	Manufacture and sale of pharmaceutical intermediates 製造及銷售醫藥中間體
Dawnrays Pharma (Hong Kong) Limited 東瑞藥業(香港)有限公司	Hong Kong 香港	HK\$500,000 500,000 港元	100%	Sale of pharmaceutical products 銷售醫藥產品
Guangdong Dawnrays Pharmaceutical Co., Ltd.# 廣東東瑞藥業有限公司#	Mainland China 中國大陸	RMB3,000,000 人民幣 3,000,000 元	100%	Sale of pharmaceutical products 銷售醫藥產品
Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.# 東瑞(南通)醫藥科技有限公司#	Mainland China 中國大陸	US\$13,500,000 13,500,000 美元	100%	Manufacture and sale of pharmaceutical intermediates 製造及銷售醫藥中間體

# These subsidiaries were registered under PRC law as foreign-owned enterprises.

# 該等附屬公司按中國法律註冊為外商投資企業。

### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (“IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss that have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.1 編製基準

綜合財務報表已根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則（「國際財務報告準則」）（包括所有國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋）、香港一般公認會計原則及香港《公司條例》披露要求而編製。除透過損益以公允價值列賬之財務資產外，這些財務報表按歷史成本原則編製，並以人民幣（「人民幣」）列示，除另有指明外，所有金額均四捨五入至最接近千位。

### 合併基準

綜合財務報表包括本公司及其附屬公司截至二零一六年十二月三十一日止年度的財務報表。附屬公司乃指本公司直接或間接控制的實體（包括一個結構性實體）。當集團擁有權力從被投資方獲得變量回報或通過對投資方的控制權（如：既存權力賦予集團指揮被投資方相關活動的現實能力）影響其回報。

當並未直接或間接擁有被投資方大多數投票權或類似的權力時，本集團會考慮所有相關因素或外部環境以評估其是否對被投資方具有控制權，包括：

- (a) 與其他投票權持有者之間的契約式協定；
- (b) 從其他契約式協定中獲取的權力；及
- (c) 本集團的投票權和潛在投票權。

編製附屬公司財務報表的報告期間與本公司相同，會計政策亦貫徹一致。附屬公司業績由本集團取得控制權當日起全面合併入賬，並一直合併入賬直至控制權終止日為止。

損益及其他綜合收益各組成部分歸屬至本集團母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。本集團內公司間的資產與負債、股權、收入、開支及與本集團成員公司間交易相關的現金流已於合併賬目時全數抵銷。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.1 BASIS OF PREPARATION (Cont'd) BASIS OF CONSOLIDATION (Cont'd)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
IFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to IAS 1	<i>Disclosure Initiative</i>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of IFRSs

The adoption of the above new and revised IFRSs has had no significant financial effect on these financial statements.

### 2.1 編製基準(續) 合併基準(續)

當事實及情況表明上述所列之控制權的三個元素中的一個或多個有變時，本集團重新評估是否控制投資對象。於附屬公司擁有權權益發生變動，如不會導致對其失去控制權，將作為權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計折算差額；及確認(i)所收代價的公允值、(ii)所保留任何投資的公允值及(iii)損益賬中任何因此產生的收益或虧損。先前於其他綜合收益內確認的本集團應佔部份以如同本集團已直接出售相關資產或負債的相同基準要求，重新分類為損益或保留溢利(視何者屬適當)。

### 2. 會計政策及披露的變動

本集團已於本年度財務報表中首次採納以下新訂及經修訂的國際財務報告準則。

國際財務報告準則第10號、 國際財務報告準則第12號及 國際會計準則第28號(修訂本)	投資實體：應用合併的 例外情況
國際財務報告準則第11號 (修訂本)	收購合營業務權益會計處理
國際財務報告準則第14號	監管遞延賬目
國際會計準則第1號(修訂本)	披露動議
國際會計準則第16號及國際 會計準則第38號(修訂本)	澄清折舊及攤銷的 可接受方法
國際會計準則第16號及國際 會計準則第41號(修訂本)	農業：生產性植物
國際會計準則第27號(修訂本)	獨立財務報表之權益法
二零一二年至二零一四年 週期之年度改進	多項國際財務報告準則 (修訂本)

採納上述新訂及經修訂國際財務報告準則對該等財務報表並無重大財務影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>2</sup>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> <sup>2</sup>
IFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
IFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> <sup>2</sup>
IFRS 16	<i>Leases</i> <sup>3</sup>
Amendments to IAS 7	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> <sup>1</sup>
Amendments to IAS 40	<i>Transfers of Investment Property</i> <sup>2</sup>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> <sup>2</sup>
Amendments to IFRS 12 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Disclosure of Interests in Other Entities</i> <sup>1</sup>
Amendments to IFRS 1 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>First-time Adoption of International Financial Reporting Standards</i> <sup>2</sup>
Amendments to IAS 28 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Investments in Associates and Joint Ventures</i> <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2017  
<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018  
<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019  
<sup>4</sup> No mandatory effective date yet determined but available for adoption

### 2.3 已頒佈但未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號 (修訂本)	股份支付交易的分類及計量 <sup>2</sup>
國際財務報告準則第4號 (修訂本)	應用國際財務報告準則第9號金融工具與國際財務報告準則第4號保險合約 <sup>2</sup>
國際財務報告準則第9號	金融工具 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號 (修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第15號	客戶合約的收入 <sup>2</sup>
國際財務報告準則第15號 (修訂本)	澄清國際財務報告準則第15號客戶合約的收入 <sup>2</sup>
國際財務報告準則第16號	租賃 <sup>3</sup>
國際會計準則第7號 (修訂本)	披露動議 <sup>1</sup>
國際會計準則第12號 (修訂本)	就未實現虧損確認遞延稅項資產 <sup>1</sup>
國際會計準則第40號 (修訂本)	轉讓投資物業 <sup>2</sup>
國際財務報告詮釋委員會詮釋第22號	外幣交易及墊付代價 <sup>2</sup>
二零一四年至二零一六年週期之年度改進所包括之國際財務報告準則第12號 (修訂本)	於其他實體權益之披露 <sup>1</sup>
二零一四年至二零一六年週期之年度改進所包括之國際財務報告準則第1號 (修訂本)	首次採納國際財務報告準則 <sup>2</sup>
二零一四年至二零一六年週期之年度改進所包括之國際會計準則第28號 (修訂本)	於聯營公司及合營企業之投資 <sup>2</sup>

- <sup>1</sup> 於二零一七年一月一日或之後開始的年度期間生效  
<sup>2</sup> 於二零一八年一月一日或之後開始的年度期間生效  
<sup>3</sup> 於二零一九年一月一日或之後開始的年度期間生效  
<sup>4</sup> 並無釐定強制生效日期惟可供採納

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但未生效的國際財務報告準則(續)

預期將適用於本集團的該等國際財務報告準則的進一步資料如下：

國際會計準則委員會於二零一六年六月頒佈的國際財務報告準則第2號的修訂闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂明確說明計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股本結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。本集團預期自二零一八年一月一日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. During 2016, the Group performed a high-level assessment of the impact of the adoption of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of IFRS 9 are summarised as follows:

#### (a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value.

#### (b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of IFRS 9.

### 2.3 已頒佈但未生效的國際財務報告準則(續)

於二零一四年七月，國際會計準則委員會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自二零一八年一月一日起採納國際財務報告準則第9號。於二零一六年，本集團對採納國際財務報告準則第9號的影響進行了高層次的評估，本初步評估乃根據現有可得資料作出，並視乎本集團日後得到的進一步詳細分析或額外合理及輔助資料而可能有所變動。預期採納國際財務報告準則第9號產生的影響概述如下：

#### (a) 分類及計量

本集團預期採納國際財務報告準則第9號將不會對其財務資產的分類及計量造成重大影響。預期將繼續以公允值計量現時以公允值持有的所有財務資產。

#### (b) 減值

國際財務報告準則第9號規定並無根據國際財務報告準則第9號透過損益以公允值列賬的項目，以攤銷成本或透過其他全面收益以公允值列賬之債務工具、租賃應收款項、貸款承諾及財務擔保合約須作減值，並將根據預期信貸虧損模式或按十二個月基準或可使用年期基準入賬。本集團預期採納簡化方式，並將根據於其所有應收貿易及其他款項餘下年期內的所有現金差額現值估計的可使用預期虧損入賬。本集團將進行更詳細分析，其將考慮所有合理及輔助資料(包括前瞻因素)，以估計於採納國際財務報告準則第9號後其應收貿易及其他款項的預期信貸虧損。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirement, under IFRSs. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

### 2.3 已頒佈但未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號(修訂本)針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營或合營企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營或合營企業的權益為限。該等修訂採用未來適用法。於二零一五年十二月，國際會計師公會已剔除國際財務報告準則第10號及國際會計準則第28號修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂可於現時應用。

國際財務報告準則第15號建立一個新的五步模式，將應用於自客戶合約產生的收入。根據國際財務報告準則第15號，收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取締目前國際財務報告準則項下所有確認收入的要求。於二零一六年四月，國際會計準則委員會頒佈國際財務報告準則第15號修訂本，以處理有關識別履約義務、主體代理應用指引及知識產權牌照以及過渡的實施問題。該等修訂亦旨在幫助確保於應用國際財務報告準則第15號時更一致的應用及降低成本及應用複雜性。本集團預期於二零一八年一月一日採納國際財務報告準則第15號，目前正評估採納國際財務報告準則第15號的影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

### 2.3 已頒佈但未生效的國際財務報告準則(續)

國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會第4號「釐定安排是否包括租賃」、常設詮釋委員會第15號「經營租賃 – 優惠」及常設詮釋委員會第27號「評估牽涉租賃的法律形式的交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。準則包括兩項對承租人的確認豁免 – 低價值資產租賃及短期租賃。於租賃起始日，承租人將確認負債以支付租賃費用及表示其有權在租賃期內使用相關租賃資產的資產。除非有使用權資產符合國際會計準則第40號內投資物業的定義，有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。本集團預期於二零一九年一月一日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號的影響。

國際會計準則第7號(修訂本)規定實體須作出披露，讓財務報表使用者可評估融資活動所產生負債的變動，包括因現金流量及非現金變動而產生的變動。該等修訂會導致於財務報表作出額外披露。本集團預期於二零一七年一月一日起採納該等修訂。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

### 2.3 已頒佈但未生效的國際財務報告準則(續)

雖然國際會計準則第12號(修訂本)可更廣泛應用於其他情況，但其頒佈目的為說明與以公允價值計量的債務工具相關的未變現虧損確認遞延稅項資產。該等修訂明確說明實體於評估是否有應課稅利潤可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅利潤的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅利潤提供指引，並解釋應課稅利潤可包括收回超過賬面值的部分資產的情況。本集團預期自二零一七年一月一日起採納該等修訂。

### 2.4 主要會計政策概要

#### 業務合併及商譽

業務合併採用收購法列賬。轉讓的代價乃以收購日的公允價值計算，該公允價值為本集團轉讓的資產、本集團向被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益於收購日的公允價值的總和。於各業務合併中，本集團對於現時持有的權益及賦予其持有人於清盤時按比例分享資產淨值的權益的被收購方非控股權益，可選擇以公允價值抑或被收購方可識別淨資產的應佔比例計算。所有其他非控股權益部份乃按公允價值計量。收購成本於產生時列為開支。

當本集團購入一項業務時，會根據合約條款、於收購日的經濟環境及相關條件，評估將承接的財務資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，收購方先前持有的被收購方股權應按收購日的公允價值重新計量，而任何收益或虧損於損益中確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### BUSINESS COMBINATIONS AND GOODWILL (Cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## 2.4 主要會計政策概要(續)

### 業務合併及商譽(續)

收購方將予轉讓的任何或然代價將於收購日按公允值確認。分類為一項資產或負債的或然代價根據公允值的變動按公允值計量，並確認於損益。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前持有的被收購方股權的公允值總額，超過與所收購可識別淨資產及所承擔負債的差額。如總代價及其他項目低於所收購子公司資產淨值的公允值，於評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累積減值虧損列賬。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，自收購日起業務合併產生之商譽將分配至預計將受益於合併之協同效應之本集團各個現金產生單位或各個現金產生單位組別，而毋須慮及本集團有否將其他資產或負債分配至該等單位或該等單位組別。

減值乃通過評估商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。倘現金產生單位(或現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不得於其後期間撥回。

倘商譽已分配予現金產生單位(或現金產生單位組別)而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.4 主要會計政策概要(續)

#### 公允值計量

本集團於每一報告期末以公允值計量金融工具。公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公允值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非財務資產的公允值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允值的估值方法，以儘量使用相關可觀察輸入值及儘量減少使用不可觀察輸入值。

所有於本財務報表計量或披露的資產及負債乃基於對公允值計量整體而言屬重大的最低級輸入值按以下公允值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 基於對公允值計量而言屬重大的可觀察(直接或間接)最低級輸入值的估值方法
- 第三級 — 基於對公允值計量而言屬重大的不可觀察最低級輸入值的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期間結束時重新評估分類(基於對公允值計量整體而言屬重大的最低級輸入值)確定是否發生不同等級轉移。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the functional currency of most of the group companies. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currency of the Company, Dawnrays International Company Limited (“Dawnrays International”), Dawnrays Biotechnology Capital (Asia) Limited (“Dawnrays Biotechnology”), Dawnrays International Company Limited (“Dawnrays International (HK)”) and Dawnrays Pharma (Hong Kong) Limited (“Dawnrays Pharma”) (collectively the “Overseas Companies”) is the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these companies are translated into RMB at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rate for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the Overseas Companies are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of Overseas Companies which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

## 2.4 主要會計政策概要(續)

### 外幣

該等財務報表以人民幣呈列。人民幣是本集團內大多數公司的功能貨幣。本集團各實體釐定其本身的功能貨幣，而各實體財務報表載列的項目以功能貨幣計量。

本集團實體記錄的外幣交易最初以交易當日各功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的適用功能貨幣現貨匯率換算。所有由貨幣性項目結算或折算產生的匯兌差額計入損益表。

以外幣列值及按歷史成本計算的非貨幣項目，乃按首次交易當日的匯率換算。

本公司、東瑞國際有限公司(「東瑞國際」)、東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)、東瑞國際股份有限公司(「東瑞國際(香港)」)及東瑞藥業(香港)有限公司(「東瑞藥業」)(統稱「海外公司」)的功能貨幣為港元。於報告期末，該等公司的資產與負債按報告期末的匯率換算為人民幣，而損益表則按年度的加權平均匯率換算為人民幣。因此而產生的匯兌差額在其他全面收益中予以確認並記入匯兌波動儲備中。於出售國外業務時，就該特定境外業務在其他全面收益中的部分將於損益表確認。

就綜合現金流量表而言，境外公司的現金流量按現金流量日期適用的匯率換算為人民幣。海外公司在年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duties. Revenue is recognised on the following bases:

##### Sale of goods

Sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

##### Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

##### Dividends

Dividend income is recognised when the shareholders' right to receive payment has been established.

#### INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries where the Group operates.

### 2.4 主要會計政策概要(續)

#### 收入確認

收入乃於經濟利益極有可能流入本集團，並能以可靠方式計算時確認。收入按已收或將會收取的代價之公允值，扣除折扣、回扣以及其他銷售稅或關稅後計量。收入按下列基準確認：

##### 銷售貨品

銷售貨品收入會在貨品擁有權的重大風險及回報已轉移至買方時確認入賬，屆時本集團不再擁有一般與擁有權相關的管理權或已售出的貨品的控制權。

##### 利息收入

利息收入按實際利率法以累計基準計算，實際利率即將於金融工具估計可用年期或更短期間（視情況而定）所收取估計日後現金流量準確折算至該財務資產賬面淨值的利率。

##### 股息

股息收入會在股東收取款項的權利被確立時確認。

#### 稅項

所得稅包括當期及遞延稅項有關損益外確認項目的所得稅在損益表外確認，即在其他全面收益中確認或直接在權益中確認。

##### 當期所得稅

當期所得稅資產及負債按預期可收回或支付予稅務機構的金額計量，該等金額乃基於考慮本集團營運的國家現有詮釋及慣例在報告期末已立例制定或大致上已立例制定的稅率（及稅務法例）計算。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INCOME TAX (Cont'd)

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2.4 主要會計政策概要(續)

### 稅項(續)

#### 遞延稅項

在報告期末資產及負債的稅基與其就財務報告而言的賬面值之間的所有時間性差異，須按負債法計提遞延所得稅撥備。

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於初始確認商譽或在一宗非屬業務綜合的交易中初始確認的資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，以及暫時性差異不甚可能在可見將來撥回。

對於所有可扣減暫時性差異、結轉的未用稅項抵扣及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項抵扣及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各點除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務綜合的交易中初始確認資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的可扣減暫時性差異而言，只有在時間性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INCOME TAX (Cont'd)

##### Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

### 2.4 主要會計政策概要(續)

#### 稅項(續)

##### 遞延稅項(續)

遞延稅項資產的賬面值，在每個報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵扣相關稅項資產的全部或部份，則扣減遞延稅項資產賬面值。未被確認遞延稅項資產於各報告期末進行重新評估，並當可能有足夠應課稅溢利讓全部或部份遞延稅項資產被動用時確認。

遞延稅項資產和負債仍按資產變現或負債清償的期間預期適用的稅率計算，並以報告期末已經生效或大致上已經生效的稅率(及稅法)為基準。

倘若存在法律上可強制執行的權利，可將有關同一課稅實體及同一稅局的即期稅項資產及即期稅項負債抵銷，則沖減遞延稅項資產與遞延稅項負債。

#### 政府撥款

政府撥款於可合理地保證將會獲得撥款，以及將遵守所有附帶條件時以公允值予以確認。倘撥款與一項費用有關，即按其擬補貼成本予以支出之期間內有系統地確認為收入。

倘撥款與一項資產有關，即將其公允值撥入遞延收入，並於有關資產的預計可使用年內以等額年金撥往損益表或扣減資產賬面值，以減少折舊形式撥往損益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China (the "Mainland China Subsidiaries") are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

### ACCOMMODATION BENEFITS

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to the statement of profit or loss as incurred.

### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, an appropriate capitalisation rate shall be applied to the expenditure on the individual assets.

## 2.4 主要會計政策概要(續)

### 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參加強制性公積金計劃的僱員設立一個定額供款強制性公積金計劃(「強積金計劃」)。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期支付時自損益表中扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。本集團的僱主供款於向強積金計劃供款時全數歸僱員所有；惟根據強積金計劃的規則，本集團的僱主自願供款，在僱員未能享有全數供款前離職的情況下，可退回本集團。

本集團於中國大陸營運的附屬公司(「中國大陸附屬公司」)的員工均須參予由當地政府運作的中央退休計劃。供款根據中央退休計劃的規則於到期日支付時自損益表中扣除。

### 住房福利

有關對由中國大陸公積金管理中心管理的住房公積金的供款，乃於產生時自損益表扣除。

### 借貸成本

直接歸屬於收購、建造或生產符合條件的資產(即需要經過相當長時間才能達到預定可使用或可銷售狀態的資產)的借貸成本，經資本化後計入該等資產的成本。當該等資產基本達到預定可使用或可銷售狀態後，借貸成本停止資本化。專項借款作臨時投資所賺取的投資收入，在該借款撥作符合條件的資產的開支之前，從資本化借貸成本中扣除。所有其他借款成本在其發生的當期確認為開支。借貸成本由利息及企業就借款所產生的其他成本所組成。

當已為取得合資格資產借入一般借款時，個別資產之開支按適當資本化比率撥作資本。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### SHARE-BASED PAYMENTS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (the Company's directors, employees of the Group and other eligible participants) of the Group receive remuneration in the form of share-based payments, whereby eligible participants render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes-Merton valuation model, further details of which are given in note 29 to the financial statements. The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market condition is satisfied, provided that all other performance conditions are satisfied.

### 2.4 主要會計政策概要(續)

#### 以股份支付款項

本公司設立一項購股權計劃作為給予為本集團業務成功作出貢獻的合資格參與者的激勵及獎勵。本集團的合資格參與者(本公司董事、本集團僱員及其他合資格參與者)按以股份支付款項的方式收取酬金，合資格參與者則提供服務以作為收取股本工具的代價(「股本結算交易」)。

與合資格參與者進行股本結算交易的成本，乃參考授出股本當日的公允值計算。公允值乃按柏力克－舒爾斯估值模式釐定，有關詳情載於財務報表附註29。股本結算交易的成本於達到績效及／或服務條件的期間內連同權益相應增加部份確認於僱員福利開支。由每個結算日直至歸屬日就股本結算交易確認的累積支出，反映歸屬期屆滿部份以及本集團對最終將會歸屬的股本工具數目的最佳估計。在某一期間損益表內的扣除或進賬，乃反映累計開支於期初與期終確認時的變動。

釐定報酬之授出日公允值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允值。附帶於報酬中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。非歸屬條件之報酬以公允值反映並即時確認為開支。除非該報酬當中也包含服務及／或表現條件。

因未能達至非市場表現及／或服務條件，而最終並無歸屬之報酬並不會確認開支，倘報酬包含一項市場或非歸屬條件，則無論市場或非歸屬條件是否達成，交易會被視為已歸屬，惟需達成所有其他表現及／或服務條件。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### SHARE-BASED PAYMENTS (Cont'd)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the participants as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in note 12).

### INVESTMENTS AND OTHER FINANCIAL ASSETS

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

## 2.4 主要會計政策概要(續)

### 以股份支付款項(續)

當股本結算報酬的條款修訂時，倘符合原始報酬條款，以如同條款並無修訂情況下的最少支出確認支出。因修訂而導致以股份支付款項的總公允值有所增加，或對參與者帶來利益，均會按修訂當日的計算確認額外支出。

當股本結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。該報酬包括當非歸屬條件在實體或僱員的控制下未能得到滿足時的報酬。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。

未行使購股權的攤薄影響會入賬為計算每股攤薄盈利時的額外股份攤薄(詳情載於附註12內)。

### 投資及其他財務資產

#### 初始確認及計量

財務資產於初始確認時乃視情況分類為透過損益以公允值列賬的財務資產、貸款及應收款項、持至到期日的投資及可供出售財務投資或在有效對沖中被指定為對沖工具的衍生工具(如適用)。除透過損益以公允值列賬的財務資產的情況外，財務資產於初始確認時以公允值另加因收購該財務資產所產生的交易成本計量。

所有一般買賣之財務資產概於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" above.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### 2.4 主要會計政策概要(續)

#### 投資及其他財務資產(續)

##### 後續計量

財務資產的後續計量取決於其分類，如下：

##### *透過損益以公允值列賬的財務資產*

透過損益以公允值列賬的財務資產包括以交易為目的而持有的財務資產及於首次確認時指定為透過損益以公允值列賬的財務資產。財務資產如以短期賣出或購回為目的而購買，則分類為以交易為目的而持有的投資。衍生工具(包括單獨的嵌入式衍生工具)，除非其被指定為有效對沖工具(定義見國際會計準則第39號)，亦被分類為以交易為目的而持有的財務資產。透過損益以公允值列賬的財務資產於財務報表按公允值入賬，公允值收益變動呈列於損益表的其他收入及收益，及公允值虧損變動呈列於損益表的財務費用。該等公允值變動淨額不包括任何透過損益以公允值列賬的財務資產的股利或利息收入。該等收入根據上述「收入確認」中的會計政策確認。

僅在滿足國際會計準則第39號時，於初始確認日將財務資產指定為透過損益以公允值列賬的財務資產。

如果嵌入式衍生工具的經濟特徵和風險與主合同的經濟特徵和風險並不緊密相關，且主合同並非交易性或指定以公允值計入損益，則主合同內的嵌入式衍生工具單獨列為衍生工具，並以公允值入賬。該等嵌入式衍生工具以公允值計量，而公允值變動於損益表確認。僅當合同條款發生變更，致使合同相關的現金流量發生重大變化時或財務資產重分類為非以公允值計入損益類別時，該嵌入式衍生工具才須進行重估。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

#### Subsequent measurement (Cont'd)

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

##### *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

##### *Available-for-sale financial investments*

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

## 2.4 主要會計政策概要(續)

### 投資及其他財務資產(續)

#### 後續計量(續)

##### *貸款和應收款項*

貸款和應收款項為沒有在市場上市，具有固定的或可確定現金支付的非衍生工具財務資產。於初步計量後，這類資產其後使用實際利率法按攤銷成本減去任何減值來列賬。攤銷成本乃經計及收購折讓或溢價及實際利率法相關的費用或成本計算。實際利率法攤銷計入損益表之其他收入及收益。貸款的減值虧損於損益表確認為財務費用及應收款項的減值虧損於損益表確認為其他費用。

##### *持至到期日的投資*

持至到期日的投資乃指付款金額固定或可以確定，有固定到期日且本集團管理層有明確意向及能力持有至到期日之非衍生工具財務資產。其後，持至到期日的投資以實際利率法按攤銷成本減去任何減值來列賬。攤銷成本乃經計及收購折讓或溢價及實際利率法相關的費用或成本計算。實際利率法攤銷計入損益表之財務收入。減值虧損於損益表確認為其他費用。

##### *可供出售財務投資*

可供出售財務投資是在上市和非上市的股權投資及債務證券中的非衍生財務資產。分類為可供出售之股權投資為並非歸類為持有以作買賣或劃分為透過損益以公允值列賬之股權投資。該類債務證券為打算無限期持有並可因流動性需求或市況變化出售的債券。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

##### Subsequent measurement (Cont'd)

##### Available-for-sale financial investments (Cont'd)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" above.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

### 2.4 主要會計政策概要(續)

#### 投資及其他財務資產(續)

##### 後續計量(續)

##### 可供出售財務投資(續)

經初始確認後，可供出售財務投資日後按公允值計量，其未變現損益將作為其他全面收益，在可供出售投資估值儲備中確認，直至該投資被取消確認（屆時累積損益確認為損益表中的其他收入），或直至該投資被認定出現減值（屆時累積損益確認為損益表中其他收益或虧損內，並從可供出售投資估值儲備中剔除）。所賺取的利息和股息將分別作為利息收入和股息收入進行呈報，按照上文「收入確認」所載政策，確認為損益表中的其他收入。

倘非上市股權投資的公允值因(a)合理公允值估計範圍的變動對該投資而言影響重大或(b)範圍內的若干估計可能性無法合理地評估及用作估計公允值而不能可靠地計量，則該等投資按成本減任何減值虧損入賬。

本集團對可供出售財務資產進行估值以評估短期內經其出售的能力和意向是否仍然適當。當在罕有情況下，因市場不活躍，以致本集團未能交易該等財務資產時，如管理層有意向及能力於可見未來持有該等資產或持有至到期，本集團或會選擇將該等財務資產重新分類。

就從可供出售類別重分類的財務資產而言，於重分類日期的公允賬面值將成為其新攤銷成本，而之前在權益中確認的該資產的任何收益或虧損使用實際利率法在投資的剩餘年限攤銷並計入損益。新攤銷成本與預期現金流量之間的任何差額也使用實際利率法按資產的剩餘年期攤銷。倘資產其後出現減值，則計入權益的金額應重新分類至損益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## 2.4 主要會計政策概要(續)

### 取消確認財務資產

在下列情況下，將基本取消確認(即於本集團綜合財務狀況表移除)財務資產(或(如適當)一項財務資產的一部份或一組同類財務資產的一部份)：

- 可獲取資產所得現金流量的權利期滿；或
- 本集團已轉讓其可獲取資產所得現金流量的權利或已承擔根據交付協議須無重大延誤地按「轉移」協議向其向第三方悉數支付所得現金流量，及(a)本集團轉讓資產絕大部份的風險及回報，或(b)本集團既無轉讓亦無保留資產絕大部份的風險及回報，但已轉讓資產的控制權。

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立一項轉移協議，會評估是否及何種程度上保留該資產的風險及回報。當並無轉讓或保留該項資產的絕大部份風險及回報，亦並無轉讓該項資產的控制權，則本集團將繼續確認該轉讓資產，條件為本集團須持續涉及該項資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

### 財務資產減值

本集團於各報告日評估是否有客觀證據顯示財務資產或一組財務資產出現減值。倘且僅倘因初始確認資產後發生的一項或多項事件而對該項或該組財務資產的估計未來現金流量所造成的影響能可靠地估計，則減值存在。減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

##### Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

### 2.4 主要會計政策概要(續)

#### 財務資產減值(續)

##### 按攤銷成本列賬的財務資產

就按攤銷成本列賬的財務資產而言，本集團首先會按個別基準就個別屬重大的財務資產或按組合基準就個別不屬重大的財務資產，個別評估是否存在客觀減值跡象。倘本集團認定按個別基準經評估的財務資產(無論具重要性與否)並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的財務資產內，並共同評估該組財務資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

計量任何認定為減值虧損的金額會按該項資產的賬面值與估計未來現金流量現值(不包括尚未產生的未來預期信貸虧損)的差額計量。估計未來現金流量的現值以財務資產的初始實際利率(即初始確認時的實際利率)折現。

該資產的賬面值會通過使用備抵賬而減少，而虧損於損益表確認。利息收入於經縮減賬面值中持續累計，且採用計量減值虧損時用以折現未來現金流量的利率。當日後收回不可實現及所有抵押品已變現或已轉至本集團時，會撇銷貸款及應收款項連同任何相關撥備。

倘於隨後年度，因在確認減值後發生事件導致估計減值虧損數額增加或減少，則會透過調整撥備數額調高或調低先前確認的減值虧損。倘撇銷數額其後獲收回，則收回的數額會於損益表計作其他費用。

##### 按成本列賬的資產

倘有客觀證據證明因未能可靠地計量其公允值而不按公允值列賬的非上市股本工具或屬衍生工具資產而繫於此非上市股本工具並須以其交收結算出現減值虧損，虧損金額按該項資產之賬面值與估算未來現金流量之現值(按類似財務資產目前市場回報率折現)之差額計算。該等資產之減值虧損不會回撥。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

#### Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

## 2.4 主要會計政策概要(續)

### 財務資產減值(續)

#### 可供出售財務投資

就可供出售財務投資而言，本集團會於每個報告期末評估有否客觀跡象顯示一項投資或一組投資出現減值。

如可供出售資產已出現減值，其成本(扣除任何所付本金及攤銷)及現有公允值之差額，扣除以往於損益表確認之減值虧損後，將由其他全面收益轉出，並於損益表內確認。

倘股權投資被列作可供出售類別，則客觀跡象將包括該項投資的公允值重大或長期跌至低於其成本值。「重大」乃指相對投資的原始成本進行評估，而「長期」則指相對公允值低於其原始成本期間進行評估。倘出現減值跡象，則累計虧損(按收購成本與現時公允值的差額減該項投資先前在損益表內確認的任何減值虧損計量)將從其他全面收益中移除，並於損益表內確認。被列作可供出售的股權工具之減值虧損不可透過損益表撥回，而其公允值於減值後的增加部份會直接於其他全面收益中確認。

對於重大的以及長期的定義需要進行判斷。本集團根據一項投資的公允價值低於其成本的持續時間或程度，結合其他因素進行判斷。

對於分類作可供出售之債務工具，評估減值的標準與按攤銷成本計值之財務資產所採用者相同。然而，減值的入賬金額乃按攤銷成本與其現行公允值之差額，扣除先前在損益表確認之投資減值虧損計量。未來利息收益乃按資產之經削減賬面值持續累計，並以於計量減值虧損時用於貼現未來現金流量之利率。利息收益乃作為財務收入之一部分記錄入賬。倘債務工具的公允值隨後增加可客觀上與在損益表確認減值虧損後發生的事件相關，則債務工具之減值虧損於損益表回撥。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL LIABILITIES

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, other payables and loans and borrowings.

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

### 2.4 主要會計政策概要(續)

#### 財務負債

##### 初始確認及計量

財務負債於初始確認時乃視情況分類為透過損益以公允值列賬的財務負債、貸款及借款、或在有效對沖中被指定為對沖工具的衍生工具。

所有財務負債初始按公允值確認，惟貸款及借款則扣除直接應佔交易成本。

本集團的財務負債包括應付貿易及票據款項及其他應付款項、貸款及借款。

##### 後續計量

財務負債的後續計量取決於其分類，如下：

##### *透過損益以公允值列賬的財務負債*

透過損益以公允值列賬的財務負債包括以交易為目的而持有財務負債及於首次確認時指定為按公允值列賬且變動計入損益的財務負債。

以近期內回購為目的而買入的財務負債被分類為交易性財務負債。此類別包括本集團訂立的未被指定為對沖關係(定義見國際會計準則第39號)中對沖工具的衍生金融工具。單獨的嵌入式衍生工具，除非其被指定為有效對沖工具，否則亦分類為交易性財務負債。交易性財務負債所產生的損益在損益表中確認。在損益表中確認的公允值淨損益並不包含就該等財務負債所支付的任何利息。

僅在滿足國際會計準則第39號時，於初始確認日將財務負債指定為透過損益以公允值列賬的財務負債。

##### *貸款及借款*

於初始確認後，計息貸款及借款其後會使用實際利率法按攤銷成本計量，若折現沒有重大影響，則按成本值列賬。當負債被取消確認或透過實際利率法進行攤銷時，盈虧於損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

### OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## 2.4 主要會計政策概要(續)

### 取消確認財務負債

債務被解除或取消或到期時，取消確認財務負債。

倘現有財務負債由同一貸方授予條款迥異的其他債項取代，或現有財務負債的條款經重大修訂，則該等變更或修訂視作取消確認原負債及確認新負債，各賬面值的差額於損益表確認。

### 抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則財務資產及負債均可予抵銷，並將淨金額列入綜合財務狀況表內。

### 物業、廠房、設備與折舊

除在建工程以外之物業、廠房及設備乃按成本值減去累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購入價及將資產達至運作狀況及運抵有關位置作擬定用途之任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的開支，例如維修和保養開支，一般於產生期間自損益表扣除。於符合確認條件的情況下，主要檢修的開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備的重要部分須分階段更換，本集團將此組成部份作為一項單獨資產，分別確定其使用壽命並相應計提折舊。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Cont'd)

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as follows:

Leasehold land	Over the lease terms
Buildings	20 to 25 years
Machinery and other equipment	5 to 10 years
Office equipment	3 to 25 years
Motor vehicles	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

#### CONSTRUCTION IN PROGRESS

Construction in progress represents property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for use.

### 2.4 主要會計政策概要(續)

#### 物業、廠房、設備與折舊(續)

折舊以直線基準於資產的估計可使用年內計算如下：

租賃土地	按租賃年期
樓宇	20年至25年
機器及其他設備	5年至10年
辦公設備	3年至25年
汽車	4年

如物業、廠房及設備的某項目部分具有不同可使用年期，則該項目的成本按合理基準分配在各部分中，而每一部分個別計算折舊。殘值、可使用年期和折舊方法至少於每個會計年度末復核，並在合適的情況下調整。

當一項物業、廠房及設備包含初始確認的任何重大部分被處置或其使用或出售估計並無未來經濟效益時，則取消確認。於取消確認該資產時產生的任何收益或虧損(以處置所得款項淨額與該項目的賬面值的差額計算)乃計入該資產取消確認時的損益表內。

資產的剩餘價值、可使用年期及折舊方法於每個結算日進行檢討並作適當未來調整。

#### 在建工程

在建工程指興建中的物業、廠房及設備，並以成本扣除減值虧損入賬及不予折舊。成本包括直接興建成本及於建築期間相關的借貸資金產生的資本化借貸成本。當在建工程完工並可使用時，即會轉撥為適當類別的物業、廠房及設備。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

### LAND USE RIGHTS

Land use rights represent prepaid land lease payments under operating leases, which are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

## 2.4 主要會計政策概要(續)

### 租賃

把資產所有權絕大部分回報及風險(不包括合法業權)轉讓給本集團的租賃視為融資租賃入賬。訂立融資租賃時,租賃資產的成本會按最低租賃付款的現值(不包括利息部分)撥充資本化,連同有關責任一併入賬,以反映相關購買及融資。根據撥作資本的融資租賃持有的資產(包括融資租賃下的預付土地租賃款項)計入物業、廠房及設備,於租期或資產估計可用年期之較短的期間內折舊。該等租約的財務費用自損益表扣除,以計算租期內固定的定期收費比率。

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租約,均列作經營租約。如本集團是出租人,則本集團根據經營租約出租的資產均計入非流動資產,而經營租約的應收租金則以直線法在租賃期內計入損益表。如本集團是承租人,則經營租約的應付租金(扣除得自出租人的任何激勵)以直線法在租賃期內自損益表扣除。

### 土地使用權

土地使用權指按經營租約而支付的預付土地租賃款項,最初以成本列賬,隨後以直線法按租賃期予以確認。

當租賃支出不能可靠地劃分入土地及樓宇部分,全數租賃支出作為融資租賃計入物業、廠房設備中的土地及樓宇成本中。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

#### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2.4 主要會計政策概要(續)

#### 無形資產(商譽除外)

單獨收購的無形資產初步確認時按成本計算。於企業合併中購入的無形資產的成本為收購當日的公允值。無形資產的可使用年期可分為有限或無限。年期有限的無形資產其後於可使用經濟年期內攤銷。並當有跡象顯示無形資產可能減值時，管理層將評估其減值金額。可使用年期有限的無形資產的攤銷期間及方法，最少會於每個財政年度末檢查。

可使用年期無限的無形資產每年按個別或按視作現金產出單位進行減值測試。該無形資產不予攤銷。可使用年期無限的無形資產的可使用年期每年進行檢查，以確定是否仍然可以支持年期無限的評估。如不支持，將按未來適用法將可使用年期評估由無限改為有限的變化記錄入賬。

#### 研發成本

所有研究費用於產生時自損益表扣除。

開發新產品的項目所產生的支出僅在本集團可以證實以下情況時予以資本化和遞延：使無形資產完成並可使用或銷售在技術上可行；有完成的意向且有能力使用或出售資產；資產如何產生未來經濟效益；具備完成項目的資源；及能夠可靠地計量開發期間的支出。不符合上述標準的產品開發支出在發生時記作費用。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INTANGIBLE ASSETS (OTHER THAN GOODWILL)

(Cont'd)

##### Research and development costs (Cont'd)

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production.

Category 類別	Estimated useful life 估計可使用年期	Annual amortisation rate 每年攤銷比率
Software 軟件	10 years 十年	10%
Deferred development costs 遞延開發成本	10 years 十年	10%

The estimated residual value is zero.

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

### 2.4 主要會計政策概要(續)

#### 無形資產(商譽除外)(續)

##### 研發成本(續)

遞延開發成本乃按成本值減任何減值虧損列賬，並以直線法由有關產品開始商業生產之日起按相關產品之商業期限攤銷。

估計殘值為零。

#### 非財務資產減值

如有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、財務資產及非流動資產除外)，則會估計該項資產的可收回金額。資產的可收回金額為資產或現金產出單位的使用價值或其公允值減出售成本的較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產的現金流入則除外，於此情況下，就該項資產所屬的現金產出單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值及該項資產的特有風險的估計的稅前折現率折減至現值。減值虧損於產生期間自損益表與被減值資產功能一致的開支類別扣除。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

#### TREASURY SHARES

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a weighted-average basis
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted or pledged as to use.

### 2.4 主要會計政策概要(續)

#### 非財務資產減值(續)

於各報告期末，均會評估是否有跡象顯示過往已確認的減值虧損不再存在或可能減少。如出現該跡象，則會估計可收回金額。過往確認的資產減值虧損(商譽除外)僅於用於釐定該項資產的可收回金額所採用的估計出現變化時撥回。但回撥之數額不應高於資產於以往年度未確認減值虧損時原將確定之賬面值(扣除任何折舊/攤銷)。該項減值虧損的回撥於發生時撥入損益表。

#### 庫存股份

本公司或本集團購回及持有之自身的權益工具(庫存股份)按成本直接於權益中確認。本集團購買、出售、發行或註銷自身的權益工具所得損益並無於損益表中確認。

#### 存貨

存貨按成本及可變現淨值兩者的較低者列賬。

將產品運至現址和變成現狀的成本的會計處理方法如下：

原材料	採購成本(按加權平均法釐定)
製成品及在製品	直接材料、直接人工成本，以及根據正常運作能力按適當比例分配的製造費用比例，但不包括借貸成本

可變現淨值則按估計售價減完成及出售時產生的任何估計成本計算。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物是指手頭現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金的短期高變現能力但價值改變風險不大的投資，減按要求償還且組成本集團現金管理的不可或缺部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，包括定期存款，以及性質類似現金的資產，其用途不受限制或已抵押。

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd) PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

### RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

### 2.4 主要會計政策概要(續)

#### 撥備

倘本集團因過往事件須承擔現時的責任(法定或推定)，而承擔該責任可能導致將來資源外流，且該責任所涉及金額能夠可靠地估計時，則確認撥備。

如折現影響重大，則就撥備而確認的金額為預期清償債務所需的未來開支於報告期末的現值。因時間流逝而引致的折現現值的增加計入損益表內的財務費用。

於業務合併時確認的或然負債在起始以公允值計量。隨後，會以以下較高者計量(i)根據上述撥備指引確認的金額；(ii)起始時確認較少的金額，當合適時，按收入確認指引確認累計攤銷。

#### 關連方

倘符合下列條件，則被視為本集團的關連方：

- (a) 關連方可為下述人士或下述人士關係親切的家庭成員
  - (i) 對本集團有控制權或聯合控制權；
  - (ii) 對本集團可施加重大影響；或
  - (iii) 為本集團或其母公司的重要管理層人員的成員；

或



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### RELATED PARTIES (Cont'd)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (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;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (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); and
  - (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 parent of the Group.

#### DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### 2.4 主要會計政策概要(續)

#### 關連方(續)

- (b) 如相關實體滿足下列條件之一，則視為關連方：
- (i) 該實體與本集團屬於同一集團的成員；
  - (ii) 該實體為另一實體的聯營方或合營方（或為另一實體的母公司、附屬公司或同系附屬公司）；
  - (iii) 該實體與本集團為同一第三方的合營企業；
  - (iv) 其中一方為第三方之合營企業，而另一方為第三方之聯營公司；
  - (v) 該實體為本集團或與本集團有關實體為僱員福利設立的退休福利計劃；
  - (vi) 該實體受上述(a)項中所述人士所控制或共同控制；
  - (vii) 上述(a)(i)項中所述人士對該實體具有重大影響或為該實體（或該實體的母公司）的主要管理層人員的成員；及
  - (viii) 該實體或該實體所屬集團的任何成員公司，為本集團或本集團的母公司提供主要管理人員服務。

#### 股息

末期股息於股東週年大會獲股東批准後確認為負債。

由於本公司組織章程大綱及公司組織章程細則賦予董事宣派中期股息的權力，本公司可同時建議及宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

## 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

#### Development costs

Development costs are capitalised in accordance with the accounting policy in note 2.4 to the financial statements. Initial capitalisation of costs is based on management's judgements that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

### ESTIMATION UNCERTAINTY

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, are described below.

#### Impairment of receivables

Impairment of receivables is made based on assessment of their recoverability. The identification of impairment of receivables requires management's judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of the receivables and impairment loss/reversal of impairment in the period in which such an estimate has been changed.

## 2.5 主要會計判斷、估計及假設

管理層對本集團財務報表的編製需要作出會影響所呈報收入、支出、資產與負債之金額及各自之披露，以及或然負債之披露的判斷、估計及假設。然而，該等假設及估計之不確定性可能導致未來對受影響資產或負債之賬面值作出重大調整。

### 判斷

於應用本集團之會計政策時，管理層已作出如下判斷，對財務報表確認之金額具有最重大影響：

#### 開發成本

開發成本乃根據財務報表附註2.4內的會計政策予以資本化。成本初始資本化乃通常當一個產品開發項目達到一個界定里程碑時根據管理層對確定技術與經濟可行性作出之判斷。

### 估計不確定性

於報告期末會對日後及其他估計不確定性的主要來源作出重大假設，很大機會導致下一財政年度的資產及負債的賬面值須作出重大調整的假設討論如下。

#### 應收賬款減值

應收賬款的減值是根據其可收回性的評估而產生。應收賬款減值需管理層的判斷和估計來鑑定。當將來實際結果或預期與原先的估計不同時，在該估計發生變化的期間內，該差異將影響應收賬款及減值虧損／減值撥回的賬面價值。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd) ESTIMATION UNCERTAINTY (Cont'd)

#### Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. Management reassesses these estimates at each reporting date.

#### Impairment of non-financial assets

The Group assesses whether there are any indications of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

### 3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable segments as follows:

- (a) Manufacture and sale of intermediates and bulk medicines (the “intermediates and bulk medicines” segment)
- (b) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the “finished drugs” segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, government grants, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank, equity investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

### 2.5 主要會計判斷、估計及假設(續)

#### 估計不確定性(續)

##### 存貨的可變現淨值

存貨的可變現淨值是在日常業務過程中減去估計的銷售費用的估計售價。這些估計是基於對當前市場狀況及銷售近似性質的產品的歷史經驗。它會因顧客口味的變化或競爭對手的行動而產生顯著的改變。管理層在每個報告日重新評估該等估計。

##### 非財務資產之減值

本集團於各報告期末評估全部非財務資產是否存在任何減值跡象。其他非財務資產於出現其賬面值可能不可收回之跡象時進行減值測試。

### 3. 分類資料

為方便管理，本集團將業務單位按其產品劃分并由下列兩個可報告分類組成：

- (a) 製造及銷售中間體及原料藥(「中間體及原料藥」分類)
- (b) 製造及銷售成藥(包括抗生素製劑藥及非抗生素製劑藥)(「成藥」分類)

管理層監察經營分類之經營業績，以作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利(其為經調整除稅前溢利的計量)予以評估。經調整除稅前溢利乃貫徹以本集團的除稅前溢利計量，惟利息收入、財務費用、政府撥款、股息收入、來自本集團金融工具的公允值收益/虧損、以及總部及企業行政費用不包含於該計量。

分類資產不包括遞延稅項資產、現金及銀行存款、透過損益以公允值列賬的股權投資及其他未分配總部及企業資產，乃由於該等資產以集團為基準管理。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 3. SEGMENT INFORMATION (Cont'd)

Segment liabilities exclude interest-bearing bank loans, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### 3. 分類資料(續)

分類負債不包括計息銀行貸款、應付稅項、遞延稅項負債及其他未分配總部及企業負債，乃由於該等負債以集團為基準管理。

分類間的銷售與轉讓乃參照按當時售價向第三者出售時所用的市場價格進行。

Year ended		Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<b>31 December 2016</b>	截至二零一六年 十二月三十一日 止年度				
<b>Segment revenue:</b>	<b>分類收入：</b>				
Sales to external customers	對外銷售	<b>163,586</b>	<b>660,765</b>	-	<b>824,351</b>
Intersegment sales	分類間銷售	<b>50,028</b>	-	<b>(50,028)</b>	-
		<b>213,614</b>	<b>660,765</b>	<b>(50,028)</b>	<b>824,351</b>
<b>Segment results</b>	<b>分類業績</b>	<b>(14,489)</b>	<b>419,905</b>	-	<b>405,416</b>
<i>Reconciliation:</i>	<i>調整：</i>				
Unallocated gains	未分配收益				<b>23,598</b>
Corporate and other unallocated expenses	企業及其他未 分配支出				<b>(95,558)</b>
Finance costs	財務費用				<b>(157)</b>
Profit before tax	除稅前溢利				<b>333,299</b>

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 3. SEGMENT INFORMATION (Cont'd)

### 3. 分類資料(續)

Year ended	截至二零一五年 十二月三十一日 止年度	Intermediates and bulk medicines 中間體 及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<b>Segment revenue:</b>	<b>分類收入：</b>				
Sales to external customers	對外銷售	239,612	745,388	–	985,000
Intersegment sales	分類間銷售	95,424	–	(95,424)	–
		335,036	745,388	(95,424)	985,000
<b>Segment results</b>	<b>分類業績</b>	(37,862)	498,280	–	460,418
<i>Reconciliation:</i>	<i>調整：</i>				
Unallocated gains	未分配收益				28,549
Corporate and other unallocated expenses	企業及其他未 分配支出				(110,254)
Finance costs	財務費用				(1,524)
Profit before tax	除稅前溢利				377,189

As at 31 December 2016	於二零一六年十二月三十一日	Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<b>Segment assets:</b>	<b>分類資產：</b>	<b>368,763</b>	<b>531,042</b>	<b>899,805</b>
<i>Reconciliation:</i>	<i>調整：</i>			
Corporate and other unallocated assets	企業及其他未分配資產			986,559
Total assets	總資產			1,886,364
<b>Segment liabilities:</b>	<b>分類負債：</b>	<b>72,345</b>	<b>65,146</b>	<b>137,491</b>
<i>Reconciliation:</i>	<i>調整：</i>			
Corporate and other unallocated liabilities	企業及其他未分配負債			112,117
Total liabilities	總負債			249,608

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 3. SEGMENT INFORMATION (Cont'd)

### 3. 分類資料(續)

As at 31 December 2015	於二零一五年十二月三十一日	Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<b>Segment assets:</b>	<b>分類資產：</b>	468,460	539,964	1,008,424
<i>Reconciliation:</i>	<i>調整：</i>			
Corporate and other unallocated assets	企業及其他未分配資產			795,312
Total assets	總資產			1,803,736
<b>Segment liabilities:</b>	<b>分類負債：</b>	117,973	78,786	196,759
<i>Reconciliation:</i>	<i>調整：</i>			
Corporate and other unallocated liabilities	企業及其他未分配負債			133,101
Total liabilities	總負債			329,860

### GEOGRAPHICAL INFORMATION

### 地區分類

#### (a) Revenue from external customers

#### (a) 來自外部客戶的收入

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mainland China	中國大陸	723,982	861,111
Other countries	其他國家	100,369	123,889
		<b>824,351</b>	985,000

The revenue information above is based on the locations of the customers.

上述收入資料是根據客戶所在地釐定。

#### (b) Non-current assets

The Group's operations are substantially based in Mainland China and over 95% of the non-current assets, excluding deferred tax assets, of the Group are located in Mainland China. Therefore, no further analysis of geographical information is presented.

#### (b) 非流動資產

本集團的營運主要集中在中國大陸，本集團超過95%的非流動資產(不包括遞延稅項資產)集中在中國大陸，故非流動資產的地區資料進一步分析並未呈報。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 4. REVENUE, OTHER INCOME AND GAINS

Revenue, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gains is as follows:

### 4. 收入、其他收入及收益

收入指銷售貨品扣除退貨、貿易折扣的發票淨額。

本集團收入、其他收入及收益分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Sale of goods	銷售貨品	<b>824,351</b>	985,000
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	<b>13,185</b>	21,890
Dividend income from equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資的股息收入	<b>367</b>	159
Foreign exchange differences	匯兌差額	<b>6,966</b>	2,951
Government grants	政府撥款	<b>2,580</b>	3,689
Others	其他	<b>824</b>	2,624
		<b>23,922</b>	31,313
<b>Gains</b>	<b>收益</b>		
Gain on disposal of equity investments at fair value through profit or loss	出售透過損益以公允值列賬之股權投資的收益	<b>101</b>	168
Fair value gains, net: Equity investments at fair value through profit or loss	公允值收益，淨額： 透過損益以公允值列賬之股權投資	<b>402</b>	-
		<b>503</b>	168
		<b>24,425</b>	31,481

### 5. FINANCE COSTS

### 5. 財務費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的銀行貸款之利息	<b>157</b>	1,524

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利

本集團的除稅前溢利乃經扣除／(計入)下列各項後釐定：

			2016	2015
		Notes	二零一六年	二零一五年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Cost of inventories sold*	已售存貨成本*		<b>310,144</b>	412,153
Depreciation	折舊	13	<b>51,988</b>	53,250
Recognition of land use rights**	土地使用權確認**	14	<b>1,041</b>	1,041
Research and development costs:	研究及開發成本：			
Amortisation of intangible assets***	無形資產攤銷***	16	<b>596</b>	639
Current year expenditure	本年度支出		<b>26,132</b>	31,921
			<b>26,728</b>	32,560
Minimum lease payments under operating leases:	經營租約下之最低租金：			
Buildings	樓宇		<b>984</b>	888
Auditors' remuneration	核數師酬金		<b>1,388</b>	1,388
Employee benefit expense (including directors' and chief executive officer's remuneration (note 7)):	僱員福利開支(包括董事及總裁酬金(附註7))：			
Wages and salaries	工資及薪金		<b>64,799</b>	86,621
Equity-settled share option expense	以股權支付的購股權開支		<b>11,423</b>	8,966
Retirement benefits	退休福利		<b>7,331</b>	7,464
Accommodation benefits	住房福利		<b>3,549</b>	3,464
Other benefits	其他福利		<b>12,089</b>	12,096
			<b>99,191</b>	118,611
Foreign exchange differences, net	匯兌差額，淨額		<b>(6,966)</b>	(2,951)
Impairment of property, plant and equipment	物業、廠房、設備減值	13	<b>755</b>	-
Write-down of inventories to net realisable value	存貨撇減至可變現淨值		<b>8,087</b>	15,800
Fair value (gains)/losses, net:	公允值(收益)／虧損，淨額：			
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	4	<b>(402)</b>	594
Bank interest income	銀行利息收入	4	<b>(13,185)</b>	(21,890)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備等項目的虧損		<b>36</b>	222
Gain on disposal of equity investments at fair value through profit or loss	出售透過損益以公允值列賬之股權投資收益	4	<b>(101)</b>	(168)

\* The depreciation of RMB42,717,000 for the year is included in "Cost of inventories sold".

\*\* The recognition of land use rights for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

\*\*\* The amortisation of intangible assets for the year is included in "Other expenses" on the face of the consolidated statement of profit or loss.

\* 本年度折舊其中人民幣42,717,000元已計入「已售存貨成本」。

\*\* 年內的土地使用權確認計入綜合損益表的「行政費用」。

\*\*\* 年內的無形資產攤銷計入綜合損益表的「其他費用」。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 7. 董事及總裁酬金

根據上市規則及香港公司條例第383(1)(a), (b), (c)及(f)節及公司條例第二部(董事利益資料披露)所披露年內的董事及總裁酬金如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees	袍金	978	728
Other emoluments:	其他薪酬:		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,502	3,109
Bonus	獎金	3,757	-
Equity-settled share option expense	以股權支付的購股權開支	4,198	-
Pension scheme contributions	退休金計劃供款	65	56
		<b>11,522</b>	3,165
		<b>12,500</b>	3,893

#### (a) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

#### (a) 獨立非執行董事

本年度獨立非執行董事的袍金如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mr. Pan Xue Tian	潘學田先生	177	140
Mr. Choi Tat Ying, Jacky	蔡達英先生	177	140
Mr. Lo Tung Sing, Tony	勞同聲先生	177	140
		<b>531</b>	420

There were no other emoluments payable to the independent non-executive directors during the year (2015: Nil).

本年度並無應付獨立非執行董事的其他酬金(二零一五年:無)。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

### 7. 董事及總裁酬金(續)

#### (b) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

#### (b) 執行董事、非執行董事及總裁

		Fees	Salaries, allowances and benefits in kind	Bonus	Equity-settled share option expense	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	獎金	以股權支付的購股權開支	退休金計劃供款	酬金總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2016</b>	<b>二零一六年</b>						
Executive directors:	執行董事：						
Ms. Li Kei Ling*	李其玲女士*	41	936	-	-	20	997
Mr. Hung Yung Lai	熊融禮先生	41	576	-	-	20	637
Mr. Li Tung Ming	李東明先生	41	576	-	-	20	637
		<b>123</b>	<b>2,088</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>2,271</b>
Non-executive directors:	非執行董事：						
Mr. Leung Hong Man	梁康民先生	147	-	-	-	-	147
Mr. Ede, Ronald Hao Xi	EDE, Ronald Hao Xi 先生	177	-	-	-	-	177
		<b>324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324</b>
Chief executive officer:	總裁：						
Mr. Chen Shaojun* (appointed on 18 April 2016)	陳紹軍先生* (於二零一六年四月十八日被委任)	-	1,414	3,757	4,198	5	9,374
		<b>447</b>	<b>3,502</b>	<b>3,757</b>	<b>4,198</b>	<b>65</b>	<b>11,969</b>
<b>2015</b>	<b>二零一五年</b>						
Executive directors:	執行董事：						
Ms. Li Kei Ling* (also the Chief Executive Officer, appointed on 1 March 2015)	李其玲女士* (兼總裁，於二零一五年三月一日被委任)	39	885	-	-	18	942
Mr. Hung Yung Lai	熊融禮先生	39	545	-	-	18	602
Mr. Li Tung Ming	李東明先生	39	545	-	-	18	602
		<b>117</b>	<b>1,975</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>2,146</b>
Non-executive directors:	非執行董事：						
Mr. Leung Hong Man	梁康民先生	112	-	-	-	-	112
Mr. Ede, Ronald Hao Xi (appointed on 15 June 2015)	EDE, Ronald Hao Xi 先生 (於二零一五年六月十五日被委任)	79	-	-	-	-	79
		<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>
Chief Executive Officer:	總裁：						
Ms. Huang Dong Mei* (resigned on 1 March 2015)	黃冬梅女士* (於二零一五年三月一日辭任)	-	1,134	-	-	2	1,136
		<b>308</b>	<b>3,109</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>3,473</b>

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 7. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Cont'd)

#### (b) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER (Cont'd)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

\* Ms. Huang Dong Mei resigned as chief executive officer of the Company on 1 March 2015. Ms. Li Kei Ling then was appointed to act as the chief executive officer of the Company with effect from 1 March 2015 and resigned on 18 April 2016. Mr. Chen Shaojun was appointed to act as the chief executive officer of the Company with effect from 18 April 2016.

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included the chief executive officer and a director, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining three (2015: three) non-director and non-chief executive officer highest paid employees for the year are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Equity-settled share option expense	以股權支付的購股權開支
Pension scheme contributions	退休金計劃供款

The number of non-director and non-chief executive officer, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零至港幣 1,000,000 元
HK\$5,500,001 to HK\$6,000,000	港幣 5,500,001 元至港幣 6,000,000 元

During the year, no share options were granted to three non-director and non-chief executive officer highest paid employees in respect of their services to the Group.

### 7. 董事及總裁酬金(續)

#### (b) 執行董事、非執行董事及總裁(續)

年內概無董事放棄或同意放棄任何酬金的安排。

\* 黃冬梅女士於二零一五年三月一日辭任為本公司總裁。李其玲女士遂於二零一五年三月一日被委任為本公司總裁及於二零一六年四月十八日辭任；陳紹軍先生於二零一六年四月十八日被委任為本公司總裁。

### 8. 五位最高薪僱員

年內五位最高薪僱員包括總裁及一位董事，彼等之酬金詳情載於上文附註7。餘下三位(二零一五年：三位)非董事及非總裁最高薪僱員於年內的薪酬如下：

2016	2015
二零一六年	二零一五年
RMB'000	RMB'000
人民幣千元	人民幣千元

2,141	5,952
1,342	6,326
125	34

<b>3,608</b>	<b>12,312</b>
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酬金額介乎下列組別的非董事及非總裁最高薪僱員的人數如下：

#### Number of employees 僱員人數

2016	2015
二零一六年	二零一五年

3	2
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-	1
---	---

<b>3</b>	<b>3</b>
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年內，三名非董事及非總裁最高薪僱員並無因彼等為本集團服務而獲授予購股權。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 9. RETIREMENT BENEFITS AND ACCOMMODATION BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”), the Company, Dawnrays International Company Limited, Dawnrays Pharma (Hong Kong) Limited and Dawnrays Biotechnology Capital (Asia) Limited have participated in the MPF Scheme, a defined contribution scheme managed by an independent trustee, to provide retirement benefits to their respective Hong Kong employees. Contributions to the MPF Scheme are made in accordance with the statutory limits prescribed by the MPF Ordinance.

As stipulated by the People’s Republic of China (the “PRC”) state regulations, the Mainland China Subsidiaries participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount of the geographical area of their last employment at their retirement dates. The Mainland China Subsidiaries are required to make contributions to the local social security bureau at 20% to 22% (2015: 20% to 22%) of the previous year’s average basic salary amount of the geographical area where the employees are employed by the Mainland China Subsidiaries.

The Group has no further obligation for the payment of pension benefits beyond the annual contributions as set out above.

According to relevant rules and regulations of the PRC, the Mainland China Subsidiaries and their employees are each required to make contributions to an accommodation fund at 8% to 10% (2015: 8% to 10%) of the salaries and wages of the employees which is administered by the Public Accumulation Funds Administration Centre. There is no further obligation on the part of the Group except for such contributions to the accommodation fund.

As at 31 December 2016, the Group had no significant obligation apart from the contributions as stated above.

### 10. INCOME TAX

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

### 9. 退休福利及住房福利

遵照《強制性公積金計劃條例》(「強積金條例」)的規定，本公司、東瑞國際股份有限公司、東瑞藥業(香港)有限公司及東瑞生物投資發展(亞洲)有限公司已加入一項強積金計劃(由獨立信託人管理之定額供款計劃)，為香港僱員提供退休福利。向強積金計劃作出的供款乃按照強積金條例所訂明的規定限額為定。

據中國國家法規規定，中國大陸附屬公司須參與養老保險計劃。所有僱員於其退休日均有權享按彼等最後受聘地的平均基本薪金的固定比例計算的年度退休金。中國大陸附屬公司須向當地社會保障局供款，供款按僱員受僱於中國大陸附屬公司地區去年的平均基本薪金的20%至22%(二零一五年：20%至22%)計算。

除上述的年度供款外，本集團並無義務支付其他退休福利。

根據中國的有關規則及法規，中國大陸附屬公司及彼等僱員各自須按僱員的薪金及工資的8%至10%(二零一五年：8%至10%)向一項由公積金管理中心管理的住房基金供款。除該項向有關住房基金的供款外，本集團並無其他責任。

於二零一六年十二月三十一日，除上述供款外，本集團並無其他重大責任。

### 10. 所得稅

截至二零一六年及二零一五年十二月三十一日止年度所得稅支出的主要組成部分如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax	當期所得稅		
Current income tax charge	當期所得稅支出	61,028	70,257
Deferred income tax (note 26)	遞延稅項(附註26)	6,354	4,734
Total tax charge for the year	本年度稅項支出總額	<b>67,382</b>	74,991

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 10. INCOME TAX (Cont'd)

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations. The undertaking for the Company is for a period of 20 years from 8 October 2002. Accordingly, the Company is not subject to tax.

The subsidiary incorporated in the British Virgin Islands (the "BVI") is not subject to income tax, as this subsidiary does not have a place of business (other than a registered office only) or carry out any business in the BVI.

The Hong Kong subsidiaries are subject to tax at a statutory corporate income tax rate of 16.5% (2015: 16.5%) under the income tax rules and regulations of Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in its respective Hong Kong subsidiaries during the year (2015: Nil).

According to the PRC Enterprise Income Tax Law effective from 1 January 2008, the Mainland China Subsidiaries are all subject to income tax at the rate of 25% on their respective taxable income.

On 21 October 2008, Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical") was qualified as a High-New Technology Enterprise ("HNTE") of Jiangsu Province. As a result, Suzhou Dawnrays Pharmaceutical had been entitled to a concessionary rate of income tax at 15% for three years commencing on 1 January 2008. During the years ended 31 December 2011 and 31 December 2014, Suzhou Dawnrays Pharmaceutical renewed, for every three years, the qualification of the HNTE of Jiangsu Province. As a result, Suzhou Dawnrays Pharmaceutical was continuously entitled to a concessionary rate of income tax at 15% commencing on 1 January 2011.

All other subsidiaries in Mainland China were subject to the corporate income tax rate of 25% in 2016.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

### 10. 所得稅(續)

根據開曼群島稅務豁免法(一九九九年修訂本)第6條,本公司已獲得總督會同行政局保證:開曼群島並無法律對本公司或其業務的所得溢利、收入、收益或增值徵稅。對本公司的承諾將由二零零二年十月八日起有效二十年。因此,本公司毋須納稅。

於英屬維爾京群島註冊成立的附屬公司無須繳納所得稅,因這附屬公司於英屬維爾京群島並無營業地點(惟註冊辦事處除外)或經營任何業務。

根據香港的所得稅規則與規例,香港附屬公司須按法定企業所得稅率16.5%(二零一五年:16.5%)繳稅。由於本集團於本年度在香港的各附屬公司並無產生應課稅溢利,故並無就香港利得稅作出撥備(二零一五年:無)。

根據於二零零八年一月一日起生效的中國企業所得稅法,中國大陸附屬公司須按其各自應課稅收入的25%所得稅率繳稅。

於二零零八年十月二十一日,蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)獲取江蘇省高新技術企業(「高新技術企業」)資格。因此,蘇州東瑞製藥有權自二零零八年一月一日起的三年內享受15%的優惠所得稅率。於二零一一年十二月三十一日止年度及二零一四年十二月三十一日止年度內,蘇州東瑞製藥每三年獲得江蘇省高新技術企業的資格的續期,因此蘇州東瑞製藥自二零一一年一月一日起續可享受15%的優惠所得稅率。

中國大陸的所有其他附屬公司於二零一六年須按25%稅率繳納企業所得稅。

根據中國企業所得稅法,於中國大陸成立的外商投資企業向外商投資者宣派的股息,須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效,並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議,則可採用較低的預扣稅率。本集團的適用稅率為5%。因此,自二零零八年一月一日起,本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 10. INCOME TAX (Cont'd)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country or jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Accounting profit before income tax	除所得稅前會計溢利	<b>333,299</b>	377,189
At the PRC's statutory income tax rate of 25% (2015: 25%)	按中國法定所得稅稅率 25% (二零一五年：25%)	<b>83,325</b>	94,297
Tax effect of profits entitled to tax concession or lower tax rate enacted by local authority	可享稅項優惠溢利或當地機關實行較低稅率之稅務影響	<b>(34,499)</b>	(38,477)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司之可分配利潤之預扣稅影響	<b>13,848</b>	16,521
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅之調整	<b>(9)</b>	-
Expenses not deductible for tax	不可扣稅之開支	<b>3,120</b>	2,347
Tax credit for qualified research and development expense	符合加計扣除條件的研發費抵免所得稅	<b>(1,747)</b>	(2,216)
Tax losses not recognised	未確認稅項虧損	<b>3,378</b>	2,915
Tax losses utilised from previous periods	利用以前年度可抵扣稅項虧損	<b>(34)</b>	(396)
At the effective income tax rate of 20.22% (2015: 19.88%)	按實際所得稅稅率 20.22% (二零一五：19.88%)	<b>67,382</b>	74,991

### 10. 所得稅(續)

適用於除稅前溢利並以本公司及其大部份附屬公司註冊國家／司法權區法定稅率計算之稅項支出與以實際稅率計算之稅項支出對賬，以及適用稅率與實際稅率之對賬如下：

### 11. DIVIDENDS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interim — HK\$0.03 (2015: HK\$0.03) per ordinary share	中期股息：每普通股港幣 0.03 元 (二零一五年：港幣 0.03 元)	<b>20,735</b>	19,980
Proposed final — HK\$0.1 (2015: HK\$0.12) per ordinary share	擬派末期股息：每普通股港幣 0.1 元 (二零一五年：港幣 0.12 元)	<b>71,082</b>	80,648
		<b>91,817</b>	100,628

### 11. 股息

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

擬派發的末期股息需待本公司股東於股東週年大會通過。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 802,423,749 (2015: 804,079,978) in issue during the year.

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

### 12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利是按母公司普通股權益持有人應佔本年度溢利及年內已發行普通股股份之加權平均股數802,423,749股(二零一五年：804,079,978股)計算。

用作計算攤薄後每股盈利的普通股股份之加權平均股數是指用作計算每股基本盈利的年內已發行普通股股數，加上可能因行使或轉換具攤薄作用的普通股而假設將會無償發行的普通股之加權平均股數。

下列為用作計算每股基本盈利及攤薄後每股盈利的數據：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent	母公司普通股權益持有人應佔溢利	<b>265,917</b>	302,198
		<b>Number of shares</b> 股份數量	
		<b>2016</b> 二零一六年 <b>Thousands</b> 千位	2015 二零一五年 Thousands 千位
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	計算每股基本盈利所採用年內已發行普通股加權平均數	<b>802,424</b>	804,080
Effect of dilution — weighted average number of ordinary shares: Share options	具攤薄影響 — 加權平均普通股股數： 購股權	<b>557</b>	2,473
Weighted average number of ordinary shares adjusted for the effect of dilution	就攤薄影響作出調整後之加權平均普通股股數	<b>802,981</b>	806,553

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## 財務報表附註

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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Leasehold land	Buildings	Machinery and other equipment	Office equipment	Motor vehicles	Total
		租賃土地	樓宇	機器及其他設備	辦公室設備	汽車	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
As at 1 January 2015	於二零一五年一月一日	25,122	266,283	603,857	10,912	12,898	919,072
Additions	添置	-	-	1,025	105	-	1,130
Transferred from construction in progress (note 15)	在建工程轉撥(附註15)	-	2,586	19,563	299	-	22,448
Disposals	出售	-	-	(885)	(679)	(450)	(2,014)
Cost adjustments	調整原值	-	(6,438)	6,106	-	-	(332)
Exchange realignment	匯兌調整	1,127	181	-	57	-	1,365
<b>As at 31 December 2015 and 1 January 2016</b>	<b>於二零一五年十二月三十一日及二零一六年一月一日</b>	<b>26,249</b>	<b>262,612</b>	<b>629,666</b>	<b>10,694</b>	<b>12,448</b>	<b>941,669</b>
Additions	添置	-	43	1,517	478	553	2,591
Transferred from construction in progress (note 15)	在建工程轉撥(附註15)	-	5,683	5,105	13	6,669	17,470
Disposals	出售	-	-	(2,789)	(167)	(1,952)	(4,908)
Transfers (a)	轉移(a)	-	241	(263)	22	-	-
Exchange realignment	匯兌調整	1,944	313	-	98	-	2,355
<b>As at 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>28,193</b>	<b>268,892</b>	<b>633,236</b>	<b>11,138</b>	<b>17,718</b>	<b>959,177</b>
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及減值：</b>						
As at 1 January 2015	於二零一五年一月一日	66	65,107	210,253	7,283	10,178	292,887
Depreciation provided for the year	年內折舊撥備	31	11,821	39,964	766	668	53,250
Disposals	出售	-	-	(722)	(611)	(406)	(1,739)
Exchange realignment	匯兌調整	3	16	-	19	-	38
<b>As at 31 December 2015 and 1 January 2016</b>	<b>於二零一五年十二月三十一日及二零一六年一月一日</b>	<b>100</b>	<b>76,944</b>	<b>249,495</b>	<b>7,457</b>	<b>10,440</b>	<b>344,436</b>
Depreciation provided for the year	年內折舊撥備	33	11,755	37,911	823	1,466	51,988
Impairment for the year	年內減值	-	-	755	-	-	755
Disposals	出售	-	-	(2,510)	(150)	(1,757)	(4,417)
Transfers (a)	轉移(a)	-	21	(28)	7	-	-
Exchange realignment	匯兌調整	7	48	-	39	-	94
<b>As at 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>140</b>	<b>88,768</b>	<b>285,623</b>	<b>8,176</b>	<b>10,149</b>	<b>392,856</b>
<b>Net book value:</b>	<b>賬面淨值：</b>						
<b>As at 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>28,053</b>	<b>180,124</b>	<b>347,613</b>	<b>2,962</b>	<b>7,569</b>	<b>566,321</b>
<b>As at 31 December 2015</b>	<b>於二零一五年十二月三十一日</b>	<b>26,149</b>	<b>185,668</b>	<b>380,171</b>	<b>3,237</b>	<b>2,008</b>	<b>597,233</b>

(a) Transfers represented the reclassification between buildings, office equipment, machinery and other equipment.

(b) At 31 December 2016, certain of the Group's leasehold land and building in Hong Kong with a net carrying amount of approximately RMB31,815,000 (2015: RMB29,821,000) were mortgaged to secure a bank loan (note 24).

(a) 轉移代表樓宇、辦公室設備、機器及其他設備的重分類。

(b) 於二零一六年十二月三十一日，本集團若干香港租賃土地及樓宇淨賬面值約人民幣31,815,000元(二零一五年：人民幣29,821,000元)已抵押擔保一筆銀行貸款(附註24)。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 14. LAND USE RIGHTS

The Group's land use rights represent prepaid land lease payments under operating leases and their carrying amounts are analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日賬面值	41,216	42,257
Recognised during the year	年內確認	(1,041)	(1,041)
Carrying amount at 31 December	於十二月三十一日賬面值	40,175	41,216

### 14. 土地使用權

本集團之土地使用權指按經營租約預付之土地租賃款及其賬面值分析如下：

### 15. CONSTRUCTION IN PROGRESS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
As at 1 January	於一月一日	4,304	13,086
Additions	添置	19,420	13,666
Transferred to property, plant and equipment (note 13)	轉往物業、廠房及設備(附註13)	(17,470)	(22,448)
Disposals	出售	(478)	-
As at 31 December	於十二月三十一日	5,776	4,304

### 15. 在建工程

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 16. INTANGIBLE ASSETS

### 16. 無形資產

		2016 二零一六年			2015 二零一五年		
		Deferred development costs 遞延開發成本 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元	Deferred development costs 遞延開發成本 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
As at 1 January	於一月一日	35,226	2,312	37,538	31,581	2,301	33,882
Additions	添置	7,013	95	7,108	3,645	34	3,679
Disposals	出售	-	(1,278)	(1,278)	-	(23)	(23)
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>42,239</b>	<b>1,129</b>	<b>43,368</b>	<b>35,226</b>	<b>2,312</b>	<b>37,538</b>
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>						
As at 1 January	於一月一日	17,081	1,828	18,909	16,442	1,626	18,068
Amortisation provided for the year	年內攤銷	596	232	828	639	225	864
Disposals	出售	-	(1,278)	(1,278)	-	(23)	(23)
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>17,677</b>	<b>782</b>	<b>18,459</b>	<b>17,081</b>	<b>1,828</b>	<b>18,909</b>
<b>Net book value:</b>	<b>賬面淨值：</b>						
As at 31 December	於十二月三十一日	24,562	347	24,909	18,145	484	18,629
As at 1 January	於一月一日	18,145	484	18,629	15,139	675	15,814

### 17. INVENTORIES

### 17. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At cost or net realisable value:	以成本或可變現淨值計價：		
Raw materials	原材料	24,353	32,492
Work in progress	在製品	35,011	46,086
Finished goods	製成品	65,382	69,169
		<b>124,746</b>	<b>147,747</b>

As at 31 December 2016, the carrying amount of inventories carried at estimated selling prices less estimated costs was RMB32,912,000 (2015: RMB69,231,000).

於二零一六年十二月三十一日，以估計銷售價減估計成本的存貨賬面值為人民幣32,912,000元（二零一五年：人民幣69,231,000元）。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 18. TRADE AND NOTES RECEIVABLES

### 18. 應收貿易及票據款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	<b>111,121</b>	118,482
Impairment	減值	<b>(437)</b>	(437)
		<b>110,684</b>	118,045
Notes receivable	應收票據款項	<b>114,976</b>	164,128
		<b>225,660</b>	282,173

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months for major customers. Each customer has a credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to manage credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and notes receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, net of provisions, is as follows:

除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為三個月。每位客戶均設有信貸限額。本集團嚴謹監察其未償還應收款項，並設有信貸監控部門管理信貸風險。高級管理層更會定期檢討逾期欠款。鑒於以上所述及目前本集團的應收貿易款項涉及大量不同客戶，因此並無高度集中的信貸風險。應收貿易及票據款項不計利息。

扣除撥備後，於報告期末的應收貿易款項的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
Outstanding balances with ages:	按賬齡劃分的尚欠餘額：		
Within 90 days	90日內	<b>108,463</b>	99,219
Between 91 and 180 days	91至180日	<b>2,125</b>	12,019
Between 181 and 270 days	181至270日	<b>96</b>	6,807
		<b>110,684</b>	118,045

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 18. TRADE AND NOTES RECEIVABLES (Cont'd)

The movements in provision for impairment of trade receivables are as follows:

At 1 January and 31 December 於一月一日及十二月三十一日

The above provision for impairment of trade receivables is provided for individually impaired trade receivables with an aggregate carrying amount before provision of RMB437,000 (2015: RMB437,000). The individually impaired trade receivables relate to customers with financial difficulties. The Group does not hold any collateral or other credit enhancements over these balances.

The aging analysis of the trade receivables that are not considered to be impaired is as follows:

Neither past due nor impaired	未逾期及並無減值
Less than three months past due	逾期少於3個月
Over three months past due	逾期3個月以上

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was 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, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

### 18. 應收貿易及票據款項(續)

應收貿易款項的減值撥備變動如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January and 31 December	<b>437</b>	437

上述應收貿易款項的減值撥備乃就撥備前的賬面總值人民幣437,000元(二零一五年：人民幣437,000元)的個別已減值應收貿易款項計提。該等個別已減值應收貿易款項均與陷入財務困境之客戶有關。本集團並無就該等結餘而持有任何抵押品或採取其他信貸加強措施。

認為並無減值的應收貿易款項賬齡分析如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	<b>108,463</b>	108,936
Less than three months past due	<b>2,125</b>	5,454
Over three months past due	<b>96</b>	3,655
	<b>110,684</b>	118,045

未逾期及並無減值的應收款項乃與大量近期並無違約歷史的多名客戶有關。

逾期但並無減值的應收款項乃與多名與本集團維持良好往績記錄的獨立客戶有關。基於以往經驗，本集團董事認為毋須就該等結餘作出減值撥備，因為信貸質素並無出現重大變動，而有關結餘仍被認為可全數收回。本集團並無就該等結餘而持有任何抵押品或採取其他信貸加強措施。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 18. TRADE AND NOTES RECEIVABLES (Cont'd) FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

At 31 December 2016, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB14,262,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amounts of the trade payables and other payables settled by the Endorsed Notes during the year to which the suppliers have recourse were RMB12,821,000 and RMB1,441,000 as at 31 December 2016, respectively.

### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款
Deposits and other receivables	按金及其他應收款項
Structured deposits	結構性存款

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

### 20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity investments, at market value	上市股權投資，按市值
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The above equity investments at 31 December 2016 and 2015 were classified as held for trading and were, upon initial recognition, designated by the Group as equity investments at fair value through profit or loss.

### 18. 應收貿易及票據款項(續) 未全部終止確認之財務資產

於二零一六年十二月三十一日，於中國的銀行接納本集團背書若干面值人民幣14,262,000元之應收票據(「背書票據」)予其若干供應商，以支付結欠該等供應商之應付貿易款(「背書」)。董事認為，本集團實質上仍保留風險及回報，當中包括相關背書票據之違約風險，因此，本集團持續確認背書票據之全額賬面值及結付相關應付貿易款。背書後，本集團並無保留任何使用背書票據之任何權利，包括出售、轉讓或抵押背書票據予任何其他第三方。年內，透過背書票據支付之供應商有追索權之應付貿易款及其他應付款項於二零一六年十二月三十一日之總賬面值分別為人民幣12,821,000元和人民幣1,441,000元。

### 19. 預付款、按金及其他應收款項

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments	7,760	7,052
Deposits and other receivables	3,198	6,778
Structured deposits	210,000	—
	<b>220,958</b>	13,830

上述資產未有逾期及並無減值。上述結餘包括之財務資產與近期並無違約歷史的應收款項有關。

### 20. 透過損益以公允值列賬之股權投資

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Listed equity investments, at market value	7,794	3,683

於二零一六年及二零一五年十二月三十一日，上述股權投資分類為以交易為目的而持有的投資，在初始確認時被本集團指定為透過損益以公允值列賬的股權投資。

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## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 21. CASH AND BANK

### 21. 現金及銀行存款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and cash in banks	現金及銀行存款	129,407	64,632
Short-term deposits	短期存款	533,889	621,158
		<b>663,296</b>	685,790
Term deposit with maturity over three months	到期日超過三個月的定期存款	-	(122,500)
Bank deposit pledged for letters of credit	為信用證而已抵押之銀行存款	-	(10)
		-	(122,510)
Cash and cash equivalents	現金及現金等價物	<b>663,296</b>	563,280

As at 31 December 2016, the cash and bank balances and short-term deposits of the Group denominated in RMB amounted to RMB503,633,000 (2015: RMB442,055,000) in Mainland China. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks (including the pledged bank deposits and term deposit with maturity over three months) earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

於二零一六年十二月三十一日，本集團於中國大陸有原幣為人民幣的現金及銀行結存與短期存款總值人民幣503,633,000元（二零一五年：人民幣442,055,000元）。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制法規及結匯、售匯與付匯管理法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款（包括已抵押銀行存款及到期日超過三個月的定期存款）的利息按照活期存款的利率賺取。短期定期存款期限界乎一日至三個月不等，視乎本集團的現金需求而定，並以相應的短期定期存款利率賺取利息。銀行結餘已存入近期沒有不良拖欠、信譽良好的銀行中。現金和現金等價物的賬面值接近其公允值。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 22. TRADE AND NOTES PAYABLES

An aging analysis of the trade payables and notes payable as at the end of the reporting period is as follows:

Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日
Between 181 and 270 days	181至270日
Between 271 and 360 days	271至360日
Over one year	一年以上

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade and notes payables approximate to their fair values. The aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB12,821,000 as at 31 December 2016 (note 18).

### 23. OTHER PAYABLES AND ACCRUALS

Advances from customers	預收賬款
Accruals	預提費用
Taxes other than corporate income tax	除企業所得稅外的稅項
Payable for purchases of machinery and construction of buildings	新增機器及樓宇建築的應付款
Other payables	其他應付款

Other payables are non-interest-bearing and have an average settlement term of six months. The carrying amounts of the other payables and accruals approximate to their fair values. The aggregate carrying amount of the other payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB1,441,000 as at 31 December 2016 (note 18).

### 22. 應付貿易及票據款項

於報告期末的應付貿易及應付票據款項賬齡分析如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Outstanding balances with ages:		
Within 90 days	33,765	101,515
Between 91 and 180 days	53,238	39,290
Between 181 and 270 days	228	389
Between 271 and 360 days	3	43
Over one year	704	1,891
	<b>87,938</b>	<b>143,128</b>

應付貿易款項乃不計利息及一般按九十日除賬期繳付。應付貿易及票據款項之賬面值與其公允值相若。透過背書票據支付之供應商有追索權之應付貿易款之總賬面值於二零一六年十二月三十一日為人民幣12,821,000元(附註18)。

### 23. 其他應付款及預提費用

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Advances from customers	6,929	15,310
Accruals	41,542	34,317
Taxes other than corporate income tax	14,966	12,204
Payable for purchases of machinery and construction of buildings	6,472	10,372
Other payables	28,195	42,197
	<b>98,104</b>	<b>114,400</b>

其他應付款乃不計利息及平均六個月結算期。其他應付款及預提費用之賬面值與其公允值相若。透過背書票據支付之供應商有追索權之其他應付款之總賬面值於二零一六年十二月三十一日為人民幣1,441,000元(附註18)。

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## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 24. INTEREST-BEARING BANK LOANS

### 24. 計息銀行貸款

		2016 二零一六年			
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	Original 原幣 HK\$'000 港幣千元	Equivalent 相等於 RMB'000 人民幣千元
<b>Current</b>	<b>短期</b>				
Bank loan — secured	已抵押的銀行貸款	HIBOR*+1.50%	2017	120 <sup>(a)</sup>	108
Bank loan — secured	已抵押的銀行貸款	HIBOR*+1.75%	2017	10,000 <sup>(b)</sup>	8,996
				<b>10,120</b>	<b>9,104</b>
		2015 二零一五年			
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	Original 原幣 HK\$'000 港幣千元	Equivalent 相等於 RMB'000 人民幣千元
<b>Current</b>	<b>短期</b>				
Bank loan — secured	已抵押的銀行貸款	HIBOR*+1.50%	2016	10,563 <sup>(a)</sup>	8,847
				<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	<b>2015</b> 二零一五年 <b>RMB'000</b> 人民幣千元
				<b>9,104</b>	<b>8,847</b>
Analysed into:	分為：				
Bank loans repayable:	銀行貸款的還款期：				
Within one year or on demand	少於一年或按需求				

As at 31 December 2016, the Group had aggregate bank facilities of approximately RMB724,397,000 (as at 31 December 2015: RMB763,035,000), of which bank facilities of HK\$40,000,000 (as at 31 December 2015: HK\$18,000,000) were secured by corporate guarantees of the Company.

於二零一六年十二月三十一日，本集團的銀行信貸總額約人民幣724,397,000元（於二零一五年十二月三十一日：人民幣763,035,000元），其中港幣40,000,000元（於二零一五年十二月三十一日：港幣18,000,000元）銀行信貸額度以本公司作公司擔保。

\* Hong Kong Inter-Bank Offered Rate

\* 香港銀行同業拆息。

(a) The bank loan is secured by the mortgage of the Group's leasehold land and building in Hong Kong with a net carrying amount of approximately RMB31,815,000 (2015: RMB29,821,000) (note 13).

(a) 該筆銀行貸款由本集團以淨賬面值約人民幣31,815,000元的香港租賃土地及樓宇抵押擔保（二零一五年：人民幣29,821,000元）（附註13）。

(b) The bank loan is secured by the corporate guarantees of the Company.

(b) 該筆銀行貸款由本公司作公司擔保。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 25. GOVERNMENT GRANTS

### 25. 政府撥款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	2,683	3,475
Released to the statement of profit or loss	計入損益表	(435)	(792)
At 31 December	於十二月三十一日	2,248	2,683

### 26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

### 26. 遞延稅項

年內遞延稅項資產及負債之變動如下：

#### DEFERRED TAX ASSETS

#### 遞延稅項資產

		Provision 撥備 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	6,123
Deferred tax credited to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表抵免之遞延稅項(附註10)	3,008
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	9,131
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表抵免之遞延稅項(附註10)	(2,402)
Deferred tax assets at 31 December 2016	於二零一六年十二月三十一日之遞延稅項資產	6,729

The Group has tax losses arising in Mainland China of RMB46,066,000 (2015: RMB41,302,000) that will expire in one to five years for offsetting against future taxable profits for which no deferred tax assets have been recognised, as they have arisen in subsidiaries that have been loss-making for some time and it is uncertain that taxable profits will be available against which the tax losses can be utilised.

本集團於中國大陸錄得稅項虧損人民幣46,066,000元(二零一五年：人民幣41,302,000元)，可用作抵銷將於一至五年內到期的未來應課稅溢利，與該等虧損有關的遞延稅項資產尚未確認，因其出現於產生虧損已有一段時間的附屬公司，不確定是否會有應課稅溢利可用於抵銷該等稅項損失。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 26. DEFERRED TAX (Cont'd) DEFERRED TAX LIABILITIES

### 26. 遞延稅項(續) 遞延稅項負債

		RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	35,010
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表扣除之遞延稅項(附註10)	7,742
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	42,752
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內於綜合損益表扣除之遞延稅項(附註10)	3,952
At 31 December 2016	於二零一六年十二月三十一日	46,704

### 27. SHARE CAPITAL SHARES

### 27. 股本 股份

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Authorised:	法定：		
10,000,000,000 (2015: 10,000,000,000) ordinary shares of HK\$0.1 each	每股面值港幣0.1元的普通股 10,000,000,000股(二零一五年： 10,000,000,000股)	<b>1,000,000</b>	1,000,000
Issued and fully paid:	已發行及繳足：		
801,852,000 (2015: 804,848,000) ordinary shares of HK\$0.1 each	每股面值港幣0.1元的普通股 801,852,000股(二零一五年： 804,848,000股)	<b>80,185</b>	80,485
Equivalent to RMB'000	等值人民幣千元	<b>84,952</b>	85,206

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 27. SHARE CAPITAL (Cont'd)

#### SHARES (Cont'd)

A summary of movements in the Company's share capital is as follows:

### 27. 股本(續)

#### 股份(續)

本公司股本的變動綜合如下：

		Number of shares in issue 已發行股份數目	Issued capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份溢價 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2015	於二零一五年 一月一日	806,620,000	80,662	84,216	164,878
Shares repurchased <sup>(1)</sup>	已購回的股份 <sup>(1)</sup>	(3,852,000)	(385)	(19,344)	(19,729)
Share options exercised <sup>(2)</sup>	已行使的購股權 <sup>(2)</sup>	2,080,000	208	10,352	10,560
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年 一月一日	804,848,000	80,485	75,224	155,709
Shares repurchased <sup>(1)</sup>	已購回的股份 <sup>(1)</sup>	(3,536,000)	(354)	(21,756)	(22,110)
Share options exercised <sup>(2)</sup>	已行使的購股權 <sup>(2)</sup>	540,000	54	2,460	2,514
At 31 December 2016	於二零一六年 十二月三十一日	801,852,000	80,185	55,928	136,113

(1) The Company repurchased 3,536,000 of its ordinary shares on the Hong Kong Stock Exchange for a total consideration of HK\$18,302,000 before expenses. The repurchased shares were cancelled during the year. The nominal value of the cancelled shares of HK\$354,000 was transferred to the capital redemption reserve and the premium on repurchase, and the related costs incurred for share repurchase, HK\$18,021,000 in total, were charged against the share premium account of the Company.

(2) During the year of 2016, 540,000 share options under the Company's share option scheme were exercised. Accordingly, 540,000 ordinary shares of HK\$0.1 each were issued as a result of the exercise of share options.

Details of the Company's share option scheme are included in note 29 to the financial statements.

(1) 本公司在聯交所購回3,536,000股本公司普通股份，未計費用之總代價為港幣18,302,000元，購回的股份於年內註銷。與註銷股份面值相等之數額港幣354,000元已撥往資本購回儲備，而股份購回所付之溢價及相關費用共港幣18,021,000元已記入本公司之股份溢價賬。

(2) 2016年內，540,000股根據本公司購股權計劃之購股權已獲行使。因此，540,000股每股面值港幣0.1元之普通股已因該等購股權獲行使而發行。

有關本公司購股權計劃之詳細內容，載列於財務報表附註29。

### 28. TREASURY SHARES

The Company repurchased 820,000 of its ordinary shares on the Hong Kong Stock Exchange for a total consideration of HK\$3,801,000 before expenses in December 2016. The repurchased shares were subsequently cancelled on 26 January 2017. The nominal value of those shares of HK\$82,000 was transferred to the capital redemption reserve and the premium on repurchase, and the related costs incurred for share repurchase, HK\$3,734,000 in total, were charged against the share premium account of the Company.

### 29. SHARE OPTION SCHEME

The Company adopted a share option scheme in 2003 (the “2003 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons (including the Company’s directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the 2003 Share Option Scheme) who contribute to the success of the Group’s operations. The 2003 Share Option Scheme became effective on 21 June 2003 and remained in force for 10 years from that date until 20 June 2013.

The maximum number of shares issuable under share options to each eligible person in the 2003 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

A new share option scheme, which was approved by the shareholders at the annual general meeting on 24 May 2013, became effective on 21 June 2013 (the “2013 Share Option Scheme”, together with the 2003 Share Option Scheme, the “Scheme”) and will remain in force for 10 years until 20 June 2023. The principal terms of the 2013 Share Option Scheme are similar to the 2003 Share Option Scheme.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

### 28. 庫存股份

二零一六年十二月，本公司在聯交所購回820,000股本公司普通股份，未計費用之總代價為港幣3,801,000元，購回的股份其後於2017年1月26日註銷。與註銷股份面值相等之數額港幣82,000元已撥往資本購回儲備，而股份購回所付之溢價及相關費用共港幣3,734,000元已記入本公司之股份溢價賬。

### 29. 購股權計劃

本公司於二零零三年採納的購股權計劃（「二零零三購股權計劃」），旨在為對本集團業務成就作出貢獻的合資格人士（包括本公司董事、獨立非執行董事、本集團員工及於二零零三購股權計劃界定的其他合資格參與者）提供鼓勵及獎勵。二零零三購股權計劃於二零零三年六月二十一日生效並於該日起計十年內持續有效至二零一三年六月二十日。

在任何12個月期間內授予二零零三購股權計劃的每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限。凡進一步授出超逾此限額的購股權，須在股東大會上獲股東批准。

新購股權計劃（於二零一三年五月二十四日股東週年大會上獲股東批准）於二零一三年六月二十一日起生效（「二零一三購股權計劃」，與二零零三購股權計劃統稱「該計劃」）並持續十年有效至二零二三年六月二十日。二零一三購股權計劃之主要條款與二零零三購股權計劃相類似。

授予本公司董事、總裁或主要股東或彼等任何關聯方購股權須事先取得獨立非執行董事批准。此外，如於任何12個月期間授予本公司主要股東或獨立非執行董事或彼等任何關聯方的任何購股權超逾本公司於任何時間的已發行股份的0.1%，或有關購股權的總值（根據本公司股份於購股權授出日期的價格計算）超逾5,000,000港元，則須事先在股東大會上取得股東批准。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 29. SHARE OPTION SCHEME (Cont'd)

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 by each grantee with no other consideration being payable by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed 10 years from the date of grant.

The exercise price of share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer, provided that the exercise price shall not be less than the nominal value of the ordinary shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行權價 HK\$	購股權數目 '000	加權平均 行權價 HK\$	購股權數目 '000
		港元 per share 每股		港元 per share 每股	
At 1 January	於一月一日	5.826	19,164	5.365	12,704
Granted during the year	年內已授出	6.068	3,000	6.078	16,400
Exercised during the year	年內已行使	3.504	(540)	3.784	(2,080)
Lapsed during the year	年內已失效	6.340	(300)	6.148	(7,860)
At 31 December	於十二月三十一日	5.911	21,324	5.826	19,164

The weighted average share price at the date of exercise for share options exercised during the year was HK\$5.6133 (2015: HK\$6.8332).

### 29. 購股權計劃(續)

授予購股權的建議應於建議日期起計21日內獲接納，承授人接納購股權時無須支付其他代價，惟須支付10港元的象徵式代價。由董事會在授出購股權之日或其後所釐定的日期起至董事會在授出購股權時釐定的日期的營業時間結束時止，可隨時（無論如何不得超過由授出日期起計十年）根據該計劃的條款行使購股權。

購股權的行權價由董事釐定，惟不得低於以下各項的較高者：(i)本公司股份於授出購股權當日在聯交所所報的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所所報的平均收市價，惟行權價不得少於本公司普通股的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

以下為該計劃於年內未行使的購股權：

年內，於購股權行使日的加權平均股價為港幣5.6133元(二零一五年：港幣6.8332元)。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 29. SHARE OPTION SCHEME (Cont'd)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2016

二零一六年

Number of options 購股權數目 '000	Exercise price* 行權價* HK\$ 港元 per share 每股	Exercise period 行使期間
1,324	3.130	25-03-2012 to 至 24-03-2017
1,000	6.440	17-09-2015 to 至 16-09-2020
5,900	5.150	08-01-2016 to 至 07-01-2021
3,000	5.270	18-03-2016 to 至 17-03-2021
6,000	7.340	16-04-2016 to 至 15-04-2021
1,400	6.380	23-11-2016 to 至 22-11-2021
1,500	6.340	11-05-2017 to 至 10-05-2022
1,200	5.660	08-09-2017 to 至 07-09-2022
<b>21,324</b>		

2015

二零一五年

Number of options 購股權數目 '000	Exercise price* 行權價* HK\$ 港元 per share 每股	Exercise period 行使期間
1,764	3.130	25-03-2012 to 至 24-03-2017
1,000	6.440	17-09-2015 to 至 16-09-2020
6,000	5.150	08-01-2016 to 至 07-01-2021
3,000	5.270	18-03-2016 to 至 17-03-2021
6,000	7.340	16-04-2016 to 至 15-04-2021
1,400	6.380	23-11-2016 to 至 22-11-2021
<b>19,164</b>		

\* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

\* 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行權價須予以調整。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 29. SHARE OPTION SCHEME (Cont'd)

The fair value of equity-settled share options granted was estimated as at the date of grant, using the Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. This value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model:

Date of grant	授出日期	25/3/2011	17/9/2014	8/1/2015	18/3/2015	16/4/2015	23/11/2015	11/5/2016	8/9/2016
Dividend yield (%)	股息率(%)	1.97	0.97	1.21	1.18	0.85	1.04	1.06	1.30
Expected volatility (%)	預期波幅(%)	40	42	43	43	43	43	43	43
Historical volatility (%)	過往波幅(%)	40	42	43	43	43	43	43	43
Risk-free interest rate (%)	無風險折現率(%)	1.970	1.584	1.365	1.290	1.065	1.183	0.969	0.694
Expected life of option (year)	購股權預計年期(年)	6	6	6	6	6	6	6	6
Fair value at the date of grant(HK\$)	於授出日期的公允值(港幣)	0.98	2.45	1.92	1.97	2.82	2.42	2.34	2.03

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

The 540,000 share options exercised during the year resulted in the issue of 540,000 ordinary shares of the Company and new share capital of HK\$54,000 and share premium of HK\$1,838,160 as further detailed in note 27 to the financial statements.

As at 31 December 2016, the Company had 21,324,000 share options outstanding under the Scheme, which represented approximately 2.66% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 21,324,000 additional ordinary shares of the Company, additional share capital of HK\$2,132,400 and share premium of HK\$123,920,720 (before share issue expenses).

### 29. 購股權計劃(續)

授予以股本結算的購股權的公允值乃於授予購股權當日以柏力克－舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值：

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的因素列入公允值的計算當中。

年內，行使的540,000份購股權引致本公司發行540,000股普通股份、增加新股本54,000港元及股份溢價1,838,160港元，詳情載於財務報表附註27。

於二零一六年十二月三十一日，本公司根據該計劃擁有21,324,000份購股權尚未獲行使，相當於當日本公司已發行股份約2.66%。根據本公司現時的資本架構，悉數行使餘下購股權將引致本公司發行21,324,000股額外普通股，增加2,132,400港元的股本以及股份溢價123,920,720港元(未計股份發行開支)。

### 30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 59 to 60 of the financial statements.

#### (i) Contributed surplus

The contributed surplus of the Group represents the difference between the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation as set out in note 1, and the nominal value of the Company's shares issued in exchange therefor.

#### (ii) Statutory surplus reserve (the "SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, each of the Mainland China Subsidiaries is required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until this reserve reaches 50% of its registered capital. Part of the SSR may be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

#### (iii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

### 30. 儲備

本集團儲備於本年度及過往年度的金額及變動已載於財務報表第59頁至60頁的綜合權益變動表內。

#### (i) 繳入盈餘

本集團的繳入盈餘指根據附註1所載的集團重組所收購附屬公司當時的綜合資產淨值與本公司為換取有關資產而發行的本公司股份面值的差額。

#### (ii) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到其註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

#### (iii) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外國附屬公司的財務報表所產生的匯兌差額。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 31. FINANCIAL INSTRUMENTS BY CATEGORY

### 31. 按類別劃分之金融工具

Financial assets 財務資產		2016 二零一六年			2015 二零一五年		
		Equity investments at fair value through profit or loss 透過損益以公允值列賬之股權投資 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元	Equity investments at fair value through profit or loss 透過損益以公允值列賬之股權投資 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and notes receivables	應收貿易及票據款項	-	225,660	225,660	-	282,173	282,173
Financial assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款之財務資產	-	213,198	213,198	-	6,778	6,778
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	7,794	-	7,794	3,683	-	3,683
Cash and bank	現金及銀行存款	-	663,296	663,296	-	685,790	685,790
		<b>7,794</b>	<b>1,102,154</b>	<b>1,109,948</b>	<b>3,683</b>	<b>974,741</b>	<b>978,424</b>

Financial liabilities 財務負債		2016 二零一六年		2015 二零一五年	
		Financial liabilities at amortised cost 按攤銷成本計量之財務負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計量之財務負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計量之財務負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計量之財務負債 RMB'000 人民幣千元
Trade and notes payables	應付貿易及票據款項		<b>87,938</b>		143,128
Financial liabilities included in other payables and accruals	計入其他應付款及預提費用之財務負債		<b>49,633</b>		64,773
Interest-bearing bank loans	計息銀行貸款		<b>9,104</b>		8,847
			<b>146,675</b>		216,748

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 32. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 31 December 2016:

Equity investments at fair value through profit or loss	透過損益以公允價值列賬之股權投資
---	------------------

During the year ended 31 December 2016, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The carrying amounts of cash and bank, trade and notes receivables, trade and notes payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and interest-bearing bank loans approximate to their fair values.

### 32. 金融工具之公允價值層級

下表列明本集團金融工具的公允價值計量層級：

於二零一六年十二月三十一日按公允價值計量的資產：

Fair value measurement using  
使用以下各項進行公允價值計量

Quoted prices in active markets (Level 1) 於活躍市場的報價 第一級 RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察輸入值 第二級 RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察輸入值 第三級 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
7,794	-	-	7,794

截至二零一六年十二月三十一日止年度，第一級與第二級間並無公允價值計量轉移，亦無轉入或移出第三級。

現金及銀行存款、應收賬款及應收票據、應付賬款及應付票據、計入預付款，按金及其他應收款之財務資產、計入其他應付款及預提費用之財務負債，以及計息銀行貸款的賬面值與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

Currently, the PRC government imposes control over foreign currencies. RMB, the official currency in the PRC, is not freely convertible. Enterprises operating in Mainland China can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. Payments for imported materials or services and remittance of earnings outside of Mainland China are subject to the availability of foreign currencies which depends on the foreign currency denominated earnings of the enterprises, or must be arranged through the People's Bank of China or other authorised financial institutions. Approval for exchanges at the People's Bank of China or other authorised financial institutions is granted to enterprises in the PRC for valid reasons such as purchases of imported materials and remittance of earnings. While conversion of RMB to the Hong Kong dollar or other foreign currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be effected at all times.

The Group does not have any significant investment outside of Mainland China. However, the Group has transactional currency exposures. These exposures arise from sales of the Group's subsidiaries denominated in currencies other than the subsidiaries' functional currencies. Approximately 12.18% of the Group's sales for the year ended 31 December 2016 (2015: 12.58%) were denominated in currencies other than the functional currencies of the subsidiaries. Upon receipt of currencies other than the functional currency, the subsidiaries sell them to the banks immediately.

### 33. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團金融工具所涉及的主要風險為外匯風險、信貸風險及流動資金風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

#### 外匯風險

外匯風險即金融工具的公允值或未來現金流量將因匯率變動產生波動的風險。本集團承擔的匯率變動風險主要與本集團業務（倘收益或開支以不同於本集團功能貨幣的貨幣計價）及本集團於外國附屬公司的淨投資有關。

目前，中國政府仍實施外匯管制。中國官方貨幣人民幣不可自由兌換。於中國大陸經營之企業可透過中國人民銀行或其他認可金融機構從事外匯交易。支付進口原料或服務之貨價及將盈利匯出中國大陸境外地區均受外幣供應數額限制，並依賴企業以外幣計值之盈利，或必須透過中國人民銀行或其他認可金融機構作出安排。於中國經營之企業在具充分理據下，如需購入進口原料及匯出盈利，可獲批准於中國人民銀行或其他認可金融機構進行兌換。雖然人民幣兌換港元或其他外幣一般可在中國人民銀行或其他認可金融機構進行，但無法保證於任何時間均能進行。

本集團於中國大陸以外並無任何重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自以本集團的中國大陸附屬公司以其功能貨幣以外之貨幣進行之銷售。截至二零一六年十二月三十一日止年度，本集團約12.18%之銷售（二零一五年：12.58%）乃以本集團的中國大陸附屬公司的功能貨幣以外之貨幣計值。於收到功能貨幣以外之貨幣後，本集團的中國大陸附屬公司會即時將該等貨幣售予銀行以兌換為功能貨幣。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### FOREIGN CURRENCY RISK (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		Change in foreign currency rate 外幣匯率變動	Increase/ (decrease) in profit before tax 對除稅前溢利之 增加/(減少) RMB'000 人民幣千元
<b>2016</b>	<b>二零一六年</b>		
If RMB strengthens against the United States dollar	倘人民幣兌美元升值	+5%	(5,289)
If RMB weakens against the United States dollar	倘人民幣兌美元貶值	-5%	5,289
<b>2015</b>	<b>二零一五年</b>		
If RMB strengthens against the United States dollar	倘人民幣兌美元升值	+5%	(6,461)
If RMB weakens against the United States dollar	倘人民幣兌美元貶值	-5%	6,461

#### CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables and balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and short-term deposits, other receivables and equity investments at fair value through profit or loss, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

### 33. 金融風險管理目標及對策(續)

#### 外匯風險(續)

下表列示在所有其他可變因素維持不變之情況下，本集團的除稅前溢利對外幣匯率出現合理可能變動的敏感度(由於貨幣資產及負債的公允值變動)。

#### 信貸風險

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收款項及結餘的情況，而本集團的壞賬風險並不重大。

就有關本集團其他財務資產的信貸風險，其中包括現金及短期存款、其他應收款項及透過損益以公允價值列賬之股權投資，本集團因對方違約所產生的信貸風險，上限相等於該等工具的賬面值。

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### CREDIT RISK (Cont'd)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the financial statements.

#### LIQUIDITY RISK

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		2016 二零一六年					
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求	少於三個月	三至少於十二個月	一至五年	五年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank loans	計息銀行貸款	-	9,104	-	-	-	9,104
Trade and notes payables	應付貿易及票據款項	9,631	66,939	11,368	-	-	87,938
Other payables	其他應付款	49,633	-	-	-	-	49,633
		<b>59,264</b>	<b>76,043</b>	<b>11,368</b>	-	-	<b>146,675</b>

		2015 二零一五年					
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求	少於三個月	三至少於十二個月	一至五年	五年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank loans	計息銀行貸款	-	-	8,847	-	-	8,847
Trade and notes payables	應付貿易及票據款項	12,552	74,510	56,066	-	-	143,128
Other payables	其他應付款	64,773	-	-	-	-	64,773
		<b>77,325</b>	<b>74,510</b>	<b>64,913</b>	-	-	<b>216,748</b>

### 33. 金融風險管理目標及對策(續)

#### 信貸風險(續)

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶／交易對手管理，因此本集團內並無任何重大集中信貸風險。

有關本集團因應收貿易賬款所產生信貸風險的進一步定量資料乃披露於財務報表附註18。

#### 流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及財務資產(如應收貿易賬款)的到期日以及來自經營業務的預期現金流量。

於報告期末本集團根據合約未貼現付款計算的財務負債之到期日簡述如下：

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## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The net debt includes trade and notes payables, other payables and accruals, interest-bearing bank loans, less cash and bank. Capital represents equity attributable to the owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

Trade and notes payables	應付貿易及票據款項
Other payables and accruals	其他應付款及預提費用
Interest-bearing bank loans	計息銀行貸款
Less: Cash and bank	減：現金及銀行存款
Net debt	淨負債
Equity attributable to owners of the parent	母公司擁有人應佔權益
Capital and net debt	資本及淨負債
Gearing ratio	資本負債比率

### 33. 金融風險管理目標及對策(續)

#### 資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及提升股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度內，有關資本管理的目標、政策及過程並無作出任何變動。

本集團採用資本負債比率監察其資本情況，而資本負債比率乃淨負債除以總資本加淨負債之總和計算。淨負債包括應付貿易及票據款項、其他應付款、預提費用、計息銀行貸款，並扣除現金及銀行存款。資本包括母公司擁有人應佔權益。於報告期末之資本負債比率如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	<b>87,938</b>	143,128
	<b>98,104</b>	114,400
	<b>9,104</b>	8,847
	<b>(663,296)</b>	(685,790)
	<b>(468,150)</b>	(419,415)
	<b>1,636,756</b>	1,473,876
	<b>1,168,606</b>	1,054,461
	<b>(40)%</b>	(40)%

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 34. COMMITMENTS

#### (a) OPERATING LEASE COMMITMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At 31 December 2016, the Group had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	624	1,041
After one year but within five years	一年後至不多於五年	335	1,366
		<b>959</b>	<b>2,407</b>

#### (b) CAPITAL COMMITMENTS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted, but not provided for: Plant and machinery	已訂約，但未作撥備： 廠房及機器	<b>3,060</b>	7,776

### 34. 承擔

#### (a) 經營租賃承擔

本集團根據經營租賃安排承租若干辦公物業。物業租賃的商定期限介乎一至五年之間。

於二零一六年十二月三十一日，本集團及本公司根據不可撤銷經營租約於日後未來應付最低租賃款項總額如下：

#### (b) 資本承擔

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 35. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Employee share option benefits	員工購股權福利
Pension scheme contributions	退休金計劃供款
Total compensation paid to key management personnel	主要管理人員酬金總額

Further details of the directors' and the chief executive officer's emoluments are included in note 7 to the financial statements.

### 36. EVENTS AFTER THE REPORTING PERIOD

In December 2016, Dawnrays Biotechnology and 中山康方生物醫藥有限公司(Akeso Biopharma Inc.) ("Akeso") entered into a joint venture agreement, for the purpose of, amongst other things, establishing a joint venture company, 康融東方(廣東)醫藥有限公司(AD Pharmaceuticals Co., Ltd. ("AD Pharmaceuticals")), and regulating the funding and management arrangements with respect to AD Pharmaceuticals and the respective rights and obligations of Dawnrays Biotechnology and Akeso. Dawnrays Biotechnology proposed to invest RMB150,000,000 to hold 35% share interests in AD Pharmaceuticals. AD Pharmaceuticals is to be engaged, including but not limited to, in the research and development of products and technologies in relation to biochemistry fields; the production and sale of related products. On 22 February 2017, AD Pharmaceuticals was officially established and obtained the business license.

### 35. 關連方交易

本集團主要管理人員酬金：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	<b>8,237</b>	3,836
	<b>4,198</b>	–
	<b>65</b>	58
	<b>12,500</b>	3,894

董事及總裁酬金詳情載於財務報表附註7。

### 36. 報告期後的事項

於二零一六年十二月，東瑞生物與中山康方生物醫藥有限公司(「中山康方」)訂立合資經營合同，以便(其中包括)成立合營公司—康融東方(廣東)醫藥有限公司(「康融東方」)及規管康融東方的資金與管理安排及東瑞生物和中山康方各自的權利與責任。東瑞生物擬投資人民幣150,000,000元以持有康融東方35%之股份權益。康融東方主要從事包括但不限於生物化學相關領域的產品及技術的研究和開發；從事相關產品的生產和銷售。於二零一七年二月二十二日，康融東方正式成立並取得營業執照。



# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 37. 本公司財務狀況表

於報告期末本公司的財務狀況表資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Interests in subsidiaries	於附屬公司的權益	<b>327,701</b>	308,500
Total non-current assets	非流動資產總額	<b>327,701</b>	308,500
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	<b>237</b>	241
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	<b>7,794</b>	3,683
Cash and bank	現金及銀行存款	<b>5,083</b>	6,467
Total current assets	流動資產總額	<b>13,114</b>	10,391
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款及預提費用	<b>2,310</b>	408
Total current liabilities	流動負債總額	<b>2,310</b>	408
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>	<b>10,804</b>	9,983
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>	<b>338,505</b>	318,483
<b>Net assets</b>	<b>淨資產</b>	<b>338,505</b>	318,483
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>		
Issued capital	已發行股份	<b>84,952</b>	85,206
Treasury shares	庫存股份	<b>(74)</b>	-
Reserves	儲備	<b>253,627</b>	233,277
<b>Total equity</b>	<b>權益總額</b>	<b>338,505</b>	318,483

# Notes to Financial Statements

## 財務報表附註

31 December 2016 於二零一六年十二月三十一日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note:

A summary of the Company's reserves is as follows:

		Share premium account	Contributed surplus	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total
		股份溢價	繳入盈餘	購股權儲備	資本贖回儲備	匯兌波動儲備	保留溢利	擬派末期股息	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	84,050	100,175	6,540	2,715	(81,328)	52,480	54,697	219,329
Profit for the year	本年度溢利	-	-	-	-	-	78,718	-	78,718
Other comprehensive income for the year:	本年度其他全面收益：								
Exchange differences	匯兌差額	-	-	-	-	10,347	-	-	10,347
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	10,347	78,718	-	89,065
Exercise of share options	行使購股權	8,354	-	(2,172)	-	-	-	-	6,182
Final 2014 dividend declared	宣派二零一四年末期股息	-	-	-	-	-	-	(54,697)	(54,697)
Dividend on shares issued for employee share options exercised after 31 December 2014	二零一四年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	(45)	-	(45)
Share repurchased	已購回股份	(15,543)	-	-	310	-	(310)	-	(15,543)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	8,966	-	-	-	-	8,966
Interim 2015 dividend	二零一五年中期股息	-	-	-	-	-	(19,980)	-	(19,980)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	76,861	100,175	13,334	3,025	(70,981)	110,863	-	233,277
Profit for the year	本年度溢利	-	-	-	-	-	111,592	-	111,592
Other comprehensive income for the year:	本年度其他全面收益：								
Exchange differences	匯兌差額	-	-	-	-	15,840	-	-	15,840
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	15,840	111,592	-	127,432
Exercise of share options	行使購股權	2,122	-	(537)	-	-	-	-	1,585
Final 2015 dividend declared	宣派二零一五年末期股息	-	-	-	-	-	(80,648)	-	(80,648)
Dividend on shares issued for employee share options exercised after 31 December 2015	二零一五年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	(5)	-	(5)
Share repurchased and cancelled	已購回的股份及註銷	(15,349)	-	-	301	-	(301)	-	(15,349)
Share repurchased and subsequently cancelled	購回公司股份及隨後註銷	(3,353)	-	-	74	-	(74)	-	(3,353)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	11,423	-	-	-	-	11,423
Interim 2016 dividend	二零一六年中期股息	-	-	-	-	-	(20,735)	-	(20,735)
At 31 December 2016	於二零一六年十二月三十一日	60,281	100,175	24,220	3,400	(55,141)	120,692	-	253,627

The contributed surplus of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation referred to in note 30(i), over the nominal value of the Company's shares issued in exchange therefor.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 March 2017.

### 37. 本公司財務狀況表(續)

附註：

本公司之儲備總結如下：

		Share premium account	Contributed surplus	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total
		股份溢價	繳入盈餘	購股權儲備	資本贖回儲備	匯兌波動儲備	保留溢利	擬派末期股息	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	84,050	100,175	6,540	2,715	(81,328)	52,480	54,697	219,329
Profit for the year	本年度溢利	-	-	-	-	-	78,718	-	78,718
Other comprehensive income for the year:	本年度其他全面收益：								
Exchange differences	匯兌差額	-	-	-	-	10,347	-	-	10,347
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	10,347	78,718	-	89,065
Exercise of share options	行使購股權	8,354	-	(2,172)	-	-	-	-	6,182
Final 2014 dividend declared	宣派二零一四年末期股息	-	-	-	-	-	-	(54,697)	(54,697)
Dividend on shares issued for employee share options exercised after 31 December 2014	二零一四年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	(45)	-	(45)
Share repurchased	已購回股份	(15,543)	-	-	310	-	(310)	-	(15,543)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	8,966	-	-	-	-	8,966
Interim 2015 dividend	二零一五年中期股息	-	-	-	-	-	(19,980)	-	(19,980)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	76,861	100,175	13,334	3,025	(70,981)	110,863	-	233,277
Profit for the year	本年度溢利	-	-	-	-	-	111,592	-	111,592
Other comprehensive income for the year:	本年度其他全面收益：								
Exchange differences	匯兌差額	-	-	-	-	15,840	-	-	15,840
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	15,840	111,592	-	127,432
Exercise of share options	行使購股權	2,122	-	(537)	-	-	-	-	1,585
Final 2015 dividend declared	宣派二零一五年末期股息	-	-	-	-	-	(80,648)	-	(80,648)
Dividend on shares issued for employee share options exercised after 31 December 2015	二零一五年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	(5)	-	(5)
Share repurchased and cancelled	已購回的股份及註銷	(15,349)	-	-	301	-	(301)	-	(15,349)
Share repurchased and subsequently cancelled	購回公司股份及隨後註銷	(3,353)	-	-	74	-	(74)	-	(3,353)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	11,423	-	-	-	-	11,423
Interim 2016 dividend	二零一六年中期股息	-	-	-	-	-	(20,735)	-	(20,735)
At 31 December 2016	於二零一六年十二月三十一日	60,281	100,175	24,220	3,400	(55,141)	120,692	-	253,627

本公司的繳入盈餘如附註30(i)所述指根據集團重組所收購附屬公司當時的綜合資產淨值超過本公司為換取有關資產而發行的本公司股份面值的部份。

購股權儲備包括已授出但尚未行使購股權的公允值，其進一步資料載於財務報表附註2.4以股份支付款項的會計政策內。當有關購股權獲行使時，其數額將轉至已發行股本賬及股份溢價賬，或當有關購股權到期或被取消時，其數額將轉至保留溢利。

### 38. 財務報表的批准

財務報表已於二零一七年三月二十四日獲董事會批准及授權發行。

## Five Year Financial Summary 五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

以下為本集團於過去五個財政年度之業績、資產及負債概要，此乃摘錄自己公佈經審核財務報表。

RESULTS	業績	Year ended 31 December 截至十二月三十一日止年度				
		2016	2015	2014	2013	2012
		二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元	二零一四年 RMB'000 人民幣千元	二零一三年 RMB'000 人民幣千元	二零一二年 RMB'000 人民幣千元
Revenue	收入	<b>824,351</b>	985,000	783,803	914,973	856,539
Cost of sales	銷售成本	<b>(312,872)</b>	(415,612)	(323,884)	(511,725)	(532,144)
Gross profit	毛利	<b>511,479</b>	569,388	459,919	403,248	324,395
Other income and gains	其他收入及收益	<b>24,425</b>	31,481	18,728	17,197	14,374
Selling and distribution expenses	銷售及分銷費用	<b>(98,895)</b>	(94,471)	(99,412)	(112,749)	(104,711)
Administrative expenses	行政費用	<b>(64,625)</b>	(74,940)	(61,009)	(61,609)	(53,070)
Other expenses	其他費用	<b>(38,928)</b>	(52,745)	(56,529)	(53,521)	(32,522)
Finance costs	財務費用	<b>(157)</b>	(1,524)	(2,804)	(3,600)	(3,825)
PROFIT BEFORE TAX	除稅前溢利	<b>333,299</b>	377,189	258,893	188,966	144,641
Income tax expense	所得稅	<b>(67,382)</b>	(74,991)	(53,748)	(35,867)	(30,135)
PROFIT FOR THE YEAR	本年度溢利	<b>265,917</b>	302,198	205,145	153,099	114,506
Attributable to: Owners of the parent	以下各項應佔： 母公司擁有人	<b>265,917</b>	302,198	205,145	153,099	114,506
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
<b>TOTAL ASSETS</b>	<b>總資產</b>	<b>1,886,364</b>	1,803,736	1,693,400	1,721,148	1,569,643
<b>TOTAL LIABILITIES</b>	<b>總負債</b>	<b>(249,608)</b>	(329,860)	(445,120)	(629,411)	(587,531)
<b>NET ASSETS</b>	<b>淨資產</b>	<b>1,636,756</b>	1,473,876	1,248,280	1,091,737	982,112

### CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Monday, 22 May 2017 to Thursday, 25 May 2017, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2017 AGM. In order to be eligible to attend and vote at the 2017 AGM, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Friday, 19 May 2017 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (ii) from Thursday, 1 June 2017 to Friday, 2 June 2017, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged for registration not later than 4:30 p.m. on Wednesday, 31 May 2017 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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

### ANNUAL GENERAL MEETING

The 2017 AGM will be held on Thursday, 25 May 2017. Details of the 2017 AGM are set out in the notice of AGM with constitutes part of the circular to Shareholders sent together with this annual report.

### 暫停辦理股份過戶登記

本公司將於下列時段暫停辦理股份過戶登記手續：

- (i) 由二零一七年五月二十二日(星期一)至二零一七年五月二十五日(星期四)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定有權出席二零一七年股東週年大會並於會上投票之股東身份。為確保符合資格出席二零一七年股東週年大會並於會上投票之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零一七年五月十九日(星期五)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心22樓。
- (ii) 由二零一七年六月一日(星期四)至二零一七年六月二日(星期五)(包括首尾兩天)，暫停辦理股份過戶登記手續，以釐定享有建議派發末期股息的股東身份。為確保享有收取建議派發末期股息之權利，所有本公司的股份轉讓連同有關股票及股票轉讓書，須於二零一七年五月三十一日(星期三)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心22樓。

於上述分段(i)及(ii)的時段期間內，將不會辦理股份過戶登記手續。

### 股東週年大會

二零一七年股東週年大會將於二零一七年五月二十五日(星期四)舉行。二零一七年股東週年大會通告的詳情已載於發給股東通函內，該通函連同本年報一併寄發給股東。

# Information for Shareholders

## 股東資料

### FINANCIAL CALENDAR

2016 AGM	20 May 2016
Announcement of 2016 interim results	26 August 2016
Announcement of 2016 annual results	24 March 2017
2017 AGM	25 May 2017

### DIVIDENDS

2016 Interim dividend	HK\$0.03 per share
Payment date for 2016 interim dividend	28 September 2016
Proposed 2016 final dividend	HK\$0.1 per share
Ex-dividend date for 2016 final dividend	29 May 2017
Book closing dates for 2016 final dividend	1 June 2017–2 June 2017
Payment date for proposed 2016 final dividend	on or about 13 June 2017

### 財務日誌

二零一六年股東週年大會	二零一六年五月二十日
公佈二零一六年中期業績	二零一六年八月二十六日
公佈二零一六年全年業績	二零一七年三月二十四日
二零一七年股東週年大會	二零一七年五月二十五日

### 股息

二零一六年中期股息	每股港幣0.03元
二零一六年中期股息派付日期	二零一六年九月二十八日
建議派發二零一六年末期股息	每股港幣0.1元
二零一六年末期股息除息日期	二零一七年五月二十九日
二零一六年末期股息截止過戶日期	二零一七年六月一日至六月二日
建議派發之二零一六年末期股息派付日期	二零一七年六月十三日或前後

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong  
香港灣仔軒尼詩道338號北海中心30樓3001-02室  
22 Tianling Road, Wuzhong Economic Development District, Suzhou, Jiangsu, PRC.  
中國江蘇省蘇州市吳中經濟開發區天靈路22號

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